S. HRG. –

NOMINATION OF HON. MICHAEL JOHANNS, TO BE SECRETARY OF THE U.S. DEPARTMENT OF AGRICULTURE

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

JANUARY 6, 2005

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NOMINATION OF HON. MICHAEL JOHANNS, TO BE SECRETARY OF THE U.S. DEPARTMENT OF AGRICULTURE

THURSDAY, JANUARY 6, 2005,

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY,
Washington, DC.

The committee met, pursuant to notice, at 10:07 a.m., in room SD–106, Dirksen Senate Office Building, Hon. Saxby Chambliss, [Chairman of the Committee], presiding.

Present or submitting a statement: Senators Chambliss, Cochran, Roberts, Talent, Thomas, Coleman, Crapo, Harkin, Leahy, Conrad, Baucus, Lincoln, Stabenow, Nelson, Dayton and Salazar.

Also present or submitting a statement: Senator Hagel.

STATEMENT OF HON. THAD COCHRAN, A U.S. SENATOR FROM MISSISSIPPI

Senator COCHRAN. The meeting of the Agriculture Committee will please come to order. We are pleased this morning to be able to welcome the President's choice for Secretary of Agriculture, Michael Johanns of the State of Nebraska. We are also pleased that this is the first meeting of this new Congress of the Senate Agriculture Committee, and we will soon have new leadership approved formally by the Senate. My good friend from Georgia, Senator Saxby Chambliss, will assume the chairmanship of this committee, if that is approved by the full Senate. We have legal steps in the process before we can actually claim that that is a done deed, but it certainly is inevitable, in my opinion, and we are fortunate to be able to look forward to the leadership of the Senator from Georgia as Chairman of this Committee.

It has been a great pleasure serving the last 2 years as chairman of this distinguished committee. The members are talented, dedicated, and we have a record we can be proud of, as we look back over the last 2 years, the Healthy Forests Initiative stands out, the reauthorization of the nutrition programs. We can look back at our oversight responsibilities, the Commodity Futures Trading Commission, other agencies of the Government that this committee has jurisdiction over with a great deal of pride.

I, also, am impressed with the leadership that not only the White House but the Department of Agriculture has provided on some very key issues, food safety among them, and many others. The well-being of America's farmers is also a very important area for comment. We have seen some of the best returns on investments

in agriculture in the history of the country over the last 2 years. Our food exports have surged to new heights in many areas, and these are successes that I hope we can build upon as we begin this new 4–year term under the leadership of President Bush and with a new Secretary of Agriculture, whom I am confident will be confirmed by the Senate, without prejudging the issue. That is the subject of this hearing today.

I have been privileged to meet our Secretary designate, to talk with him and to know of his record, and it is a pleasure to welcome him this morning.

I am not going to continue to serve as Chairman, even of this hearing. I am going to turn over, as is our custom here in this committee, that honor and privilege to the new Chairman, the Chairman-designate, Saxby Chambliss.

Without further ado, Mr. Chairman, I present you with the gavel and wish you well.

[Applause.]

STATEMENT OF HON. SAXBY CHAMBLISS, A U.S. SENATOR FROM GEORGIA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The CHAIRMAN. Well, thank you, Mr. Chairman. I have participated in a lot of athletic events in my life and some big games or what were big games for me back then, and I have that same feeling in my stomach this morning as I approach this chair. I also am very humbled by the fact that my colleagues have given me this opportunity, but I am more humbled by the fact that I have the opportunity to replace a gentleman who is revered in agricultural circles far and wide.

I had the privilege of practicing law in my hometown, which is a very agricultural area of my State, for 26 years, and during that time I practiced an awful lot of agricultural law. During that period of time I came to know the name "Thad Cochran." He was such a strong advocate for rural America not just farmers, but for everybody who lives in rural America. Once I got elected to the House, he is one of the first people that I wanted to get to know and I got to know him very well.

He has been to my State every year that I have been out campaigning, and he is still revered in my part of the State, and it has just been a pleasure to have the opportunity to be associated with him both within the agriculture circles, as well as outside the agricultural circles. He has provided strong leadership for this committee, and he is going to continue to be a strong voice for agriculture in his position as Chairman of the Senate Appropriations Committee.

Thad, to you, I say thank you on behalf of all farmers all across America for the great service you provided to agriculture.

Senator COCHRAN. Thank you.

[Applause.]

The CHAIRMAN. I would say, also, that I have had the pleasure of knowing Tom Harkin for a number of years. Tom and I got to know each other during our farm bill debates and some visits that I have made to Iowa. Tom Harkin, also, has been a strong advocate for rural America and for farmers, not just in Iowa, but all across

America. I really look forward to working more closely with Tom than ever before. Tom, we have had a good relationship, and we are going to have an even stronger relationship for the benefit of all farmers.

We are going to start off this morning, as the first order of business of this committee, to consider the confirmation of the President's nominee for Secretary of Agriculture. We have here for the hearing this morning Governor Mike Johanns, of the great State of Nebraska. He is accompanied by two of our good friends here—one which is a member of our committee, and both are two personal friends of mine, Senator Chuck Hagel and Senator Ben Nelson.

I will turn to Senator Hagel, first, for comments that he would like to make.

[The prepared statement of Chairman Chambliss can be found in the appendix on page 58.]

STATEMENT OF HON. CHUCK HAGEL, A U.S. SENATOR FROM NEBRASKA

Senator HAGEL. Mr. Chairman, thank you. First, congratulations on your new responsibilities and your new assignment. You have some very weak members on your side, I note, but assuming that you are able to overcome that deficit, I know that you will do quite well, and I look forward to exchanging agriculture tips during our Intelligence Committee meeting. Congratulations, and we are very pleased that you have agreed to accept this big responsibility.

Senator BAUCUS. I appreciate your inference that only one side is weak.

[Laughter.]

Senator HAGEL. Senator Baucus, with all due respect, I am not finished.

[Laughter.]

Senator BAUCUS. I will have subsequent remarks as well.

[Laughter.]

Senator HAGEL. I will be gone.

To Chairman Cochran, thank you for your leadership over these years. You have, as Chairman Chambliss has noted, been a very important part of American agriculture, and your leadership, as the Chairman noted, has not only been highly regarded and respected, but appreciated. All of us from farm States, who are much dependent on agriculture, very much appreciate what you have done, as well as the former Chairman of the House Agriculture Committee, who sits to your left, now-Senator Roberts, for his years of service.

Mr. Chairman, I have a prepared statement, which I would ask that it be inserted into the record.

The CHAIRMAN. Without objection.

Senator HAGEL. Thank you.

I am here this morning with my friend and colleague, Senator Nelson, who you have already introduced, to perform not only an important task, but a very personal task for me, and that is to help acquaint this committee with our Governor and a very dear friend of mine, Mike Johanns. The President has chosen wisely, in my opinion, in selecting Governor Johanns for this job. Members of this committee recognize more, and better, and deeper than most

what is ahead for American agriculture these next 4 years. The Farm bill is going to have to be rewritten, trade issues, exports, conservation programs, we probably are looking at more drought issues, natural disaster issues, so much that is included in the portfolio of the Secretary of Agriculture.

As the President has chosen Mike Johanns, Mike Johanns has agreed to step into this job at an important time that will require, I believe, more than just qualifications. It will require a personal commitment to what these tasks and challenges are. I do not know of an individual who today, in America, and that is a rather inclusive, and broad and bold statement, is better qualified to do this job than Mike Johanns not just because of his background, his education, what he has done in his life, but his personal commitment. This is a man who was born on a farm. Agriculture has been part of the very fiber of his existence throughout his life.

As Governor of Nebraska, he led and headed many of the Governors' Association, Midwest Governors' Association, Republican Governors' Association, export efforts, trade efforts, always moving forward, always branching American, Nebraska agriculture out into new value-added dynamics. It is the opinion of this Senator that that is the future of American agriculture not more subsidies. In fact, if we are to continue to build on the great strength and productivity of American agriculture, then it is going to require, I believe, some rather creative leadership and thinking and bold leadership as well. No one is better equipped than Mike Johanns to be able to accomplish that.

I would conclude, Mr. Chairman, with this point. Most, I suspect, know that Mike Johanns, if approved by this committee and confirmed by the U.S. Senate, would be the fourth Nebraskan to hold this assignment as Secretary of Agriculture. We have been, over the years, very proud of Clayton Yeutter, the most recent Nebraskan to hold this job, Clifford Hardin, and a man that is now part of our history and our legacy and also presides in the Hall of Statues, J. Sterling Morton, who was the first Secretary of Agriculture from Nebraska. I do not know if we will build a statue to Johanns, depending on how well he does, but he has a great legacy to follow in the three Nebraskans, who have previously held this job.

With that, Mr. Chairman, I would conclude by saying that we are very proud of this man. Certainly, Tom Harkin can claim a part of him. One might say that Johanns was shaped and molded maybe even more in Iowa than he was Nebraska, but, nonetheless, this is a man of the heartland. This is a man who is ready to do this job, and we are proud of him. We will enthusiastically support him and work closely with him.

Mr. Chairman, thank you.

[The prepared statement of Senator Hagel can be found in the appendix on page 61.]

The CHAIRMAN. Senator Nelson.

STATEMENT OF HON. E. BENJAMIN NELSON, A U.S. SENATOR FROM NEBRASKA

Senator NELSON. Thank you, Mr. Chairman.

First, I want to congratulate you on your new chairmanship and to say to Senator Harkin, as the ranking member of the Personnel

Subcommittee of Armed Services, I worked with Senator Chambliss, who was the Chairman. I will miss him in that role, but will look forward to working here with him, but you will find him to be a very good partner in the efforts of this committee. Congratulations, Mr. Chairman.

I want to thank my colleague and good friend, Senator Hagel, for joining me here and certainly would second all of his comments about Governor Mike Johanns.

I would also like to thank the committee and Chairman Cochran for recognizing the importance of moving this committee nomination process forward quickly, recognizing the importance of having a Secretary of Agriculture as soon as possible, and I thank you for this hearing.

The United States is blessed with an abundance of natural resources and cutting-edge technology that leads the world in agriculture. We all agree that the richest resource of American agriculture is its people, the farm and ranch families whose efforts drive the productivity of our agriculture industry for food, fiber, and fuel. American agriculture encompasses agribusiness firms responsible for processing, delivering and selling food and other products to consumers, domestic and abroad. It involves institutions of higher learning, people who provide credit, sell farm implements, manufacture new products and provide nutrition information. It also includes scientists who contribute to greater yields with less environmental impact. These people, and so many others, support an economic system that is without doubt the envy of the world.

It is critical to understand the diversity of American agriculture and how its influence will be important to our daily lives, whether we work or whether we do not work in agriculture, whether we live or do not live on a farm, and that is why I support the nomination of Nebraska Governor Mike Johanns to lead this agency that is responsible for the safety of meat, poultry and egg products, for opening new markets and reopening those currently closed to U.S. agriculture products, for providing food aid to those who have the need, for protecting the soil, water and wildlife and for administering food nutrition programs.

Today, I emphasize Governor Johanns' qualifications to lead the Department at a very important time for U.S. agriculture. Nebraska is a world-class leader in producing a high-quality, abundant and affordable food supply. I would not be doing my job if I did not say that today.

Nebraska leads the State in total red meat production, it is the Nation's leading livestock-slaughtering State and ranks No. 1 in great northern and light red kidney bean production. Our diversity is further illustrated by top five rankings in alfalfa, hay production, cash receipts from corn, grain, sorghum and livestock, through its land, and farms, and ranches, and soybean, winter wheat and pork production. Nearly 8 million acres of Nebraska's field crops benefit from irrigation through approximately 24,000 miles of streams and rivers, reservoirs and aquifers. In recent years, the importance of maintaining water quality and quantity in times of severe drought conditions has added to the complexity of agriculture production. Mike Johanns has governed in these times of great uncertainty and

is well aware of the continuing needs to deal with these most difficult times.

Governor Johanns presents to the committee a list of qualifications that will be of considerable benefit not only to Nebraska and the Midwest, but throughout the Nation, which is important to the other States or members of this committee and the other Members of Congress, who are not members of this committee, but are members of the American society. He is an experienced leader and a strong advocate, with solid common-sense solutions to the difficult questions that are presented to him. We have talked about the need for a bipartisan approach in this important job, and I know he agrees how important that will be.

I look forward to continuing to work with Governor Johanns, as Secretary of Agriculture, to improve drought monitoring and forecasting, to advance renewable fuels initiatives, increasing the use of ethanol and biodiesel in our transportation fuels, just to name a few. In addition, the opportunity to create new and innovative rural development programs and reverse the trend of out migration from the smallest communities has never been more important. Today's nominee not only has the leadership experience, but he also has the experience of having worked to develop such programs.

Finally, with farm bill reauthorizing effort already mentioned, I look to the Governor as the new Secretary and his skills in generating bipartisan coalitions to enact comprehensive legislation which furthers the goals of consumer safety and confidence in our nation's food supply without compromising the ability of our producers to compete freely and fairly in the global marketplace.

I was pleased to learn of the administration's selection of Mike Johanns as Secretary of Agriculture. I have said repeatedly, and believe thoroughly, the person who will administer the Farm bill and bill for the future of agriculture in America should be somebody with Midwestern agricultural experience. Governor Johanns has that kind of experience and that perspective and, in my opinion, will serve the administration and the country very well.

Thank you, Mr. Chairman. It is a pleasure to be here. Thank you for this time.

The CHAIRMAN. Thank you very much, Senator Hagel and Senator Nelson.

Governor Johanns, I will tell you, you could not have two more respected members to bring with you to introduce you this morning. We thank both of you all for being here. We know your schedules are busy. If you have to leave at this time, we understand.

I want to take a minute, before we get started, to recognize some new members to the committee. A couple of them are not new to the Senate. Senator Craig Thomas, from Wyoming, is joining the Senate Agriculture Committee. Craig, we are certainly glad to have you with us. Senator Rick Santorum, of Pennsylvania, also, will be joining the committee this year on our side.

On the Democratic side, Senator Ken Salazar, from the State of Colorado, who is a new member to the Senate, a member that we truly look forward to working with on this committee. Ken and I have already had an informal conversation about agriculture. Ken, we are very pleased that you are joining us and look forward to working with you.

I want to make sure that all of the new members know, too, that a great tradition around the Senate, as well as during my days in the House, I was sure that every member of the Agriculture Committee had plenty of good Georgia peanuts. I will not argue with my friends from Texas or Oklahoma or North Carolina or Virginia or other peanut-growing areas about which state has the best. All I will say is that ours are always gone first.

[Laughter.]

The CHAIRMAN. They give you plenty of energy, too. There will be plenty of those available during the course of all of our hearings.

Governor Johanns, we want to welcome you here and thank you for your willingness to continue to provide public service to the people of America. I congratulate you on being the President's choice to lead the Department of Agriculture for the next 4 years, and I appreciate your continuing commitment to public service. In my opinion, you are extraordinarily well-prepared for this new challenge. You grew up on a dairy farm in Iowa. You have served two terms as mayor of Lincoln, Nebraska. You are now in your second term as Governor of that State. You have certainly shown outstanding leadership during your tenure as Governor of Nebraska and it will serve you well in managing the diverse and important activities of the Department of Agriculture.

As leader of a major agricultural State, the Governor is obviously familiar with the issues that are important to farmers and ranchers. He has been a leader in the Western Governors' Association on drought issues and has led five trade missions to expand overseas markets for American agricultural products. He has also been a leader on many of the other issues that are critical to the very diverse mission of the U.S. Department of Agriculture. He has been a strong voice for rural economic development. He is a past chairman of the Governors' Ethanol Coalition and knows the potential of value-added agriculture. He serves as chairman of the Governors' Biotechnology Partnership and has fostered electronic, government and technology applications in his State.

Governor, I know my colleagues are looking forward to hearing your thoughts on their specific issues, but before we begin with your statement and questions, I would like to ask my good friend, the distinguished ranking Democratic member of the committee, if he has any opening remarks.

Senator Harkin.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA

Senator HARKIN. Mr. Chairman, thank you very much, and I would have some opening remarks, but before I do that, I just wanted to publicly thank Senator Thad Cochran for his great leadership of this committee over the last couple of years and to thank you, Thad, for always being so open in working with the minority side over here. I can honestly say that at no time, during your tenure as chairman and my tenure as ranking member, at no time was anything ever done that we did not discuss that you did not always tell me that we were going to do. We always had an open policy, and I just want you to know how much we appreciate that

on this side. I also want to thank you for your great leadership in getting the nutrition reauthorization bill through.

To those who say that all we do is bicker and fight around here in a partisan manner, I would point to this committee, in which that is rarely the case, if ever. The example of that is the nutrition reauthorization bill, which was gotten through under the chairmanship of Senator Cochran, which was the legislation that ensures that the people of America have a food supply in which they can rest assured is good, that our kids have adequate nutrition in early childhood. Our school lunch, our school breakfast programs, our after-school feeding programs, our elderly feeding programs all come under that nutrition bill. To the extent that we have the lowest rate of hunger anywhere in the world, there are pockets here and there, but still we do a great job in this country of making sure that our kids are well fed in this country. That nutrition bill really was a great bill that we got through, and I want to thank Thad Cochran for your great leadership on getting that through in a very bipartisan manner, getting it through the House and getting it to President Bush for his signature.

As you leave the chairmanship of this committee, I know you are taking over the chairmanship of the Appropriations Committee—I also serve on that committee, too, so I look forward to working with you on that—and since you will be holding all the purse strings, if there are any other accolades I can give you or any other nice things I can say about you, please have your staff get them to me, and I will say them right away.

[Laughter.]

Senator HARKIN. I really do thank you, Thad. It has been great working with you.

I also want to publicly thank Secretary Veneman for her tenure as Secretary of Agriculture. Again, I would say the same thing about her I just said about Senator Cochran. During her 4 years, we had an open policy. We met periodically. Not once did she not return my phone calls, always and, likewise, I would return hers. We always had a very open and frank discussion of the problems that confronted agriculture or what was coming before our committee. I trust, with Governor Johanns, that we will continue to have that same kind of open policy with you as Secretary. I want to publicly thank Secretary Veneman for her great leadership in the Department of Agriculture, for helping us get through the 2002 Farm bill and getting that signed by President Bush, a remarkable piece of legislation, which you were very instrumental in helping get through, too, also, Chairman Chambliss.

To Chairman Chambliss, again, congratulations on taking over this great committee. I did a little historical look here, and it seems to me that you are the second Georgian to chair this committee, of course, the first being Herman Talmadge, from 1971 to 1980.

There was another great Georgian, however, speaking of nutrition, who was not a member of this committee, but through his leadership was instrumental in establishing the whole school lunch program in our schools, and that was Richard Russell, from Georgia, who is the father of the national school lunch program.

However, there are little tidbits of history. There was one Senator from Mississippi, Thad, by the name of James George, who

served as chairman of this committee, but he was born in Georgia. See, it is a little like Governor Johanns. He was born in Iowa, see, but he is from Nebraska, but we claim him, and I am sure that we might then say that you are the third Georgian now who chairs this committee.

Chairman Chambliss, you and I have worked together in the past, as you indicated, especially on the 2002 Farm bill. We both have served on the Agriculture Committee. This makes my thirtieth year, unbroken year, on Agriculture—20 in the Senate and 10 before that in the House. I look forward to working with you.

What can I say about the peanuts? I can say that, well, for a long time we had North Carolina peanuts, when Jesse Helms was chairman. I am sure the Georgia peanuts will hold up well to the North Carolina peanuts. Are there any North Carolinians on this committee now? Georgia peanuts will be a lot better than the North Carolina peanuts.

[Laughter.]

Senator HARKIN. We welcome the new members of the committee on both sides. I thank you all for all of the work that members on both sides did on the 2002 Farm bill when I was privileged to chair this committee at that point in time.

Again, to you Governor Johanns, I look forward to working with you and congratulate you on your nomination as Secretary of Agriculture. Good leadership at the Department of Agriculture means a great deal in my State of Iowa. It is critical to our economy. We treasure our way of life in Iowa in our small towns and communities. I happen to live in a town of 150 people, Cumming, Iowa. I may be one of the few people who actually lives in the house in which he was born. I was born in a house not a hospital, and I still live in that house in a town of 150 people. We value greatly our traditions and our way of life. We depend on making sure that agriculture is healthy.

The day-to-day responsibilities that you will assume as Secretary of Agriculture touch the lives of everyone in my hometown of Cumming. They touch the lives of every farmer and every farm family in Iowa, Nebraska and all over this country, but they also touch the lives of people all around the world. This, I believe, is one of the most significant positions in our Government, and it is one of the most unheralded. I believe Secretary of Agriculture is one of the most vital positions in our Government.

Of course, Governor Johanns got a good start in life, as has been noted, by being born and raised on a dairy farm in Iowa. I guess you might say that he has a good grip on things in agriculture.

[Laughter.]

Senator HARKIN. As the Governor of our neighboring State of Nebraska, he has added to his knowledge of food, and agriculture and rural issues.

Again, I look forward to working with you, Governor, in your new capacity.

One of your major responsibilities is carrying out the Farm bill. I believe we passed a good bipartisan bill in 2002. President Bush praised it, especially the conservation sections of it, signed it into law and, for the most part it has been working. We stayed within the budget in writing that legislation, but since then the budgets

and appropriations bills have taken some of that funding away. In fiscal 2005 alone, over $1.2 billion was cut from programs, such as conservation, rural economic development, research and renewable energy.

On top of that, the administration insisted that disaster assistance could only be obtained by drawing funds out of the Farm bill. This bleeding of funds from the Farm bill is damaging and shortsighted. I also think that key farm bill initiatives are suffering from delayed or misguided implementation. It seems as if the regulations for the Conservation Security Program were intentionally written to drive farmers and ranchers away, through stingy payments and overly burdensome regulations.

The new initiative to bring investment capital to rural communities has been largely nullified by unworkable rules. Funds that were dedicated in the Farm bill to rural broadband access lie idle. Money that we put there lie idle because of excessively tightfisted lending policies. These implementation problems can, and should be, solved shortly. It is encouraging to me that you, Governor, understand the importance of developing markets for value-added products, from pork and beef to farm-based renewable energy and bio-based products. Adding values to commodities holds real promise for boosting farm income, and jobs and economic growth in rural America.

As we spoke about, we wrote a provision in the Farm bill requiring that all Federal departments and agencies must give a preference to bio-based products wherever feasible. That means the Department of Energy, the Department of Defense, the Department of Homeland Security, all of them, must give a preference to bio-based products. That could create a huge potential market. Unfortunately, the USDA's rules to establish this requirement are now 2 years overdue. We cannot delay this any further.

We also face unprecedented challenges in protecting the safety and security of our Nation's food supply, including from intentional acts that we did not even contemplate when we wrote the Farm bill. Besides the meat and poultry inspection, we have a crucial role in fighting plant and animal diseases, such as soybean rust, which is now threatening our country, foot and mouth disease, protecting humans from things like BSE or mad cow disease, avian influenza.

To do this job, the USDA needs state-of-the-art facilities, which is why we must provide the necessary funds to complete the renovation of the National Animal Disease Laboratory in Ames.

Last, we have a history of bipartisan cooperation, as I said, in this committee in support of domestic and international food and nutrition assistance. It is helpful that this committee understands the farm-food connection and help those who need help with food. Again, I mentioned earlier, where Senator Lugar, and Senator Cochran and those of us worked to strengthen the Federal Food Assistance and Child Nutrition Programs. Again, I hope, Governor, that you will continue the strong support for national eligibility standards, national eligibility standards and benefit levels that are national in these programs.

In trade, we have, for years, taken for granted that our Nation's ag trade would be a surplus. For 2005, USDA projects that, for the

first time since 1959, our agriculture trade surplus will disappear. Clearly, we have a lot of work to do to reopen our beef markets in other countries, and we look forward to working with you on that.

Again, I welcome you, Governor, to the committee. I congratulate you on this appointment. I look forward to the hearing today, but also to basically working with you in the coming months and years. Just in case I do not get back—I have to leave to go to another hearing for Ms. Spellings on Education—but just as an addendum to what I was saying, Governor, I mentioned to you the other day, we have one of the worst calamities that ever hit our planet in the Tsunami that hit Southeast Asia, Southern Asia. Our country, our President, is rushing forward with funds to help in any way we can. One of the things that we have in abundance in this country is we have food. We have great food. We have food that can help feed people all over that region that need it and are going to need it not just now, but they are going to need it in the weeks and the months ahead as they get back on their feet.

I am hopeful in the supplemental appropriations bill that the President will send up that will be mostly military—I understand that—I hope and trust that there will be a large component in there for Public 480, Title II aid, which is the grants in food. We have the food. We know how to deliver it. They need it. It ought to be a big part of our supplemental appropriations bill when it comes up, and I hope, Governor, that you can take the lead, as Secretary, in promoting that within the Councils of Government.

Governor JOHANNS. Thank you, Senator.

Senator HARKIN. Thank you. Thank you very much, Mr. Chairman, for indulging me with this time.

[The prepared statement of Senator Harkin can be found in the appendix on page 59.]

The CHAIRMAN. Thank you very much, Senator.

I know Senator Roberts has a couple of comments that he wants to make, but before I turn the microphone over to him, when I was elected to the House 10 years ago, the chairman of the House Agriculture Committee was Pat Roberts. It was a great pleasure to have the opportunity to work with him. He is now my chairman on the Senate Intelligence Committee. We used to be able to talk about what we did in the Agriculture Committee, and now we just have to walk by each other and smile since we cannot talk about what goes on in the Intelligence Committee. After Pat left the House to come to this body, he was succeeded by another gentleman, whom I happen to note is in the audience today, and another great friend of agriculture and one of the major architects of the 2002 Farm bill, former Congressman Larry Combest. Larry, we are very pleased to have you with us today.

At this time, I will recognize Senator Roberts.

STATEMENT OF HON. PAT ROBERTS, A U.S. SENATOR FROM KANSAS

Senator ROBERTS. Mr. Chairman, I understand that it is not regular order for those of us in the ranks to make opening statements and that we are to stand at parade rest, which I am now doing.

I just want to take this opportunity to thank Thad Cochran for his outstanding leadership. I do associate myself with the remarks

of the distinguished new Chairman, and our ranking member and former chairman in regards to Thad's leadership. Many are called, but few are chosen. Thad was not only the chairman of this committee and handled it in his usual true Southern gentleman style, but also was our banker, being the previous chairman of the Subcommittee on Agriculture Appropriations. It is a very rare combination. Whatever we have been able to do on behalf of agriculture not only Mississippi, Kansas, Iowa or Georgia or nationwide, it has been due, at least in some large part, due to the efforts of Thad Cochran.

I really do not know how I am going to explain to Ted Stevens why I am no longer going to carry his bags, wash his windows, press his ties or shine his shoes. Your shoes will be ready tomorrow morning, sir——

[Laughter.][continuing.]

It was 7:30 for Stevens. I do not know what time you want, but that is what we will do.

To Senator Chambliss I want to say my deepest and best wishes. I could not be more proud of you being our new Chairman. The only thing I would point out is that Kansas is the fastest-growing cotton State in America and that the complaint on Georgia peanuts to the Ethics Committee, of which I am a member, by several other States, we have taken care of that. You do not have to worry about that.

Mr. Chairman, if you count Saxby Chambliss, there are now six chairmen or former chairmen of the House or the Senate Ag Committees serving on this panel—Senator Chambliss, Senator Cochran, Senator Lugar, Senator Harkin, Senator Leahy and some fellow named Roberts. That is remarkable, and it shows exactly what Senator Harkin was pointing out—the bipartisan nature of this committee and that, in fact, we are all privileged to serve Agriculture. I have a glowing statement for Governor Johanns, but I will save that for the questioning.

I thank you, sir, for recognizing me, and I thank my colleagues for their indulgence in regards to my remarks.

The CHAIRMAN. Thank you, sir.

Any other member who wishes to enter a statement in the record, we will be happy to insert it.

At this time, Governor Johanns, we will turn to you for any opening statement you wish to make.

STATEMENT OF HON. MICHAEL OWEN JOHANNS, OF NEBRASKA, TO BE SECRETARY OF AGRICULTURE

Governor JOHANNS. Thank you very much.

Mr. Chairman and distinguished members of the Committee, I am both honored and humbled by the President's nomination and the confidence that he expressed in my ability to serve as Secretary of Agriculture. The U.S. Constitution vests in the Senate a critical role in this process, so I am here today to answer your questions, in hopes that I might also earn your confidence and to assist you in fulfilling your constitutional role.

I would like to mention that I am joined today and would like to acknowledge my partner, and I might add my biggest supporter, my wife Stephanie.

I will share with you, in a simple and straightforward manner, who I am and why I am so eager to champion the cause of agriculture. I will be brief, and I will ask that my full statement be submitted.

I did grow up in Mitchell County, Iowa, the son of dairy farmers—John and Adeline Johanns. I woke with the sun to do chores, and we would often finish after dark. At a very young age, I learned discipline, and I learned commitment to purpose. I developed a deep respect for the land and a work ethic that helps to define who I am as a person. I will always be a farmer's son with an intense passion for agriculture.

You will not have a difficult time finding evidence of that passion throughout my time in public service. I currently serve as Governor of a State in which agriculture is a very key economic driver. Nebraska is the largest beef processing State in the United States and the fourth largest exporter of agricultural products in the United States. I have had every reason to remain very closely connected to my roots and the lessons that I learned so long ago.

For example, every farm kid quickly learns the importance of productivity. Having worked long hours on the farm, I imagined, at that time, that we were turning out as many bushels of corn per acre as was humanly possible. Today, productivity has increased so dramatically that producers harvest crops that we only could have dreamed of back then.

Technology has revolutionized farming and biotechnology could open the door to a more productive future. As chairman of the Governors Biotechnology Partnership, I have actively encouraged the exploration of biotech opportunities.

In Nebraska, we have invested a great deal in agriculture. We enacted a Value-Added Agriculture Initiative, provided production credits for ethanol, and I have led eight delegations of Nebraska agriculture leaders on trade missions all over the world.

Growing up, I also learned a very simple lesson about Mother Nature. It does not matter how high the export demand is if there is not enough rain to get your crops out of the field. In the mid 1960's, it did not rain in Mitchell County, and my family lost an entire crop. This experience, combined with the knowledge I have gained from serving as Governor during a very severe period of drought, has driven my aggressive work to better prepare for and respond to drought.

As co-lead Governor on drought for the Western Governors' Association, I advocated for an integrated drought monitoring system. By establishing an early warning system, we could better forecast drought cycles, thereby allowing for better preparation. I have highlighted policies that I have supported in hopes that they provide some insight into my vision.

I have said little about the principles upon which I base my decisions. You have a right to that information, also. As old-fashioned as it might sound, I do believe strongly that public service is a higher calling. It is appropriate for you to consider both my policies and my principles before deciding whether I am worthy to serve as a member of the President's Cabinet.

What I offer you is not profound. It is as basic as my upbringing.

I believe strongly that citizens should have access to governmental leaders. I maintain an open-door policy as Governor, just as I did as mayor and county commissioner. You might find Nebraskans who have disagreed with my decisions, but they have always been given the opportunity to discuss an issue with me, whether we do or do not see eye-to-eye.

I believe Government, be it local, State or Federal, must fiercely guard against the notion that all the good ideas are conceived inside Government offices. That is why I visited all 93 counties in Nebraska, many times, actually, to have direct, face-to-face contact with constituents I serve. Now, I appreciate that our Nation is much larger than our State, and yet the same reality holds true regarding the exceptional wisdom often imparted by the citizens that we serve.

I believe personal integrity is critical. The answers I provide might not please everyone, but they will be honest, and they will be straightforward. I have worked with contentious issues, and I have stood up for what I believe in.

I believe that when a spirit of cooperation prevails, hope can be found in seemingly the most hopeless situations. If confirmed, I am eager to work with this committee and the full Congress to establish a similar atmosphere in which we can tackle the challenges and seize the opportunities before us to achieve new agriculture milestones as a Nation.

I believe that those in leadership positions must not only manage the issues of the day, but also look to the future and do so with courage.

Our country has been very blessed with many courageous leaders, and I believe that the future holds great promise for a strong, vibrant rural America. I am in awe of the farmers and ranchers in Nebraska whose resilience has been nothing short of remarkable as they face their fifth year of drought. You would be hard-pressed to put a challenge before them that they were unwilling to accept. It is important for those whose responsibility it is to support our farmers and ranchers to demonstrate the same resiliency and determination.

I will promise you this: If you decide that I am fit to serve our country in this capacity, I will do so with passion, with determination, and with a continued commitment to the very values I learned on that dairy farm near Osage, Iowa.

As Governor of a State that has been benefited tremendously from the good work of the USDA, I would be honored to stand side-by-side with the dedicated employees of this Department to work as a team in advocating for rural America. I would welcome the challenges associated with managing a diverse and a very complex organization. I have had to make many difficult decisions as Governor, and I have tried to clearly articulate my reasons for those decisions. I understand the significance of being accountable to the President, to you, to the employees of the Department, and most importantly to the citizens of our great country.

I have spoken with most of you by phone, and many of you in person, since my nomination was announced by President Bush. Your interest in USDA programs has given me an appreciation for the significant and important work performed by this Department.

I am eager to follow up and to learn more about the topics you have raised in our meetings, such as managing our national forest lands and food assistance programs, protecting plant and animal health, ensuring the safety of our food, and making certain that the USDA serves all customers and treats all employees with equality, dignity and respect.

When I accepted the nomination of our President, he said something that has stayed with me in the subsequent weeks. He described me as a faithful friend to farmers and ranchers. I can only hope that the farmers and ranchers of Nebraska share the President's view. I can only hope that if confirmed by the Senate, the farmers, ranchers and consumers of America will feel that I have been a faithful friend and a strong advocate at the completion of my time as Secretary. I will never hesitate to speak passionately on their behalf.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Governor.

Before we hear your testimony, I will ask that you please stand and let me administer the oath to you. Would you raise your right hand.

[Nominee sworn.]

The CHAIRMAN. Before we move on to the questions, I will have to say I am very pleased that you would bring your biggest asset, your wife, which our wives are certainly the biggest asset to each of us individually here, and that is Stephanie, with you this morning. I heard, in the hallway outside, she and I are big NASCAR fans. When I mentioned Little E, and Ryan Newman, and Tony Stewart, she knew exactly who I was talking about, which is unusual for a lot of females.

We have one mandatory question that I must ask you, Governor, and that is do you agree that you will appear before any duly constituted committee of Congress if asked to appear?

Governor JOHANNS. I do.

The CHAIRMAN. Thank you.

Governor, the U.S. net farm income is expected to reach an all-time high this year. Farmers know, however, that agriculture can be a cyclical business and always is cyclical. What would you do, as Secretary of Agriculture, to make agriculture a more profitable business for our farmers and ranchers over the next several years, as well as for the longer term?

Governor JOHANNS. Again, you can look at my history as Governor, and it gives you a very positive road map of what I have been doing as Governor and what I hope to continue. In our state, we put a tremendous amount of emphasis on value-added agriculture. There are a number of opportunities there, but I will give you one example. We decided to make a significant investment as a State—in fact, it is something like $200 million over the next 10 years—into ethanol, and now we are at half-a-billion bushels of ethanol or more. We have 11 plants operating thereabouts, and we expect another half a dozen will come on-line soon.

This whole concept of value-added agriculture is an opportunity for not only our State, but the country, to expand the reach of agriculture around the world. The food programs that Senator Harkin spoke so eloquently about, they also have an impact, and there is

no doubt about it. I was asked many times over the past few weeks, "well, in addition to farmers and ranchers, what is in the portfolio for the USDA?" I pointed out to people that over half of the budget—fifty-five percent—goes into the nutrition programs. It is a significant piece of what we do. We grow food in abundance in this country, and we do it very, very well. We'll put emphasis in that area.

For the Farm bill, I was lead governor for the Midwestern Governors' Association. Governor Tom Vilsack and I worked together on our thoughts, from a Governor's standpoint, on the Farm bill. I was lead Governor for the Western Governors' Association, also. The Farm bill comes up for reauthorization. Federal farm policy is very important.

The last thing I would mention is this, because I could probably go on and on, but the last thing I would mention is this: I did lead trade missions all over the world. I just believe that trade is hugely important. There is not going to be 1 minute of drop-off in our emphasis on trade issues if I am confirmed by this Senate. To all those who might be out there listening or in the hearing room, I am going to do everything I can to push as aggressively as I can to make sure that markets are open to our food. It is important.

I spoke yesterday with Senator Baucus about some issues, but one of the things that we talked about was the whole idea of international standards. Again, I just want to emphasize that I am going to put a tremendous amount of emphasis on trade issues and making sure that trade is fair and that it's open to the products that our farmers and ranchers produce in this country.

The CHAIRMAN. Thank you.

Governor, as Secretary of Agriculture, you will have to carry out the authorities of the Farm bill, the Farm Security and Rural Investment Act of 2002. It is my hope that you will continue to implement and carry out the authority as it exists in current law, as I am sure you will. Attempts have been made in the past year, since the passage of this law, to amend it and to make changes in different areas of the law, some of which have been noted by Senator Harkin.

If confirmed as Secretary of Agriculture, how will you uphold and implement this law as passed by Congress?

Governor JOHANNS. Well, as I indicated, I was, at least from a Governor's standpoint, a part of the process that led up to the Farm bill. It had some input from the State level.

You know, Senator, here is what I would offer. The proposals that were made, of course, were before I arrived on the scene. I will do everything I can to work with this committee—both sides—to try to get your ideas and your input, to try to gauge your concerns as to where you think we need to put emphasis and where we need to support this Farm bill. Today, at least, I guess what I would say to you, the door is open. I will be over here talking to the committee and working with the committee.

We all recognize, I certainly do as a Governor, having gone through two really difficult years from a budget standpoint, that budget issues are always out there. There is just that reality, and so I will do everything I can to work with you on those issues, also. My promise today is, Mr. Chairman, as these issues arise, I hope

I can get your input. I hope I can be in your offices. I hope we can work through these issues because they are never easy, but I will do everything I can to work with you.

The CHAIRMAN. Great. Thank you.

USDA has announced that it will reopen the border to Canadian cattle under certain circumstances. You mentioned this briefly in your statement. Cattle ranchers all across the country are concerned, as they should be. In fact, I spoke with our colleague, Senator Conrad Burns, earlier this week from his home in Montana and gave him a commitment that we are going to hold a hearing on this issue in the short term. Within days of the announcement by USDA, the Canadian Government confirmed that a dairy cow from Alberta had tested positive for BSE. Now, there is a report in the Canadian press that the Canadian government tests of cattle feed revealed that 59 percent of the samples of cattle feed that were tested include animal proteins which are not supposed to be present.

Given these last two developments, would it not be wise to postpone the opening of the border until we are sure of exactly what the situation is, relative to the Canadian issue.

Governor JOHANNS. As a nominee, today, Mr. Chairman, I would not indicate any kind of decision to postpone opening the border, but again let me offer a couple of thoughts. This is a very important issue. One of the things I mentioned in my opening statement is that we are the nation's largest processor of beef products literally in the United States. We raise a lot of cattle. We have Cow-calf operators and we have fat cattle people in our State, also. This has occupied a tremendous amount of my time.

You have indicated that you will have a hearing process, I believe in the clips I read this morning before coming into the hearing room. The House has indicated likewise that there will be a hearing process.

Today, what I can offer to you is I will participate aggressively in that hearing. I have had some briefing from the USDA about the rule, and it is making its way through the process here, but I can guarantee you I will aggressively come up to speed on that and work with this committee. It is an important issue. From my standpoint, again, the offer is I will do everything I can to work with the committee and get through this process.

I look at it from the standpoint of a couple of things: animal safety and food safety. We need to make sure that those issues have been touched, that we have paid attention to them and that we are doing the right things in those areas in terms of this rule and in terms of Canada. I will do that. I will make sure that I am ready to go when you are ready for the hearing.

The CHAIRMAN. Great.

Senator HARKIN. Thank you very much, Mr. Chairman, and again thank you for recognizing Congressman Chambliss. I didn't see him sitting out there, but I, too, really want to thank you for working so closely together on the 2002 Farm bill. I don't know if I remember fondly, but I do remember the long weekends, and the Saturdays and the Sundays, sitting there hammering it out. Again, I want to publicly thank you for the great bipartisanship that we have worked to get that Farm bill. Thank you again, Larry.

Governor Johanns, just a couple of things I want to cover with you. The Conservation Security Program, participation in it was much slower than what USDA predicted. They enrolled only 2,080 producers, less than half of what they had projected.

Further, because of the low enrollment, USDA had to make advanced payments in order to expend even the limited $41 million that was available in 2004.

Given the extremely high level of producer interest in CSP, Conservation Security Program, as I've said, every farm group, every commodity group, from rice to cotton to corn to wheat, everything are all extremely interested in this and supportive of it. Because of that, these low enrollment figures point to deterrence to enrollment in the program's rules.

Now, we designed a program, the Farm bill. It was intended to be attractive to producers nationwide. We intended a significant and lasting conservation benefits from widespread participation. Again, I guess what I would like is your commitment that USDA will help achieve the original program objectives that were in the Farm bill. Before the CSP regulations are made final, will you examine the payment rates to producers and the restrictions and requirements imposed on them to make sure producers will enroll in the CSP as envisioned in the Farm bill and not be driven away from the program?

My question is will you examine the payment rates and the restriction requirements prior to that final rule?

Governor JOHANNS. Yes. Senator, I will. I'll take a look at those payment rates. I would say again you would not have to look very deep into my past as Governor to indicate that the conservation programs have my support. Our agricultural groups in state, as you described, have been very supportive. Making it work right and making sure that we can fund it and finance it are things that I'll do everything I can to work with you and other members of the committee and Senate on.

Your observation is correct. The conservation programs very definitely garnered a tremendous amount of support from farm groups and the average producer out there.

I might also mention, just simply because it's gotten some attention in a separate but related program, we have a CREP application pending in our State that we were very excited about, and Congressman Osborne and Senator Nelson and Senator Hagel have been helpful on that.

I will—I would take a look at those.

Senator HARKIN. I appreciate that.

Governor JOHANNS. I'll try to get back with you on that.

The CHAIRMAN. Thank you, Governor.

Governor JOHANNS. Thank you.

Senator HARKIN. Second, I mentioned earlier in my opening statement about the biobased products requirement that is in the Farm bill that applies not just to the Department of Agriculture, but to every Department and Agency; that they must procure biobased products when they are reasonably equivalent in per price performance and availability. When you consider how much the Federal Government buys every year of paper plates and plastic cups and spoons and knives and hydraulic fluid, they could be soy

bean based. Things like that. You can see the potential benefits for this, both from a—there is a win-win on everything, from the environment to our rural areas. It is value-added agriculture.

The rules and guidelines are over 2 years late. In April of last year, the Government Accounting Office, GAO, came out with a report; faulted USDA's leadership and management for the slow pace of carrying out this procurement requirement.

Governor, would you be able to make the commitment that you will make the Farm bill's energy title, including the biobased procurement, a top priority?

Governor JOHANNS. It will be a top priority, and, Senator, I believe I bring something to the table on this issue, as past lead Governor on the Governors' Ethanol Coalition. I chaired that, and, in fact, that was an area where Governor Hoeven and I--he was chair while I was vice chair and then I became chair--worked together. I've been a very big proponent in this area, and in our State, we even went beyond that and made sure that our money was where our rhetoric was. We've invested heavily. That's a piece.

I am familiar with the issue you've raised. I'm not sure why 2 years have been involved here. It will be a priority for me. I know it's a priority for you, and I'll do everything I can to push that process.

Senator HARKIN. I appreciate that very much, Governor. Last, a lot of people think I am only being parochial when I talk about the National Animal Disease Labs, since it is in Ames, Iowa. It is a national lab, whether it is like CDC in Georgia. I do not think that Senator Chambliss or anyone from Georgia as being particularly parochial when they want the CDC to succeed and grow and have the best facilities, because it is a national facility. So is this National Animal Disease Laboratory. It just happens to be located in Iowa. Because of all the problems we are looking at—as I mentioned earlier, avian flu virus, the BSE problems that we are having, perhaps the imminent threat that could happen from intentional terrorists attacks on our food supply. It is just vitally important that we get this facility finished and upgraded as soon as possible. Thank you.

Governor JOHANNS. Thank you. I'll share a story with you, if I might.

Senator HARKIN. Sure.

Governor JOHANNS. My first spring break from Saint Mary's College, I came home, and I was doing chores and stuff; and we had a cow go down——

Senator HARKIN. Now, is this a story you can tell in front of your wife?

Governor JOHANNS. Yes. I sure can.

Senator HARKIN. OK.

Governor JOHANNS. We had a cow go down in the barn frothing at the mouth, and we drug it out. We took the head of that animal to that lab.

Senator HARKIN. To the lab.

Governor JOHANNS. We found out that it was rabid. I went through the series of shots. No fun. I'm very familiar, very familiar, with that lab. They do good work.

Senator HARKIN. Thank you very much, Governor.

The CHAIRMAN. Senator Cochran.

Senator COCHRAN. Mr. Chairman, thank you. Conservation programs are obviously very important in all parts of our country, and the last Farm bill provides the opportunity for the Federal Government to take an even more active role in helping to protect the quality of our environment and to help sustain the private individual ownership of land. A lot of that land that has been put in production in the past in my State, for example, probably should never have been put in agriculture production, but it was.

Now, we have the challenge of trying to figure out what is the proper balance, and I would encourage you to look carefully at the conservation programs we have on the books and to request the appropriations that are needed in the annual budget process to help ensure that these conservation programs meet the needs of our country, not just to the landowners, but the public generally.

That is just a suggestion and an observation and a comment.

One other thing: I was pleased to see you mention the trade opportunities and the fairness issue; the fact that our trading partners have to be held accountable for dealing with our country in a straightforward and honest way when it comes to opportunities for selling what we produce in their markets. It is such a big part of our economy now that it cannot be overlooked or just assume that it is going to work out, and then take it for granted.

For example, I know in our State, people do not realize this but one of the largest money-making agriculture activities is poultry production. The export market is essential to a healthy poultry industry.

Russia, for example, has been buying a good bit of poultry. From time to time, we may have a disagreement on some subject, and all of a sudden there is a problem with the quality of our poultry that has just been discovered and nothing has changed. That is used as an excuse to keep poultry out of that market.

I hope you will have an opportunity to become acquainted with some of these specific challenges, and I wonder if you have any thoughts right now about what your role, as Secretary of Agriculture, could be in situations like that, to help ensure that our exporters are treated fairly in the international marketplace?

Governor JOHANNS. As I indicated in response to the Chairman's question, trade is just a very, very significant priority for me. It was as Governor. It will continue to be if I'm confirmed as Secretary.

I could not agree with your thoughts more. There is nothing more frustrating than to be working through a process that is not based upon good science, to be working through a process that has all the feel of being based upon political dynamics and whatever. We have to have an international approach that basically deals with these issues swiftly, otherwise we will continue to run into these problems that just extend for ever and ever.

I believe, as Secretary, that I can play a key role here, not only in trade policies, but offering our input and then also offering the scientific information that is necessary to make good trade decisions.

We have a lot of resources out there. Senator Harkin mentioned the facility in Ames, which I'm familiar with. Land grant univer-

sities all over this country are doing some remarkable things in terms of food science and biotechnology and safety issues. If we can bring them to bear and approach these issues in a way that really is based upon good science, then my hope is we can minimize them. We can aggressively address them and deal with them.

Senator COCHRAN. One thing I noticed that there may be an emerging conflict of opinion about is the implementation of the U.S. Forest Service's regulations that have recently been published to implement the Healthy Forest Act provisions.

I put a statement in the record yesterday congratulating the U.S. Forest Service on its actions in identifying the ways to properly implement the Act to help sustain our forests, to help ensure that managers have opportunities to exercise their judgment and not be burdened with a lot of unnecessary paperwork and requirements that take months, even years sometimes, to implement a forest management plan.

I applaud the efforts that are being made by Secretary Mark Rey, others in the Forest Service, and the Department of Agriculture to carry out their responsibilities, and I hope you will assume leadership in this area, too, so that we can see that Act implemented and not be frightened by some of the scare tactics that are being published by those who criticize these efforts. I hope you will not back down and try to push forward and do what is right, carry out the provisions of this Act as written.

Governor JOHANNS. You know, I will not, and I applaud their efforts also. There was a desperate need for action in this area. This was a major piece of our discussions at Western Governors, and, although we have more prairie land in Nebraska than forest land, I am very aware of the significance of these issues and the priority that this committee has placed upon these issues.

I might also mention that I, just in the last week, have received information from the Western Governors on some of their discussions. I'll work with them. I'll work with this committee. Much is needed to be done here, and they are aggressively pursuing this agenda at the Forest Service. I'll do everything I can to support that.

Senator COCHRAN. Mr. Chairman, I realize I probably have talked too long already, but I have been asked to ask a question on behalf of Senator Grassley, who cannot be here due to the President's request for a meeting this morning with him.

On his behalf, I ask this: Senator Grassley was recently informed that the Japanese Ministry of Agriculture, Fisheries, and Forestry is still maintaining a protectionist position on U.S. beef importation. MAF, the Ministry of Agriculture, Fisheries, and Forestry wants to delay the pending importation of U.S. beef under the auspice that a change at the Secretary level should allow the process to slow down.

Governor Johanns, you have talked about this issue with Senator Grassley and many others on this committee in the past few days. Could you reiterate your opinions about the importance of reestablishing the beef trade with Japan and the priority you plan to apply to this situation?

Governor JOHANNS. Thank you for the question, and I'd express to Senator Grassley my appreciation for the question.

Let me be as emphatic as I possibly can. There is going to be no let up, no slow down, in our efforts to reopen Japan to our beef products—none whatsoever.

If there is one paramount reason why I am so very anxious to get confirmed, it's to go to work on that issue as a top priority. It is time, and I'm going to do everything I can, hopefully with the support of this committee and the support of everyone involved, to move this process aggressively. To Those are listening, and I suspect there are some in the hearing room and probably some tuned in to see what I'd say about this, I hope they just are aware of the fact that it is my intention to make sure that there's absolutely no slow down, no let up. This is going to have my immediate attention from the very moment that I become Secretary of Agriculture, if confirmed by this committee.

Thanks again for the question.

Senator COCHRAN. Thank you.

The CHAIRMAN. Senator Baucus.

Senator BAUCUS. Thanks, Mr. Chairman.

Mr. Secretary-Designate, and first of all I wish you the very best of luck.

Governor JOHANNS. Thank you, Senator.

Senator BAUCUS. This is a tough job.

Governor JOHANNS. Yes. Yes.

STATEMENT OF HON. MAX BAUCUS, A U.S. SENATOR FROM MONTANA

Senator BAUCUS. You have a lot of different constituencies that are banging on your door. It is very, very tough. You are in a huge position of trust. There are also huge opportunities.

No. 1, I would like to just spend a couple of minutes talking about the BSE matter.

I was very pleased to hear you say that you believe in scientific standards, international standards. I am just wondering—I am asking you to take this opportunity—it is a huge opportunity for the United States. Essentially, the OIE standards are being somewhat met by some countries around the world, but not entirely. Even the United States does not entirely—countries to back off a bit, because of political reasons. In my view, and it is the view of most people, that the United States has a huge opportunity here to lead the countries worldwide in developing those standards and developing the transparency in the development of those standards and the implementation of those standards so that our producers and consumers are assured as well as possible that the BSE is being dealt with, and producers can produce their livestock, and the consumers can enjoy the results of all that.

Otherwise, we are going to have a very difficult time. Frankly, I believe that this is the approach that must be taken not only with Canada, but also with Japan, Taiwan, and other countries, who have announced that they are going up, but have not done so.

I am as concerned with the Ministry of Agriculture and Forestry and Fisheries as anybody else, and I know your are, too. We have to get moving on this. It is going to take a lot of effort. You know how large this bureaucracy and this Federal Government is, and how difficult it is to get something through. It is extremely dif-

ficult. I just urge you with as much intelligence and passion as you can muster to get moving on this and take the opportunity to lead.

[The prepared statement of Senator Baucus can be found in the appendix on page 66.]

Governor JOHANNS. Thank you.

Senator BAUCUS. I would like your reaction to that, please?

Governor JOHANNS. Yes. My reaction is aggressively the same comment. This is a huge priority for me. This is something that I can't wait to start working on, and Senator, with your help, the help of the other members of the committee, the help literally of anybody I can muster to this effort, I am going to do everything I can to reopen trade.

Senator BAUCUS. I also suggest that you are going to have to go the extra mile on this, because there are a lot of producers that are wondering why did the United States make this announcement that is going to begin to open up with Canada, even though it knew the BSE problem into Canada. That was not public at the time, but USDA knew about it. Producers, they are not dumb. They know what is going on.

The attempt to pull the wool over producers' eyes by announcing that we are going to let Canadian cattle in, albeit in under 30 months, but knowing at the same time, but not telling the public about the BSE problem in Canada, it does not help.

Therefore, you have an extra burden to carry here. You have to develop the trust of producers more. It has been somewhat weakened on account of that timing.

Governor JOHANNS. It's been very, very gratifying to me that many of those producers and many agriculture organizations have stepped up when my nomination was announced and said "Mike is the guy; we support this." I guess that indicates that they have built a level of trust with me in the time that I've been Governor.

I take none of that for granted. I will do everything I can to work with producers and producer groups. I've done that in my time as Governor and intend to continue to do that as Secretary.

Senator BAUCUS. Well, you are going to have to really work at this. I asked your predecessor to send a special envoy to Japan, to encourage the Japanese to get off the dime. It never happened. She did not do that. I do not know why.

I encourage you to not only send a special envoy, but you yourself raise this personally, directly with your counterparts in Japan. I must tell you, in my experience with Japan on beef issues, and I have 27 years of history on this, that it is not going to be probably enough. This has to be bumped up to the Presidential level.

President Bush is going to have to directly push Prime Koizumi on this directly. That is not going to be enough. You are going to have to have leverage. The United States is going to have to say to Japan either you do this or we are not going to do something, or vice versa. This has to be that way.

As well as I, you are not the only one concerned with Japanese issues. You have the State Department. You got a Treasury Department. You got all these other kind of agencies. I just strongly urge you, as much as possible, and I strongly urge the President to take this one up directly, because, otherwise, it is just going to

languish. It is just going to be a lot of talk. Talkie. Talkie. Talk. Talk. Talk. Talk. Talk. Not a lot is going to happen.

Governor JOHANNS. Thank you, Senator.

Senator BAUCUS. What are you going to do?

Governor JOHANNS. Well, again, let me just reiterate. I'm going to do everything I possibly can. This has my personal attention. I am going to do everything I can to encourage the attention of everybody on this issue. It is time. The Department has done very, very good work in terms of addressing the technical and scientific issues that have been raised over the past year. I believe those issues have now been addressed. I believe the technical questions have been answered. I believe the scientific questions have been answered, and it's now time to get down to the agreement to reopen the border.

Senator BAUCUS. Back to Japan. When I was over there not too long ago, and I raised this approach with Japanese officials—I did not see the Prime Minister, but his Cabinet Secretary—he clearly agreed that this is the right approach. We got a little daylight out of him, not a lot, but a little daylight. I just again urge you very strongly, with as much conviction and passion as you can possibly muster to get this thing solved in the right way, with the lay standards, international standards, based on science, so that both producers and consumers know that we are doing the right, getting the right approach and that they are going to get a good resolution.

Governor JOHANNS. You have given me great direction and marching orders. I'm ready to go to work.

Senator BAUCUS. Thank you. I wanted to go join with you the other dime.

Governor JOHANNS. Great.

Senator BAUCUS. Thank you.

Governor JOHANNS. Thank you, Senator.

The CHAIRMAN. Senator Roberts.

Senator ROBERTS. Thank you, Mr. Chairman. Governor, I was on WIBW this morning, the farm station in Topeka, Kansas. They were very much aware of this hearing, and they said what questions are you going to ask the Governor? I said, well, I have already done that, with a personal call that he made to my office. I went over them. It is pretty tough out there in terms of ice and snow. We probably had a lot of listeners, but I hope they are listening to this hearing as well, because I was terribly impressed by the comprehensive nature of your statement, because the farmers are looking for a bully pulpit champion to be the Secretary of Agriculture. Not that the previous Secretaries have not been. You have indicated that. You have a passion for this job. It is obvious.

I want all farmers in Kansas and, for that matter, across the country to know that now we have a Secretary that can sit on the "wagon tongue" and discuss things with our producers in any state, all throughout the nation.

We want to welcome you to Kansas. Ever since the Kansas-Nebraska Act of 1854, we have been close, and our problems are your problems. Our challenges are your challenges. I want to invite you to come down to Kansas State and also any other part of Kansas during our State Fair, and sit on the wagon. Now, just do not come on game day. That might be a little tough.

Senator BAUCUS. Mr. Chairman, if I might.

Senator ROBERTS. I would insist on regular order.

Senator BAUCUS. I would do it, too. It is the best way to proceed. Will there be other questions? A new round of questions?

The CHAIRMAN. Yes. We will——

Senator BAUCUS. Thank you.

The CHAIRMAN. Go as long as everybody wants to go.

Senator BAUCUS. Thank you.

Senator ROBERTS. As a member of this committee, and Chairman of the Intelligence Committee, as I discussed with you, one of my top priorities is ensuring our national security. It has taken us about 5 or 6 years, but we have finally reached the point where the intelligence community rates our food security, which we used to call agroterrorism, but we do not do that, because it scares people now. It is in the top five concerns.

The President issued last year—he made it a priority through Homeland Security Presidential Directive 9, H.S.P.D. 9—everything has to be an acronym around here. That was last spring.

What are your views in regard to the manner in which we can continue to strengthen our security in this area, including the complete coordination so that you are right there at that table in regards to the intelligence that we have to have with the CIA and the Department of Homeland Security and DOD and other relevant agencies?

Governor JOHANNS. Needless to say, my goal, my plan is to be at that table and offer the viewpoint of Agriculture to food security, but I'd offer a couple specific things if I could.

One is, on Plum Island, the Department of Homeland Security has laboratory facilities to deal with some of the most infectious diseases that may impact livestock, and, therefore, food supply. Personally, I believe there's a need for redundancy in that effort. There is a need to expand, if you will, that ability to do testing. We have many great facilities around the country, and I personally believe, with a fairly limited investment, we could improve our ability to do that kind of testing.

Our border security. Gosh, you read a lot about border security, a lot of discussion about border security. My goal is to do everything I can with the Department of Homeland Security to make sure that what we are doing, we are doing in complete partnership with them in terms of security at our borders relative to our food supply.

I would also say there is a first responder issue out there in this area, and that is with our State Departments of Agriculture across this country. We think we've done some really exciting things in our State relative to this whole issue of food security. We have plans in place. We go through drills. We do all of those things to be prepared in case that an event happens that we pray never happens. We've done a tremendous amount, and our Department of Agriculture is a part of that process.

There's one last thing I wanted to mention, Senator, that I believe offers great opportunity. A few months ago, I announced a regional program in which we would work with States in our region, and there were nine or 10 that have joined in this effort. Our State, I put a couple hundred thousand dollars to start the planning ef-

fort. I believe there's an opportunity here for our States to join forces in a regional way. Maybe it's not necessary to build a lab in every university. It's necessary to have a lab in that area, in that region, so if you have a problem or an outbreak of some kind, you can test it. You can identify it. You can isolate it.

Now, getting States to work together in a regional way takes some effort. I do believe there's great promise there, and I believe we also have much of the structure in place with our Departments around the country.

Senator ROBERTS. I thank you for your answer. My time is up, but I do want to tag along with the comments made by Senator Baucus, although he has fled the scene here—pardon me, ridden off into the sunset. At any rate, this Japanese business is so important. Mr. Chairman, I am going to suggest that you and Senator Harkin and the rest of us get a letter going to the President indicating that the President and the Secretary of State, Secretary of Commerce, Secretary Rice and Gutierrez, the president himself, if any subject comes up in regards to Japan, certainly thanking them for the relief in regards to the tragedy over in that part of the world and in regards to Indonesia and the surrounding countries, every time we get a chance to talk to the Japanese, every member of this committee gets a chance to talk, whether it is, good morning, good afternoon, or good evening, we ought to mention this. It ought to be a total posse effort to get this thing done. The question read earlier by Senator Cochran on behalf of Senator Grassley is simply not acceptable.

Mr. Secretary, I hope you would join us in this effort. It is going to take that kind of pressure. There is no reason that we cannot open up this market. Animals 30 months and younger just are not part of this problem. I would hope and suggest, sir, and I know you are going to have a hearing on the Canadian situation, I commend you for that. We have a bully pulpit champion now, and we ought to get everybody involved in the administration and everybody on this committee.

I thank you, Governor.

Governor JOHANNS. Thank you, Senator.

The CHAIRMAN. Good suggestion. We will work on that.

Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman. First of all, congratulations to you. I look forward to working with you.

The CHAIRMAN. Same here.

Senator CONRAD. Congratulations to Chairman Cochran as well, on his new position.

Senator COCHRAN. Thank you, Kent.

Senator CONRAD. There is somebody in the audience I want to recognize, too, and that is former chairman, Larry Combest, who those of us who were negotiators spent a lot of time dealing with on the last Farm bill. Really, I do not think I have ever dealt with anybody that was a finer Member of Congress or a finer member of the Agriculture Committee or leader than Larry Combest. Deeply knowledgeable and totally honorable. His word was gold. Those of us who negotiated with him at great length learned that about Larry Combest in the Farm bill discussion.

Governor, welcome to you.

Governor JOHANNS. Thank you.

Senator CONRAD. Congratulations on your selection as well. I very much enjoyed our visit.

Governor JOHANNS. Thank you, Senator.

Senator CONRAD. Mr. Chairman, I sent a letter to your office and the ranking member asking for a hearing on this question of mad cow disease in Canada and opening the border. I understand you have already agreed to do that. I appreciate that very much. It is important.

There are a lot of issues out there that have not been dealt with, and I ask you, Governor, if you would support the notion of a hearing before the rule is implemented.

Governor JOHANNS. I believe that hearing is going to be prior to the expiration of the 60 session days, and so the answer is yes. If I'm confirmed as Secretary of Agriculture, you will have the participation of this department. My hope is that we can work with you to bring whatever information you need, bring the people in who have been a part of the process, and literally try to answer any questions you have.

I will—if you want my personal participation or whatever——try to be as helpful as I can.

STATEMENT OF HON. KENT CONRAD, A U.S. SENATOR FROM NORTH DAKOTA

Senator CONRAD. It is important, it really is. I appreciate that answer, Governor, and it is important. We look at our own FDA and what they are telling us. We have 19 import alerts concerning Canadian feed company products since October of 2003. Eight of those alerts are still in force. There has been now a series of articles in the Canadian press. I just draw to your attention the article in the Vancouver Sun that said, "Secret tests reveal cattle feed contaminated by animal parts. Mad Cow fears spark review of vegetable-only livestock feeds."

If you go into the article, they report there, it is very interesting, a series of secret tests on cattle feed conducted by the Federal Government earlier this year—this was written in the middle of December of last year, just about 3 weeks ago—that these secret tests found that more than half the feed tested contained animal parts not listed on the ingredients, according to internal documents obtained by the Vancouver Sun. "The test results raised troubling questions about whether rules banning the feeding of cattle remains to other cattle, the primary way in which mad cow disease is spread, are being routinely violated."

It goes on: "According to internal Canadian food inspection agency documents obtained by The Sun through the Access to Information Act, 70 feed samples labeled as vegetable-only were tested by the agency between January and March of 2004. Of those, 41—or 59 percent—were found to contain undeclared animal materials."

Now, that raises an enormous red flag for us with respect to what Canada is doing. My understanding is USDA has relied on the regulations that Canada has in place. If those regulations are being routinely violated, then we are counting on something that is not happening. That raises serious concern, and we need to fully

review that and address that in a hearing and, hopefully, have time to react before this rule is implemented.

Now, I have—the chairman has adopted, very reasonably, the early bird rule here. I was late to this hearing because I was called to a meeting about the budgets of the various committees. I was there, in part defending the Agriculture Committee budget because the chairman and ranking member, obviously, could not be at that meeting. I am going to defer my other questions in deference to my colleagues who were here before I was. I want to thank them for allowing me to go ahead.

I thank the chairman.

[The prepared statement of Senator Conrad can be found in the appendix on page 67.]

The CHAIRMAN. Senator Talent.

STATEMENT OF HON. JAMES TALENT, A U.S. SENATOR FROM MISSOURI

Senator TALENT. Thank you, Mr. Chairman. I appreciate that, Mr. Chairman. Congratulations to you.

I also wanted to comment, as Senator Roberts did, on how much I appreciate the passion that the secretary-designate is showing toward agriculture. That is half the game. I am really looking forward to your service and think you will be confirmed.

I certainly join with my colleagues on the cattle issues that we have been discussing here. Let me just go into a couple of other areas we have talked privately about, so I do not think they are going to come as a big surprise to you.

I very much appreciated the parts of your statement regarding biotechnology, renewables, and value-added. I, too, see value-added agriculture as absolutely the future for family farming in this country. I hope you define it in a broad fashion, as I do. This is not a niche marketing just of a particular kind of a product, but it is our family farmers getting into the production at different levels of the food chain, the food and fiber chain, but also of other kinds of products that technology is going to make out of what we grow and raise.

With a view toward that, give me your opinion, if you will, on the importance of plant science research and whether you will work with me and with the committee on how we can encourage that.

That is one point I wanted to raise with you. Another, and we have talked a lot about BSE today, what do you think of the progress we are making toward an animal ID system? I am particularly concerned about your opinion on whether you intend to continue the department's policy under Secretary Veneman, which I—it is no secret that I appreciated and approve of, of working with industry and our producers in developing this system, so that they see it—it really is, and the perception is, that it is a voluntary system rather than a coercive one, developed and implemented so as to fit and partner with them in their practices on the ranches, rather than forcing something on them.

Address those two issues. You have already talked about renewables. If you have anything further you want to comment—I just see that as the center, not just of value-added agriculture, but also energy independence for the country. I appreciate very much your

pledge to continue working with us on that. If you could talk about, I guess, the plant science issue and the animal ID issue, I would appreciate it.

Thank you, Mr. Secretary.

[The prepared statement of Senator Talent can be found in the appendix on page 69.]

Governor JOHANNS. I'm a real believer in plant science research. You know, in our State, again, that's been my experience over the last 6 years, so I'll talk about it. We do some very exciting things in the area of plant science. We have something we call the Beadle Center. It was a new investment by our State a few years back. Again, I just think this is cutting-edge for us. I will also say that I'm aware of many good things going on in other parts of the country.

The only caveat I offer is that we all deal with budgets, and you have to figure out how that works. One of the things I did in our tobacco settlement is I led the charge to set aside 10 percent of that for medical research a different area—but I just believe research in our university systems, and in the private sector for that matter, is just a great opportunity.

Senator TALENT. We understand in other contexts, and all of us talk about other contexts, the importance of research because it leads to technological changes that then increase productivity and open up other opportunities.

Governor JOHANNS. Exactly.

Senator TALENT. I am wondering whether we have been conscious enough of that in agriculture.

Governor JOHANNS. Well, I just believe there is more we can do. It is like I said in my opening statement. The yield we would get on corn if farmers would get together, and I remember them saying, "Well, I get 100 bushels per acre," 125 bushels per acre"—Look at what's happened in a short period of time. Plus there's an opportunity to do things with plants that, quite honestly, could save lives and improve health. I just think there's remarkable opportunity here if we do the right things with our investments.

Regarding, the animal ID system, if I might go to that question, I'm a believer. Again, you won't have to look very far back in my history. We did a trade mission, and I came back from that trade mission, and I said very publicly to our producers, "I believe strongly we've got to move into animal ID." I held a conference on that to start the education process.

Now, the department has also been working on this with premises ID, then ultimately animal ID. I agree with you. This should not be about picking winners and losers. The department should have an idea as to where we want this to be, but then again, the private sector, in my judgment, should have the opportunity to define an ID system that might work for this area.

I was meeting—I'm sorry, I forget the Senator—maybe, Senator, it was you—about the optical scan for animal ID, which is something, quite honestly, I wasn't very familiar with but I knew it was out there. That may be an approach, but there are other approaches. Industry needs to be a part of this. The producers, the agriculture groups, and the industries that may provide the ID system.

Then, finally, renewables. I really do believe that there's a unique opportunity for us right now in this whole area of renewable fuels. We are just in an explosion of growth with ethanol. I believe it can exist for other products such as biodiesel and on and on. In our State, we are now at a point where one in every five bushels of corn, one in every six bushels of corn, in that vicinity, is processed into ethanol and shipped to other markets. My attitude toward the value-added initiatives that we did is you don't exclude anything. A small initiative may work in this part of the country, a much larger initiative may work in another part of the country. My experience as chairman of the Governors' Ethanol Coalition, will be very, very helpful if I'm confirmed by the Senate.

Senator TALENT. I appreciate those comments.

Mr. Chairman, I am out of time. I have some other questions that I would like to submit to the secretary-designate for the record, though.

The CHAIRMAN. Certainly, without objection.

Senator Lincoln.

STATEMENT OF HON. BLANCHE LINCOLN, A U.S. SENATOR FROM ARKANSAS

Senator LINCOLN. Thank you, Mr. Chairman, and congratulations. I would just like for you to notice that I have had my brunch of Georgia peanuts this morning.

The CHAIRMAN. You feel a lot better, I can tell, too.

Senator LINCOLN. I am also pleased that you are where you are, and I am looking forward to working with you in accomplishing much on this great committee.

The CHAIRMAN. Thank you.

Senator LINCOLN. I also want to add my public comments of gratitude for Chairman Cochran for the incredible job that he has done here in the committee. Working with him on nutrition issues, our Delta Caucus, hunger issues, the Farm bill, he has just done a tremendous job and provided great leadership. I am very grateful. I am also grateful that there will not be any language barriers as we move from Senator Cochran to Chairman Chambliss. We in the South appreciate not having to have any translators. I look forward to, again, working with Chairman Chambliss.

I also would like to offer my public gratitude to Secretary Veneman. She was wonderful to work with and very open and available—as the Governor has mentioned he will be, and we look forward to that.

Governor, we welcome you to the committee and look forward to working with you.

Governor JOHANNS. Thank you.

Senator LINCOLN. I'd like to echo the comments from my colleague and neighbor to the north in Missouri on the biotech and the plant sciences, having toured the Danforth plant science facilities in Missouri and realizing the incredible technology that we have that exists out there, we would love to work with you on really moving that forward. It means a tremendous amount to our country. As my colleague knows, it has meant a tremendous amount to other nations across the globe to be able to overcome

whether it be drought or infestation and other things, to feed the millions of hungry that exist out there.

I am also glad to hear your comments on biofuels and biodiesel in particular. We do not grow a lot of corn in Arkansas, but we do look toward the renewable fuels as a huge part of what we can do to boost our economy and create jobs. We know it will help our environment. We also know it will lessen our dependence on foreign oil. It is a win-win from every direction and we hope that we can make it a priority. I look forward to working with you on that.

Governor JOHANNS. Thank you.

Senator LINCOLN. As a farmer's daughter myself—we are row croppers and still in the farming business. My brother is trying desperately to keep his head above water. We are very appreciative of recognition of the diversity that this committee represents across our Nation. There are regional differences, but more importantly, as you enter into this position, you will see how important it is to look collectively at the nation and the support that agricultural production provides this country in providing the safest and most abundant and affordable food supply, not just to Americans but certainly worldwide.

I would just like to move to a couple of things and I will have additional questions I can submit.

We have talked about—better than a year of earnest discussions with the Japanese government officials, to no avail, quite frankly, to getting a commitment from the Japanese. Just a few moments ago, I received a notice in a press release from Tyson Foods, which is the Nation's largest beef packer and one of my State's most respected and oldest corporate citizens—announcing that they will temporarily suspend operations in five of their beef plants for a period of three to 5 weeks—you know that well, because two of them are in Nebraska—beginning Monday. They estimate some 25,000 to 30,000 cattle will not be processed each week that the plants are closed. I certainly think that this is a real indication that the rubber has met the road and shows how serious this and the other trade issues have become. I'm certainly pleased to hear you acknowledging the importance of trade to our agricultural industry.

My constituents have briefed me on meetings with both the U.S. and the Japanese officials that have taken place recently. Their strong recommendation, and you have heard it from other members here, is that we have to move these discussions to another level. There is no doubt. We are seeing jobs, we are seeing an entire industry in our country critically damaged by what is not happening. I hope that we can look to you, to help us in endorsing and supporting the kind of envoy that Senator Baucus has mentioned or, more importantly, requesting the President himself engage the prime minister on these discussions. Thus far we are not getting anywhere in the current approach that is being taken.

I hope we can look to you for that commitment of, as you said, doing everything you possibly can, but hopefully really going beyond that into where we need to go in asking for something that is going to work.

Governor JOHANNS. Senator, I will. Let me say first, I have visited your State many times. You come from a very beautiful State.

Senator LINCOLN. We would love to have you back.

Governor JOHANNS. Have me back.

Senator, I will. This is priority No. 1. Reopening with Japan is, in my judgment, something that needs to occupy my personal time and effort. I will do everything I can to elevate and lift this issue. Because it's time. As I said, I do believe Under Secretary Penn and others have done yeomen's work in meeting the scientific questions and the technical questions. We are really at a point where, if there's one message to be sent today, I don't intend this confirmation process to be any slowdown in our efforts with Japan. Very, very much the opposite. I take this very seriously.

What you have described relative to Tyson is a very good example of what happens when the trade system is disrupted. It's not just that producer out there in cow calf country, it's not just that producer who's feeding fat cattle, it's right on through the whole system. Believe me, it won't be long before your consumers are going to start asking, now, what is going on? Because it ripples through the whole system. It may take a little bit of time to do that, but that's exactly what happens when you have that kind of trade disruption.

Senator LINCOLN. Well, when corporate America has to be able to make those kind of decisions to be able to keep their head above water, it is really critical that we take note of it.

Mr. Chairman, I note my time is up. I just would like to bring to the attention of the secretary-designee that since Congress did authorize the sale of U.S. agricultural products in 2000 and reinitiated it in 2002 to Cuba, there has been some widely reported ideas that the administration is considering a change in the requirements for those sales. I will be very interested to know your comments on that and what stance you will take within the administration on that issue as we talk about the importance of export markets and what it can do for our producers. That's a critical place where we have to be objective about what opening markets can mean, and what it has done. I have asked some specifics in my questions for specific numbers through the department that you can respond with and I will look forward to your answer on that, too.

Governor JOHANNS. I will be happy to respond in writing to that question.

[The prepared statement of Senator Lincoln can be found in the appendix on page 71.]

The CHAIRMAN. Senator Thomas.

Senator THOMAS. Thank you, Mr. Chairman.

Welcome, Governor.

Governor JOHANNS. Thank you, Senator.

Senator THOMAS. We are delighted to have you here and look forward to working with you.

Governor JOHANNS. Thank you.

STATEMENT OF HON. CRAIG THOMAS, A U.S. SENATOR FROM WYOMING

Senator THOMAS. I am going to be very short, as I have seen the red light on here quite a bit. Most of what I have to say is duplicative of the things that have already been said. I just want to go

over a few of the things that are important to my state of Wyoming.

One of them is, of course, country of origin labeling, which was passed by this committee a number of years ago, and is still out there. We need to get something done with that. We have talked about BSE and Canadian imports, of course, which is a are very, very important issue. It does seem as if we ought to be reluctant to expand those imports before other countries that we've been selling to in Asia are willing to take our products here as well. We need to take a look at USDA's announcing inconclusive results on BSE testing before that has really been determined. Beef exports have been very important. Nineteen percent of beef has been exported in the past, largely to Asia, and that really is very important to us if we are going to continue to be there.

I just happened to be down in Argentina and Brazil a couple of weeks ago on world climate warming, and it looks like there is going to be great expansion of beef production, probably, in Brazil. That is one of the things we need to be concerned about.

We had some problems with a USDA inspected laboratory concluding cattle from eastern Wyoming were infected with brucellosis. It turned out that that was not the case, that the samples had been contaminated. I hope we can take a little look at that.

Interestingly enough, in terms of brucellosis, the University of Wyoming has a good deal of research going on there. We are working particularly with wildlife and how to do something with that, but there have been restrictions put on by USDA for homeland security reasons, so the University cannot go forward with this brucellosis research. I hope we can do something about that.

Certainly we are always interested in the multiple use of public lands, particularly, of course, in the Forest Service that you will have control over and would like to have more and more local input into the decisions that are made by the Forest Service. We have some confusion with demo fees, but then we can work that out. They should only be on places where there are some services.

Lots of things. I will not take more time. Most of the things here that already have been spoken about certainly are important to us. If we can look forward together on keeping agriculture in its important position with respect to domestic and trade issues, why that is what we can do.

Thank you very much.

[The prepared statement of Senator Thomas can be found in the appendix on page 73.]

Governor JOHANNS. Thank you, Senator.

The CHAIRMAN. Senator Nelson.

Senator NELSON. Thank you, Mr. Chairman.

STATEMENT OF HON. BEN NELSON, A U.S. SENATOR FROM NEBRASKA

Let me begin by also adding my appreciation to Secretary Veneman for her very strong work on behalf of American agriculture. I want to compliment her on a job that has always been difficult. As a matter of fact, for a little while there I thought my colleague, Senator Baucus, in describing it as such a difficult job, might talk you out of it.

[Laughter.]

Senator NELSON. I want to talk you into it. It is a wonderful job. I know you will do great work in that regard.

May I add my thoughts also about the problem we have right now with international trade. You have probably heard more about it than you might have anticipated. That was the case yesterday in the confirmation hearing for Secretary-designee Gutierrez in the Commerce Committee. Because I asked him similar questions. One of the things that you will learn here in a very short period of time is that no matter how many people have asked you the questions, if I have not asked it, it has not been asked yet. I said something similar to Mr. Gutierrez yesterday.

In your future role with Secretary Gutierrez, with Ambassador Zoelleck, trade is going to continue to be in many respects the No. 1 economic concern for many of us. It is not the only concern, but it is a No. 1 concern because we are entering a world that from all the trade missions that you conducted as Governor, I know from my trade missions that I conducted as Governor, how difficult it is to continue to be able to export in many of these markets. These non-tariff trade barriers and protectionism continue to be a problem for us as we move forward.

I would only urge that you follow my good friend Senator Roberts's advice about bringing your colleagues into the effort as well, because it is beyond the technical side. All the technical review has occurred, and maybe that was important, that we undertake that technical review. Now it has risen to the level of diplomacy at the highest level. The only thing to what Senator Roberts has said is that we also enlist the President and the Vice President in this effort as well because it has to be at the highest level. You and I have spoken about that, and we agree that that may be where it ultimately is if we do not get it resolved in the very near future.

At times it might even seem like we are advocating trade wars or if they do not stop the protectionism we might have to go to our own devices to deal fairly, because free trade, in itself, in many cases results more in imports than it does in exports. I commend you for continuing the efforts of trade missions, and it is one of the value-added products that you bring to the job. You know firsthand what it is like to deal with foreign governments that may or may not be as interested in getting Nebraska products or American products as they are in making sure their products get here.

Fair trade. Non-tariff protectionism has to stop. I am very happy that you are going to look at that very carefully.

What I would like to ask, you have heard about the country of origin labeling, we heard about animal identification, and all these are becoming far more important than perhaps they were even 2 years ago, although some of us predicted that we might end up where we are today. As part of the discovery of BSE, the USDA has announced a new regulation which I thought was important at the time that it was introduced, and that was for downer animals, and applied across the board whether they were sick or injured. Now, as we think about the fact that an injured animal may not represent the threat to the food chain that clearly a sick animal does, do you have any thoughts about what you might do to take a look at that as we move forward?

Governor JOHANNS. The downer animal regulation really went to the animals that show the greatest potential for risk. At this point, we have tested about 160,000 animals, 165,000 animals. We continue to test them on an ongoing basis. That was, really, not done as a food-safety approach; it was done more as a "let's see what's out there", surveillance approach. Remarkably our animals have tested well through that process.

You know, I guess what I would say, there's a point probably in the upcoming year where we'll take a look at that testing. We'll bring the folks in who have done it, review the science, and look at the whole area. Today I do have to tell you I supported Secretary Veneman when she announced that—probably most of us did—just simply to assure the public that we were aggressively on top of this issue. I want to leave this hearing with that same assurance. Gosh, in the testing that's been done, which has been very extensive—lots of animals have been tested—our animals have done well in the past year. A hundred and sixty thousand. These are pretty remarkable results.

Senator NELSON. Now when we know more because of the experience that we have and the testing that has been undertaken, we might be able to go back and take a look at that stopgap measure in light of what we know, and maybe make some modifications that would not—that would continue to reassure the consuming public, but would not overly burden the producers.

Governor JOHANNS. Well, the one thing that we will have available with this testing is a body of information that was simply not available a year ago. It's a very extensive body of information. With that in mind, Senator, I'd be more than willing to engage in the conversation again as we near a point. The goal is to probably test about 250,000 animals, or 260,000, somewhere in that vicinity, and then take a look at how we're doing.

Senator NELSON. Thank you. Congratulations. Good luck.

Governor JOHANNS. Thank you, Senator.

The CHAIRMAN. Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

Mr. Chairman, let me first offer my congratulations to you. You may be new in this position, but you have a long history of being a strong spokesperson for the American farmer and the rancher, chairman of the subcommittee in the House Agriculture, serving on this committee. I am honored to call you my chairman and my friend and to congratulate you on your leadership.

I want to publicly acknowledge Senator Cochran, Chairman Cochran, who took time out of his busy schedule to visit with some of my farmers and ranchers in a town in Minnesota. He was an extraordinary gentleman, and it has been a pleasure to serve with him.

I start with congratulations.

Governor, great to have you here. Everyone is claiming a little bit of ownership here. You have that Iowa work ethic. The Governor got smart in Minnesota, attending St. Mary's College in Winona and graduating there. We are thrilled to have you here. I also have had the opportunity of knowing the Governor for awhile and his very talented wife Stephanie. The Governor served as mayor, but it was the bottom of the political food chain where I started.

We worked together when he was mayor of the capital of Nebraska and I was mayor of St. Paul.

You came before this committee and asked about earning our confidence. I will tell you, Governor, you have earned my confidence.

STATEMENT OF HON. NORM COLEMAN, A U.S. SENATOR FROM MINNESOTA

Governor JOHANNS. Thank you.

Senator COLEMAN. You have earned my confidence from your outstanding record of public service. You have earned my confidence from the fact that, as many have said here, you have a passion for this. You have dirt under your fingernails, you grew up on a dairy farm. I believe you worked in a dairy processing plant to help pay your way through college. We get a twofer here, by the way. We get you and then we get Stephanie. America is going to be well served by your leading the Department of Agriculture. You have earned my confidence.

Let me associate myself, in the short time I have, with a few of the things that have already been said—the comments of my colleague, Senator Talent, concerning renewable fuels. You have already provided leadership in that area for our States, for Minnesota, for Nebraska, for America. It is important. Senator Cochran talked about the Healthy Forest Program and asking you to assume leadership, and you said you would, that you would push forward. I want to stand with Senator Cochran on that regard. The comments of a number of my colleagues—Senator Baucus, Senator Grassley's questions about opening up the Japanese market. It has to be done, it has to be done now. We need leadership. We need leadership, we need the President to be involved.

I had mentioned at one point in time, Senator Baucus had talked about appointing an envoy. Minnesota was the home of a former Ambassador to Japan, former Vice President Walter Mondale, who knows these issues. There are folks out there who would serve and work with you. We need to move forward. It is an area of extraordinary importance.

During the chance that we had to visit, we talked a little bit about sugar. Minnesota is the largest sugar producing and processing region in the Nation, and it is important to our folks. The dump price, world dump price for sugar is about 6 to 8 cents per pound, and the average price of production is around 16 cents. We have a problem here. It is a global problem. I would ask, Governor, that you work with us as we work on trade agreements. We have a nice template in Australia, with the concept that sugar needs to be dealt with in a global context. It needs to be dealt with in the context of the WTO. That is the right thing to do. All we are talking about here is leveling the playing field, that other nations provide—they subsidize and they protect their producers. We have a no-net-cost-to-the-taxpayer program, but we are looking for a level playing field.

I would just ask you, Nebraska has—in addition to everything else, Nebraska has sugar.

Governor JOHANNS. Yes.

Senator COLEMAN. I know you understand this issue. I just want to reiterate here the importance of it and that we work with our trade representatives and that you raise that very powerful and articulate and knowledgeable voice of yours in regard to this issue.

Governor JOHANNS. Well, thank you. Your observation is right. We do have sugar, mostly in the western part of our State, in the Scotts Bluff area.

Senator I look forward to working with you on the issue. I will be happy to sit down and bring to bear whatever information I can bring so we can make thoughtful decisions about this area.

I'll just also offer, on a general note, it's an exciting possibility that we will have an opportunity to work together in the future. Thank you for your generous comments.

Senator COLEMAN. I am looking forward to that, Governor.

One other area, again, where you have already shown leadership and knowledge, and that is in rural development. I will just raise the issue of too often we think that we have solved the problems of the American farmer by a farm bill. Yet, as you well know, there are infrastructure issues out there. You have magnificent folks, by the way, your rural development folks, the ones in Minnesota. Really quality people, folks around the country. You have that Red Leg Program, rural development loan and grant program—very critical, very key.

Again, I know what you are bringing to the table here. I am excited about the opportunity of moving forward with you and just, again, want to thank you for what you have already done for the State and the Nation and for what I know you are going to do. I look forward to confirming, voting for you, and working with you.

Governor JOHANNS. Thank you, Senator.

Senator COLEMAN. Thank you.

[The prepared statement of Senator Coleman can be found in the appendix on page 74.]

Senator ROBERTS [presiding]. Senator Salazar.

Senator Salazar, welcome to the committee, and we welcome your period of questioning, sir.

Senator SALAZAR. Thank you very much—I guess it is "Acting Chairman" Roberts.

Senator ROBERTS. Well, you can just drop "Acting." This is——

Senator SALAZAR. This is the real deal, huh?

Senator ROBERTS. Well, this is a coup, is what it is.

[Laughter.]

Senator ROBERTS. I had—I better just be quiet after that one. Senator Salazar is recognized.

STATEMENT OF HON. KEN SALAZAR, A U.S. SENATOR FROM COLORADO

Senator SALAZAR. Thank you very much, Senator. Members of the committee, Chairman Chambliss, Senator Roberts, and Senator Harkin, I very much look forward to working with all of you on this very, very important committee to my State and to this Nation. Governor Johanns, I very much look forward to working with you on an agenda for agriculture and for rural America.

It is an important issue for me because I come from the fourth-poorest county in the United States of America and the poorest

county in the State of Colorado, Conejos County, about 265 miles south of Denver, Colorado. I do believe that what we need to do is to engage in an agenda that revitalizes our rural communities. I do believe that this is something that transcends Republican and Democratic administrations. When we look at the high plains areas in eastern Colorado and the areas to the west of Lincoln, Nebraska, you and I and the members of this committee know exactly what we are talking about in terms of having a vibrant effort in this Nation that really attempts to revitalize our rural communities, that actually goes not only in support of agriculture, but beyond agriculture, with respect to diversifying our economies.

Let me say that as attorney general for the State of Colorado for 6 years, on my desk I had a sign that I am very proud of, and it is a sign that says "No farms, no food." It is something that is important for us to remind our Nation about in terms of the importance of farmers.

I have a series of questions, and Mr. Chairman, I will just submit those questions for the record. Many of those have already been asked. I also ask that my statement be accepted into the record.

Senator ROBERTS. Without objection.

[The prepared statement of Senator Salazar can be found in the appendix on page 76.]

Senator SALAZAR. I do have a couple of questions that I just very quickly want you to comment on. One is your position on country of origin labeling and the requirements of the law, and where you intend to go with that.

Second, Forest Service issues are incredibly important for Colorado and for many of us in the West. The water rights issues, it seems like I have been fighting the Federal Government forever on bypass flows and reserve rights. Tell me what your views are on Forest Service and water issues.

Then—well, that is—and then I would ask if you could respond to the questions that I have asked in writing.

Governor JOHANNS. I will be happy to respond to your written questions and will do so promptly.

Let me, if I might, start with the Forestry Service, because of course that is a very huge issue in your State, and your State has suffered through some very, very difficult forest fires—not so much this year because the moisture was a little bit better, but certainly in the past few years.

I will do everything I can to help in that regard. The Healthy Forests Initiative is out there, we have a team at the USDA that has worked on it aggressively. The Western Governors' Association, which our State has been a member of, has been very active in that area and, as I was indicating, we recently got a report from the Western Governors' Association with some recommendations and some suggestions as to how to continue this initiative.

I might also add, Senator, that's been a very bipartisan effort. Governor Richardson from New Mexico is involved, Governor Owens from Colorado, and others. Their effort has been in trying to do everything they can to produce a result that is good for forests. I promise you it will be a priority for me, and I will do everything I can to continue that effort.

In regards to the water rights issue, I am aware of that. Our States have dealt with water rights issues on a State level. I understand the importance of that. The issue that you speak of, probably the best I can offer today is to say, look, I'm going to do everything I can to make sure that stakeholders are involved in the discussion. It's been raised by a couple of Senators, a couple of your colleagues, as I've made my way through the offices and talked to Senators, and I know it's important. My goal here is to make sure that everybody is at the table as we deal with that and try to work through those issues. There was a memorandum of agreement that was entered into. I'm aware of that. I must admit today, I can't give you the "what i's were dotted and t's were crossed" analysis, but I'm also aware that that's out there. We'll work with the stakeholders on that.

Country of origin labeling. You know, the administration's position has been one of a voluntary approach. As the secretary, I would adopt the administration's position. I also recognize that the law has been passed. I want you to understand that if that's the law, then that's what I'll be working with. That's what I would offer on that issue.

Thank you.

Senator ROBERTS. I take it from the nod of the head that the distinguished Senator from Colorado has finished his questions.

Senator SALAZAR. Well, I see my time is up.

Senator ROBERTS. In the Senate, that usually does not make any difference.

[Laughter.]

Senator SALAZAR. It is different from being in court, right?

Senator ROBERTS. I stand in awe of your adherence to the time equation.

The distinguished Senator from Minnesota, Senator Dayton, is recognized.

Senator DAYTON. Mr. Chairman, my distinguished colleague soon will learn that normal human assumptions do not apply in the Senate.

Mr. Secretary-designate, I join with the others in thanking you for undertaking this service. I might say that the standard of excellence that has been established in my 4 years here in Washington by former Nebraska Governors is one that you will do well to emulate, and I am sure you will.

I might also echo what my colleague said about the educational strength of your family. I note that your wife Stephanie is also a graduate of a Minnesota college, St. Olaf, as well as yourself at St. Mary's. We are glad to have had that chance, and we invite you both back to revisit your once-home many times.

I also want to add my compliments to Secretary Veneman and wish her well in her future undertakings.

As you noted, one of the advantages to a 5–minute round of questioning is that most of our questions last for about four and a half minutes, so you are off the hook. I will not go over some of the ground that has been covered here on the export issue.

I just want to point out, however, for the record, that, increasing our agricultural exports is a—that is one where we do have the bipartisan acclaim and it is American apple pie. The real crux of

these trade policies is how they cut both ways. I note that since NAFTA was passed, so over the last decade, the increase in agricultural imports into the United States is two and a half times greater than the increase in the value of our agricultural exports to the rest of the world. This is a two-sided balance sheet.

That is why—while I applaud your efforts to open up the Japanese market, we need to consider how these swing both ways. In particular, if one of the objections to our meat is its impeccable standard—and I can understand why other countries take that approach—the consequences of our opening up our border to Canadian beef imports, and to test 160,000 cows and then run the risk of one or two imported animals causing, whether it is scientifically credible or not, this massive world scare that is going to close those doors to us further and give those countries excuses to continue their protectionist policy is a very ill-considered decision. I am glad that we are going to have a hearing on it, and I hope that will be in the very near future.

I echo what my colleague from Minnesota said about the sugar situation, and we are once again faced with CAFTA, where we are opening our doors further to other countries to bring their products into our country, where, according to the information I have received from—it is actually a University of North Dakota study, that we already have basically saturated the markets in those Central American countries for our primary agricultural exports. Seventy to 90 percent of their purchases are U.S. wheat and corn. The upside for us in agriculture is relatively limited and we are once again opening our domestic market and running the risk in northwestern Minnesota—Senator Coleman has been as involved in this as I have—of shutting down an entire industry, collapsing an entire regional economic cornerstone of several billion dollars. Again, very ill-advised and not well considered.

I take heart in your comments in our meeting, and I appreciate that, that you are going to be a champion for U.S. agriculture at these trade negotiations, because we ought to be—I do not care whether it is free trade, fair trade, what you want to call it, I want it to be American trade. I want us to make our decisions in the best interests of our country and its people, and that is sometimes a complex consideration, but I do not think the ideological label matters a bit. It matters how does this benefit or how does it hurt our own people, especially, in this case, our farmers.

I ask you for that close consideration, and particularly with Canada, where we have had problems with milk protein concentrate coming into our country and molasses as a substitute for sugar in violation of the spirit if not the letter of these agreements, and other trade policies. You know, we have to stand up for ourselves because no one else is going to do it for us. I welcome your leadership in that area.

I would also ask just to go on the record regarding our discussion in my office about the milk income loss program that is going to expire. If you could repeat what—the President's commitment there, I would appreciate it.

Governor JOHANNS. Well, the President, when he was in Wisconsin, spoke to that issue and indicated he would work with Con-

gress on the reauthorization of that program. Let me assure you, I will likewise.

Senator DAYTON. Thank you. Also, I would like to, in my brief time remaining—and I hope we will also—I am going to ask the chairman to hold a hearing in the very near future on these biofuels. I commend you for your leadership on the Governor's level. We all look forward to working with you. Senator Coleman set up a task force regarding that. It is of vital importance to Minnesota, and I hope we can really push that. We give a lot of lip service to it. We don't have the Federal and, in many States, the action to back that up. I look forward to pursuing that with you later.

One question I would like to just add in my remaining time, the President in Minnesota recently announced his support for the Conservation Reserve Program, which has over 30,000 Minnesota farms enrolled. I would like to hear your views on that. Again, we can carry that forward later, but I would ask you if you will be implementing the President's directive to make available new contracts to the soon-to-expire contract holders.

Governor JOHANNS. Well, if it is a Presidential directive, let there be no doubt.

Senator DAYTON. Well, that is my paraphrase, my staff's paraphrasing of that. I do not want to speak for the President.

Governor JOHANNS. Yes, I don't either.

Senator DAYTON. We take everything he says in Minnesota as gospel. Wisconsin, we are not so sure sometimes, but Minnesota, for sure.

Governor JOHANNS. I can just offer you my experience. As Governor, I was very supportive of the conservation programs. Now, again, we all recognize that there are some issues here, and I will do everything I can to work with the administration and this committee. You would not have to look very far to find quite a few positive statements about the conservation programs during my tenure as Governor of Nebraska.

Senator DAYTON. Well, I wish you well. I look forward to working with you. Thank you for your commitment to our country.

Governor JOHANNS. OK, thank you, sir.

Senator DAYTON. Thank you, Mr. Chairman.

Senator ROBERTS. The champion of specialty crops and cherries and the Senator from Michigan is now recognized, Senator Stabenow.

STATEMENT OF HON. DEBBIE STABENOW, A U.S. SENATOR FROM MICHIGAN

Senator STABENOW. Thank you, Mr. Chairman. I am so pleased that you were listening as I was speaking about specialty crops.

Welcome, Secretary-designate Johanns.

Governor JOHANNS. Thank you.

Senator STABENOW. We have as well spoken about that. I want to add my words of thanks to Secretary Veneman and for the working relationship that I had with her, and wish her well. For our former chairman, Chairman Cochran, and our ranking member, Senator Harkin, who worked together in a very bipartisan way, as we have all said. Agriculture is not a partisan issue. It may be

State by State in terms of different regional issues, but we all come together very strongly wanting to make sure that the right thing is done for our farmers and for all of us as consumers of these important products, and businesses as well.

I congratulate our new chairman.

There are so many issues in Michigan. I had mentioned to you, Governor Johanns, that next to California, Michigan has more crops than any other States—49 different crops. I could speak about any of the issues that we have talked about this morning and it would have relevance to Michigan.

What I would like to do is speak about and ask your consideration and leadership on things that we have not focused on that are particular to Michigan and other States, that have not been addressed today. I was very pleased to hear your emphasis on infectious disease, which is a critical issue for us in Michigan as well as farmers across the country. I am very interested in your beetle center that you spoke about with plant science, and also would welcome and invite you to come to Michigan State University, my alma mater, that has a very important national food safety center and is really a leader in research on so many of these issues. We would welcome the opportunity to show you the important work that is being done there as well. Growing up in a small town in northern Michigan in a farming community, we rely very heavily on cooperative extension in Michigan State and are very proud of the efforts going on in Michigan.

This morning the State of Michigan announced the first known case of human bovine TB in Michigan in many, many years. Now, this is not an immediate concern in the sense that it will spread. We do not believe that this is an immediate crisis for people. This was a hunter who was in fact dressing a deer, cut himself, but was in fact infected by a deer that clearly had been showing physical signs of bovine TB. This is a very important issue to Michigan. I know in seeing former Chairman Combest from Texas, this is an issue for them as well. We have very serious needs, communities that have lost millions of dollars, issues for our farmers in terms of eradication and testing, and now this new human dimension.

I first would ask for your commitment to work with me on issues that relate to partnering with the State, in terms of financial commitment, to help our farmers and to help the State with additional testing requirements that are critical now—have been critical—as well as other issues. I have asked this last year, we submitted a request for $5 million to assist farmers and that was not successful. We will be asking again. It is even more relevant now as a result of this individual who was found to have TB.

I raise that with you. I am going to continue on, just only because of my limited time.

Governor JOHANNS. Please do.

Senator STABENOW. I want to make sure I raise two other issues. That is one. There are a number of issues of infectious disease that address us in Michigan, of specialty crops as well as bovine TB as well as a number of issues.

Invasive species I have also talked with you about. Emerald ash borer, which has already killed 8 million trees-plus in Michigan, ash trees. A critical issue. That is why I am interested in your bee-

tle center, because we are seeing now a new Asian-type beetle coming in. We have some real challenges that need to happen. I am very interested in working with you as it relates to APHIS. I know that was moved to Homeland Security. There have been a lot of questions about that, whether or not the focus is there, whether or not it really is appropriate to be there. I would appreciate a follow-up from you about what is happening with APHIS, what is happening with inspections, and how you will work with us to beef that up, because this is very, very serious.

The final thing I will mention, as my colleague and chairman for the day has indicated, specialty crops, fruits and vegetables are critical to Michigan and many other States. In fact Senator Gordon Smith and I chair a fruits and vegetables caucus, and Senator Larry Craig and I are working on specialty crop legislation. In the Farm bill there is very little that is helpful to fruit and vegetable growers. The Section 32 that deals with commodity purchases is one area where we had a victory in the Farm bill, but it is not being implemented by the Department, to add an additional $200 million a year for commodity purchases that are critical. I am going to be looking forward to working with you to address that provision of the Farm bill.

The other provision deals with the Tree Assistance Program, which again, it seems like we move forward, we made progress in the Farm bill, and then it is not implemented. It is implemented differently than it is for other commodities. Our Tree Assistance Program is critical for orchards. This is their capital. When we have a drought, when we have the floods, when we have other weather situations that destroy the orchards, they are destroying the industry for people. In the Farm bill we had put in a maximum compensation of $75,000 in tree losses per year for our specialty crop growers. This is being interpreted as $75,000 in loss for the life of the Farm bill. In every other commodity, in fact, these are annual losses, annual bases and limits. In the Tree Assistance Program, it was put in as over the life of the Farm bill. This is very serious for apple growers and peach growers and cherry growers. I could go on and on. I am looking forward to following up with you on those issues.

I have run out of time, but I would welcome any brief comment from you on any of these issues. Know that those of us who represent large numbers of fruits and vegetable growers are very serious about working with you to correct interpretations in the Farm bill that have not been what we believe we successfully wrote into the Farm bill. On these other issues, on invasive species and issues that relate to disease, these are critical for so many of our farmers.

[The prepared statement of Senator Stabenow can be found in the appendix on page 78.]

Senator DAYTON. Mr. Chairman, I am sorry, but I have to leave. I am told I am the quorum. If we are going to——

Senator ROBERTS. If I might respond. If everybody can stay put, we are trying to get in touch with the new chairman with the thought—the suggestion by Senator Harkin that we could actually vote this today and leave the vote open until 5 o'clock. Obviously, if I could, I would vote proxies. We do not have those proxies and the members were not aware that we could have a vote. If we do

not have a vote today, it would be delayed until January 20. I see no reason for delay. The nominee has unqualified support on a bipartisan basis. If members would have patience and listen to the distinguished former chairman from Vermont, I would appreciate it.

We are into a second round, which we now call the Baucus Round. If we have a little patience, we are trying to get ahold of Chairman-designate Chambliss. If he agrees, we will go ahead and then hold the vote open until 5 o'clock, and we can get this done. We do need a quorum, and we have a quorum now.

Senator HARKIN. Mr. Chairman.

Senator ROBERTS. The Senator is recognized.

Senator HARKIN. To all the members on our side, if for some reason you have to leave, if you could give a proxy on this to your staff so that we would have it in hand, I would sure appreciate it.

Senator ROBERTS. How many do we need?

The distinguished Senator from Vermont and the former chairman, Senator Leahy.

STATEMENT OF HON. PATRICK LEAHY, A U.S. SENATOR FROM VERMONT

Senator LEAHY. Mr. Chairman, thank you very much. I will be brief, not to hold this up. We are holding confirmation hearings at the same time. Judge Gonzales is over in the Judiciary Committee, where I have been spending most of the day and I am going back to.

He is probably not—the issues being raised with Judge Gonzales are somewhat different than the issues being raised with you. The unanimity of opinion is probably not the same in that hearing.

I appreciated our chat we had on the phone, Governor, and my experience as former chairman of this, Senator Roberts's experience, a former chairman in the other body, Senator Harkin, and others, there are occasions in the Agriculture Committee where we actually ask parochial questions, not just national policy. If I might.

Our State, in agriculture, has a lot of dairy, as I mentioned to you. I mentioned to you when we chatted on the phone that your growing up on a dairy farm in Iowa, that is more than just a job; it is a way of life. It is very hard way of life, but it is remarkable and is very helpful to us in different parts of the country. I heard your answer to the question of, I believe, Senator Dayton about you want to fulfill the President's commitment to extend the milk program before it expires in December, the Milk Income Loss Contract Program. Does the administration's budget contain this kind of an extension?

Governor JOHANNS. Senator, I have had no briefing whatsoever on the administration budget, so I just can't offer anything that would help us there. I do know what his statement was in Wisconsin, I have committed to that statement, so that is about what I can offer.

Senator LEAHY. Well, I was told at the time by the White House that they are committed to that. I would hope that, now that the election is over, the commitment, I would assume, will continue. I would have much preferred to reinstate the Northeast Dairy Com-

pact, which does not cost the taxpayers anything. I do know the administration opposes that, so it perhaps will not happen. Or I look at something like the 2002 Farm bill, and I know the former chairman of the House committee, Mr. Combest, is here in the audience. He did a tremendous amount in helping put that together, brought Republicans and Democrats together from different parts of the country, and the milk program has had thousands of dairy producers, especially during the historically low prices we have seen in recent years.

I hope it will be extended. I have worked a great deal on environmental issues, as have others on this committee. As a former farmer, you understand that many times the first environmentalist in a community is the farmer. I hope we can continue to work on those.

Mr. Chairman, I will put any other questions or matters in the record and I will leave my proxy with Senator Harkin.

[The prepared statement of Senator Leahy can be found in the appendix on page 81.]

Senator ROBERTS. If the Senator could——

Senator LEAHY. Where do you want it to be?

Senator ROBERTS. I am not going to go there. If the Senator could stay to maintain a quorum of 11, there is a possibility that, if we can reach Senator Chambliss, that we could actually vote on the nomination as of today. That is why I am urging members—I know we have a joint session at 1, I know members have other duties. If we do not, it would be January 20. I know of no opposition to this nominee.

If we can somehow have one member and then have the vote simply held open until 5 so members can vote, either by proxy or by designation, that would be the whole——

Senator LEAHY. Mr. Chairman.

Senator ROBERTS. I said there was going to be a coup. I guess this is what we are doing.

Senator LEAHY. We may have a vote on the floor this afternoon. If we did, we could always meet off the floor.

Senator ROBERTS. Yes, that is a possibility. I do not know what——

Senator STABENOW. Mr. Chairman.

Senator LEAHY. I know you are working hard on this, but Chairman Chambliss could——

Senator STABENOW. Mr. Chairman, I would just interject and support Senator Leahy's request that we do this as we are on the floor this afternoon. Unfortunately, I am going to have to leave. I am very supportive of our secretary-designee, and——

Governor JOHANNS. Thank you.

Senator ROBERTS. Is the Bing Cherry Caucus meeting?

Senator STABENOW. Yes, the Cherries Apples Blueberries Asparagus—yes.

Senator ROBERTS. I am sorry I asked. Go ahead.

Senator STABENOW. I certainly have remained as long as I can, but I am going to have to——

Senator LEAHY. We do have eight Democrats here. We are trying to help you, Mr. Chairman.

[Laughter.]

Senator ROBERTS. It is the first time I have really enjoyed this ratio, I can tell you that.

[Laughter.]

Senator LEAHY. Maybe if one or two Republicans could drop by, too, we could get the President's nominee out of here. I intend to support him.

Senator ROBERTS. Well, we are trying. I know you would say we have been very trying. We are trying the best we can.

Senator LEAHY. You were not here with former Senator Howell Heflin, but he used to say "Sound the pachyderm horns."

Senator ROBERTS. Now we have 11. Do you want to do it?

Senator STABENOW. Yes, that is fine.

Senator ROBERTS. We have 11.

Senator LEAHY. I knew if I talked long enough we would get another Republican. As soon as they heard I was speaking, they found another Republican to show up.

Senator ROBERTS. I ask unanimous consent that, since there is a quorum of the Agriculture Committee, being 11, that we move now, prior to the second round of questions, on a vote in favor of the nominee and that this vote be held open until 5 o'clock so that all members can register their vote. You know, obviously the nominee could be passed by proxy, but quite frankly, we did not expect a vote. I am very hopeful of hearing from Senator-designate and Chairman-designate Chambliss.

All those in favor of the nominee will signify by saying aye.

Senator HARKIN. Mr. Chairman.

Senator ROBERTS. We need a roll call.

Senator HARKIN. No, no, no. I want to make one thing clear on the unanimous consent, that we are also waiving the 1–day hold-over requirement.

Senator ROBERTS. That is correct. If somebody will ask for a roll call vote, I would be happy to acknowledge.

Senator HARKIN. I ask for a roll call vote.

Senator ROBERTS. The clerk will call the roll.

The Clerk. Senator Harkin.

Senator HARKIN. Aye.

The Clerk. Senator Leahy.

Senator LEAHY. Aye.

The Clerk. Senator Conrad.

[No response.]

The Clerk. Senator Baucus.

Senator BAUCUS. Aye.

The Clerk. Senator Lincoln.

Senator LINCOLN. Aye.

The Clerk. Senator Stabenow.

Senator STABENOW. Aye.

The Clerk. Senator Nelson.

Senator NELSON. Aye.

The Clerk. Senator Dayton.

Senator DAYTON. Aye.

The Clerk. Senator Salazar.

Senator SALAZAR. Aye.

The Clerk. Senator Lugar.

[No response.]

The Clerk. Senator Chairman. Senator Cochran.
[No response.]
The Clerk. Senator McConnell.
[No response.]
The Clerk. Senator Roberts.
Senator ROBERTS. Aye.
The Clerk. Senator Talent.
[No response.]
The Clerk. Senator Thomas.
[No response.]
The Clerk. Senator Santorum.
[No response.]
The Clerk. Senator Coleman.
Senator COLEMAN. Aye.
The Clerk. Senator Crapo.
Senator CRAPO. Aye.
The Clerk. Senator Grassley.
[No response.]
The Clerk. Senator Chambliss.
[No response.]
The Clerk. There are 11 ayes, sir.

Senator ROBERTS. We will hold this vote open, as designated during the UC request, until 5 o'clock. I thank all members, and we will now proceed with the second round of questioning. It will be Senator Baucus—I am sorry. We will go by—I do not know whether or not we had by order of appearance, and I do not know who rates in terms of order of appearance, but I at least know that I should recognize the distinguished ranking member.

Senator HARKIN. Well, Mr. Chairman, I thank you very much. I covered most of the things I wanted to with our secretary-designee. I am glad that we got the 11 here, and hopefully we can—if we have a session on the floor this afternoon, as I understand we may on the Senate floor, and we have a vote, voice or not, if we get the people on the committee to get their staffs to get them to vote on this even before 5, it is possible that we could actually get this through the Senate today, and then get the President to get you in there as soon as possible.

Governor JOHANNS. Thank you, Senator.

Senator HARKIN. Hopefully, this will happen.

Is only one other thing I just wanted to cover very briefly with you, Governor, and that is in terms of a capital investment in rural areas. I mentioned I am from a small town. We tend to think of "agriculture," we think of our farms, our ranchers. Without our small towns and communities, they cannot exist. We have to have another economic structure out there in our small towns. That is why we worked hard to put in the broadband access into the Farm bill. There is money in there—I mentioned that earlier; I am not going to go over that again—broadband access, the value-added parts of it, that type of thing.

One of the things that has been woefully inadequate in rural America and small towns and communities is venture capital. Venture capital always goes to bigger places. Now, it came to my attention some time ago that there are some entities springing up in different places. I know a couple out of Chicago, and there may be

others that I am not aware of, obviously, in which they are putting together venture capital funds basically to try to get into rural areas. Well, we put in the Farm bill a Rural Business Investment Program, RBIP, created in there to provide venture capital for small towns and communities. We provided mandatory funds—mandatory funds—for a rural business investment program to meet the need of venture capital and development of businesses in small towns.

The interim rule that was developed has a number of problems which really hurt the effectiveness of the program. For example, the rule includes a variety of fees that could amount to over $1.6 million in expenses placed upon the rural business investment company. Now, again, the Farm bill provided mandatory funding so that we would not have to have these type of fees for small towns and communities. If you are sending up what we call an RBIC, a Rural—and this is modeled after the small business investment corporations, which I am sure you are aware of in Nebraska also.

Governor JOHANNS. Yes.

Senator HARKIN. This is different. We put the mandatory funding in there for that purpose. There are some other parts of the rule that have other weaknesses. I guess my—the only thing is, I hope you will look at that.

Governor JOHANNS. I'll take a look.

Senator HARKIN. Take a look at that interim rule. See how we can work together to better revise it to get the mandatory money out to get this rural business investment thing going.

Oh.

Senator ROBERTS. Are you OK there?

Senator HARKIN. I am sorry. I just got a note here to say that Hilda Legg, who is the Rural Utilities Service administrator, just announced her retirement. I am sorry to hear that. She was a great appointment, she did a great job facing great difficulties. She worked great with this committee. I am just sorry that you will only have her assistance for a few days after your confirmation. I hope that you will talk with Ms. Legg about what is needed regarding the rural utilities services before she leaves. She has a great deal of knowledge and expertise in this area, and I am concerned, as we continue ahead on this, that you will really ask for her input before she leaves. I was just given that note. I hope this is correct—I do not want to announce—I am not announcing something, I was just saddened and surprised to hear that she is leaving.

Please talk to her before she leaves. She is very good.

Governor JOHANNS. Thank you. I will, Senator.

Senator HARKIN. Thank you.

Senator ROBERTS. The distinguished Senator from Montana is recognized.

Senator BAUCUS. Governor, I am very happy, as all of us on the committee are, and a lot of people listening, that you are so aggressive in pushing U.S. exports, agriculture products overseas. As you well know, it is a huge effort on our behalf. It must be in some respects because for other countries, trade, on a comparative basis, is even more important than it is in the United States. There are other countries—and it is always interesting to me when I visit other countries and raise the question of trade and so forth, how

much they know about the United States agriculture trade; how much they know about our country, because trade is their life blood even more than it is ours in most of these countries, frankly. That is because we are such a large country, somewhat self-sufficient in so many areas. Many countries are not.

That means that when it comes to working out agreements with these countries, we have to work even harder, more creative than we otherwise think we might have to be.

I might focus on one area of the world, and that is Cuba. As you well know, we export about $700 million of agriculture products to Cuba in the last several years. As you also know, the Congress passed legislation in 2000, which emphasized our congressional desire, signed by the President, to export agriculture products to Cuba.

My State of Montana, we have exported $25 million worth in the last—actually, we signed an agreement for $10 million about a year ago, and $15 million just a short while ago. Most of the $15 million is already been executed. That is about $25 million to Cuba.

I am asking you to continue to, according to the spirit of that legislation, to aggressively help American companies—farmers—export their agriculture products to Cuba. There are some within the Administration who would like to go in the other direction.

I am asking you, will you commit to—I am not asking you to lift the embargo——

Governor JOHANNS. Right.

Senator BAUCUS. The travel ban. I am just asking you to restrict nibbling efforts in the Administration that will tend to restrict that trade to Cuba.

I say that, in part, because the first time, we almost have a deficit in agriculture trade. We enjoyed a huge surplus, but that has been shrinking significantly, and this is one bright spot where we can export ag products to Cuba. Can you make that commitment?

Governor JOHANNS. Senator, let me just again say what I said in your office yesterday. I will support the Administration's policies on Cuba, and, as you point out, we do export to Cuba.

Senator BAUCUS. You know the legislation that was passed?

Governor JOHANNS. Yes. I know——

Senator BAUCUS. I urge you—frankly, I encourage you to read it.

Governor JOHANNS. Yes.

Senator BAUCUS. Because I did just not too long ago, maybe a couple of weeks ago. It is interesting how it is very clearly and affirmative U.S. policy on a cash basis, to ship agriculture products to Cuba.

Governor JOHANNS. Yes. I will promise you I will read the legislation very, very carefully, and if confirmed by the U.S. Senate as Secretary of Agriculture, I will support the Administration's policies on Cuba. The President has spoken very forcefully in this area.

Senator BAUCUS. I might say it is unclear what the Administration's policy precisely is.

Governor JOHANNS. OK.

Senator BAUCUS. There is a lot of wiggle room there. I do not know if the Administration—the President himself is personally focused on efforts by, say, OFAC, in the Treasury Department, to

propose financing regulation changes which have the effect of choking off ag trade. There is potentially a lot of discretion there.

I am asking you as Ag Secretary, to fight to keep that from being choked off with the letter of the law. You can have some discretion there. I am sure the President of the United States does not decide every single issue like this. He does not have time. He cannot. It is an impossibility. You have a lot of discretion.

I am asking you, will you personally commit? Is it your personal view to restrict, to resist efforts to choke off.

Governor JOHANNS. I will do everything I can within the Administration policy, and, Senator, that's just as direct as I possibly can answer.

Senator BAUCUS. Well, I urge you to go as far as you possibly can, because it is very important. Some of us have been to Cuba recently. When you are in Cuba—I have to be honest—you wonder what planet you are on, given current U.S. policy with respect to Cuba. It is astoundingly off in some other world. I am not going to argue that. I am not going to argue that point today. I am just going to say we do have a law, and I would like to see the travel ban repealed, the embargo repealed, but that is not what we are discussing here today. We are only discussing the narrow confines of that statute, that here in 2000, which was passed and signed by the President.

I am asking you to uphold to that statute as vigorously as you can.

Governor JOHANNS. I will always uphold the law, as I indicated to you.

Senator BAUCUS. Sorry. My time is expiring, so I have one quick other point I want to make to you, and that is the tremendous problems this country is going to be facing in the next several years with respect to the Farm bill, DOHA round, Brazil, a WTO case, for example, and we have huge problems facing us. Budget deficits. Federal fiscal budget deficits. There is a much larger now than when the last Farm bill was passed—the current Farm bill was passed. As you well know, it is in our interest as Americans to try to get this DOHA Round passed as quickly as we possibly can; in a way, of course, that is favorable to the United States; at least not unfavorable to the United States.

In the meantime, the Farm bill might expire by 2006 or 2007. I do not know if the DOHA Round is going to be completed by then. Then there is the Brazil sugar case, which is directed only at sugar in the United States, but also is to upset the United States' efforts in the Round.

Could you just give us a very short sense of how you attempt to navigate that very difficult terrain?

Governor JOHANNS. Well, you've laid out the issues. Everything is coming together, almost all at once. What the exact timing will be is a little bit up in the air.

I can tell you, without any hesitation, that I will be personally involved in the DOHA Round. Of course, a lot has happened up to this point, but I see such a critical role for agriculture here that I've already indicated that I want to be there. I want to be at the table. I want to be advocating for agriculture and making sure that our voice is heard.

I will also give you this assurance, Senator. I'll work with you and the members of this committee and Senate and House on their issues and concerns relative to the DOHA Round.

Your other observation is correct: this probably will come together at about the time that the Senate and the House are talking about the reauthorization of the Farm bill. Potentially, it has a significant impact on that.

My crystal ball is probably not any better than anyone else's , but certainly all of these things are heading toward a point here, and they could all have an impact. My goal with the DOHA negotiations, is to make sure that agriculture is front and center; that it not only has a place at the table, but that we're considered as those discussions proceed. Whatever input and advice you could give me on that will sincerely be welcomed.

Senator BAUCUS. Well, I deeply appreciate that, because I know I can speak for all of us, we want to work with you, because this is an American issue. We are all together here. We are on the same team.

Governor JOHANNS. Terribly important.

Senator BAUCUS. It is going to take an awful lot of work and a lot of teamwork with the Congress and the Administration to get the best possible result. Final issue, I am not going to take any time on this country of origin labeling. This is very important to my people in Montana. I am very disturbed frankly that the Administration has resisted the legislation that we passed for mandatory country of origin labeling.

I know there are riders on appropriations bills and so forth that have delayed. I certainly did not agree with them. My people in Montana certainly did not agree with them. It is like every day practically we see all these products—turn it over. Made in China. There is so much country of origin labeling on other products in this country. I believe in the interest of American consumers, as well as the American producers, it is the right thing to do. All these smokescreens that the packers and the grocery chains throw up are just that. They are just smokescreens. We can figure out a way to get this done in a way that is right. The right way is a—a fair way to have country of origin labeling so our consumers and our producers both know.

Governor JOHANNS. OK.

Senator BAUCUS. Thank you, Mr. Chairman. I apologize.

The CHAIRMAN. No problem.

Senator ROBERTS. No apologies needed, and I——

Senator BAUCUS. I am just showing the new Senator from Colorado our new rule.

Senator ROBERTS. The challenge in regards to Cuba does not lie with the Department of Agriculture so much as the Department of State, and, as the gentleman is aware, we have some legislative endeavors in the wings to hopefully achieve some progress in that regard. I look forward to working with him in that——

Senator BAUCUS. Thank you.

Senator ROBERTS. In that respect. The distinguished Senator from Arkansas.

Senator LINCOLN. Thank you, Mr. Chairman. Once again, I get to call you Mr. Chairman.

You finally let me on the Ag committee. I am sorry.

The CHAIRMAN. I tried a long time ago. I tried a long time ago.

Senator LINCOLN. I know it was a long time ago.

The CHAIRMAN. It was like pushing a rope, but, by golly, we got you on.

Senator LINCOLN. Governor, I just have a few additional questions, particularly about the issue Senator Baucus brought up in terms of the trade to Cuba, which we authorized the sale of agricultural products through the Congress in 2000.

I noticed you did say that you would support the Administration's policy, and I suppose our concern is if the Administration's policy were to change, particularly through the Department of the Treasury and others, the actions that would occur and what it might cost us in terms of the export market that we have been able to gain there.

If the Administration does make those changes, and it results in reduced agricultural exports, I particularly would like to know what actions you in the Administration would take to compensate producers for the income losses that are associated with those lost sales.

That is important for us to know. If, in fact, the Administration is going to take action that does have a negative effect on export markets and our producers, it is going to be important to know what the compensation would be.

Governor JOHANNS. Senator, I quite honestly have thought about a lot of questions I might be asked at this hearing, and that was one that quite honestly I haven't given any thought or consideration to. That might be one where, if you don't mind, I'd like to have an opportunity to think through your question and accept that one as a question that I can respond to in writing. I'd just feel much more comfortable if that's okay with you.

Senator LINCOLN. Absolutely. I just think it is important for that point to be made, just as I mentioned one of Arkansas' corporate citizens has taken action because of closed export markets and what it has done. It is important for us to realize that for our producers, our jobs in this country, there is a real impact that happens when those decisions are made. It is important for us to understand that as a government and as an Administration, we have to be able to respond to that.

The last thing I would like to bring up and I notice Chairman Larry Combest out there as well, he was wonderful to work with in a very bipartisan way, and in a regional way, and I want to compliment him on the great work that he has done; and I am glad to see him.

One of the things that I would like to make sure we have is an assurance from you, as Secretary of Agriculture, that you will protect the very diverse support structure that is embodied in the current Farm bill. As many have mentioned, it is not as much partisan in the Ag committee as it is regional. We have worked very hard to make sure that all of the regions are respected. The crops that they grow, the way that they function, particularly in regard to foreign markets. It is important that that diversity and that understanding be maintained. I hope we have your support and your commitment to that diversity of that support structure.

Governor JOHANNS. I advocated for the Farm bill as a Governor, as I've mentioned I was the lead Western Governor and lead Midwestern Governor. I feel very comfortable with the Farm bill that was passed.

The one qualifier that I have to put in here, Senator, is there's a piece of this that's very important, that we're all going to have to focus on, and that's budget issues. I don't know what those issues are today. I have not gotten any inside information and didn't request any inside information. Somewhere out there I suspect we'll have additional discussions on what often times are the toughest pieces of our jobs. I've certainly been through it the last couple of years, and I'd share with you in the 20 years I've been in public service, I noticed I was a lot more popular when I had money than when I didn't.

I guess what I'd offer to you is this: I do have comfort with the Farm bill, and worked hard from our Governors' standpoint to get a farm bill like this passed. I'll do everything I can to advocate for agriculture, and I'll also recognize that somewhere out there, there will be a budget. You would think less of me if I was in here not supporting the budget. I fully intend to support the budget.

Senator LINCOLN. Well, as long as the budget is fair, and one of the things we try to impress upon you is that you will actually be the one defending us and fighting on behalf of the things that we are trying to promote, which we have all talked about here today. I, like Senator Salazar, grew up in one of the poorest counties in the country. Whether it is rural development, whether it is conservation programs, as Senator Cochran mentioned, which are critical, whether it is again the fact that we all grow different crops, our economies of scale are different, our crops are different, because we live in different regions of the country, and in many instances, we are going to ask you to step into that battle on our behalf with the Administration and the budget folks to really say this is a critical part of what our country and our heritage is all about.

I look forward to working with you——

Governor JOHANNS. Thank you.

Senator LINCOLN. Those diversities and those differences are what make us strong in this country and particularly from an agricultural standpoint. Thank you.

Thank you, Mr. Chairman.

Governor JOHANNS. Senator, thank you.

Senator ROBERTS. I thank the Senator for her comments. All Senators should know and staff representing the Senators should tell Senators that any written questions for the Governor need to be submitted to the committee by 3 p.m., as of tomorrow. The distinguished Senator from Nebraska is recognized.

Senator NELSON. Thank you, Mr. Chairman. It looks like I might get the last question, but, with you as Chairman, I know I will not get the last word.

Governor, I am encouraged by your comment about putting agricultural trade front and center, because so very often it has been an afterthought, a sidebar agreement, not part of the basis trade agreements that have been negotiated. I am very encouraged by that.

As part of the fight against trade protectionism, you have heard so many comments about Japan and other Asian markets as well that are currently not admitting exports, particularly of beef, to their markets—closing out those markets. You have heard about Canada.

The one market that is continuing to be a problem that will be a challenge is the European market. The trade barriers there seem to be on the basis of genetically modified organisms. Any particular reason to not to permit our markets to export into their markets.

I hope that that will be another area for you to put front and center, because we need to be sure that we are able to trade or this imbalance of trade that is now extending to agriculture is only going to get worse. Exports have to be part of the trade agreements. All too often, the trade agreements appear to represent and resemble more import agreements than they are export agreements.

I know that is high on your list of priorities, and I want you to know that we will continue to work with you every way that we can, and should it become important to have a hearing on this as it relates to some of these markets, I know that you would be available to come and testify as to what your experience is once you have had this job.

Governor JOHANNS. You know I would be glad to, Senator, and I appreciate your comments. It's another area I bring something to the table. The Midwest Governors' Association asked me to go over and meet with European Union officials on these issues. There's (labeling, which, of course, is connected to this whole issue of biotechnology) so much more that needs to be done over there concerning labeling and it's good that you highlight that. It's on my mind. I'll do everything I can to push that agenda.

Senator NELSON. Well, thank you, and congratulations in advance, and good luck.

Governor JOHANNS. Thank you, Senator.

Senator NELSON. Thank you.

Governor JOHANNS. I appreciate it. I look forward to working with you.

Senator NELSON. Thank you.

Senator ROBERTS. We thank you, Senator. Before we adjourn, I would like to submit for the record a number of letters, all of which strongly endorse the nominee. These endorsements include the Western Governors' Association, the Renewable Fuels Association—they meet every Wednesday morning and have a glass of ethanol with Chuck Grassley—the United Egg Producers, the National Corn Growers, the Governor of Hawaii, the National Milk Producers, the International Dairy Foods Association, and a coalition of major sporting and conservation groups, and pending the game next year Kansas State University.

[The letters can be found in the appendix on page 112.]

Senator ROBERTS. Governor, you have been very patient, and we have one more question or comment by the distinguished Ranking Member.

Senator HARKIN. Thank you, Mr. Chairman. Just a little housekeeping matter. I thank you for moving the nominee rapidly and getting the quorum here so we can hopefully get this done today.

It has come to my attention that there were some Senators who were unable to be here today or who had follow-up written questions.

Despite the committee's action today and possibly the Senate action today in confirming you, Governor, would you again commit to answering any written questions that would come from any member of this committee regarding your nomination, despite the fact that you may already be Secretary of Agriculture?

Governor JOHANNS. Oh, absolutely, Senator. Of course, and I'll do it diligently.

Senator HARKIN. All right. I appreciate that. Thank you.

Governor JOHANNS. You bet.

Senator ROBERTS. Governor, you have been very patient. You have given an excellent statement. You have the support of this committee. Thank you very much for coming, and godspeed.

Governor JOHANNS. Thank you. It's been a honor.

[The prepared statement of Governor Johanns can be found in the appendix on page 62.]

Senator ROBERTS. The hearing is adjourned.

[Whereupon, at 1:04 p.m., the committee was adjourned.]

APPENDIX

JANUARY 6, 2005

Saxby Chambliss

UNITED STATES SENATOR
GEORGIA

416 Russell Senate Office Building
WASHINGTON, D.C. 20510-1501
202-224-3423

For Immediate Release
January 6, 2005

OPENING STATEMENT BY CHAIRMAN SAXBY CHAMBLISS

WASHINGTON – U.S. Senator Saxby Chambliss, Chairman of the Senate Committee on Agriculture, Nutrition and Forestry, delivered the following opening statement before the nomination hearing of Michael Owen Johanns of Nebraska, President Bush's nominee for U.S. Secretary of Agriculture.

"Governor Johanns thank you. I congratulate the President on his choice to lead the Department of Agriculture for the next four years. And I appreciate your commitment to public service.

"In my opinion, Governor Johanns is extraordinarily well-prepared for this new challenge. He grew up on a dairy farm in Iowa. He has served two terms as Mayor of Lincoln, Nebraska, and is in his second term as Governor of that state. Governor Johanns has shown outstanding leadership during his tenure as governor of Nebraska which will serve him well in managing the diverse and important activities of the Department of Agriculture.

"As leader of a major agricultural state, the Governor is obviously familiar with the issues that are important to farmers and ranchers. He has been a leader in the Western Governors' Association on drought issues and has led five trade missions to expand overseas markets for American agricultural products.

"He has also been a leader in many of the other issues that are critical to the very diverse mission of the U.S. Department of Agriculture. He has been a strong voice for rural economic development. He is a past-Chairman of the Governors' Ethanol Coalition and knows the potential of value-added agriculture. He serves as Chairman of the Governors' Biotechnology Partnership and has fostered electronic-government and technology applications in his state.

"Governor, I know my colleagues are looking forward to hearing your thoughts on their specific issues but before we begin with your statement and questions, I would like to ask my good friend, the distinguished Ranking Member of the Committee, if he has any opening remarks."

[For more information contact Chambliss press office at 202-224-3423 or the Agriculture Committee press office at 202-224-4728.]

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http://harkin.senate.gov (202) 224-3254

FOR IMMEDIATE RELEASE
January 6, 2005

Contact: Matt Hartwig
202-224-3254

STATEMENT OF SENATOR TOM HARKIN (D-IA)
HEARING ON THE NOMINATION OF MICHAEL O. JOHANNS
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY
January 6, 2005

WASHINGTON, D.C. – "Thank you Mr. Chairman, and congratulations on assuming the gavel this morning. I look forward to working with you in the bipartisan tradition of our Committee, as I did with Senator Lugar and Senator Cochran. I also welcome Governor Mike Johanns and congratulate him for his nomination as Secretary of Agriculture.

"Good leadership at the Department of Agriculture matters a great deal in my state of Iowa. Agriculture is critical to our economy, and we treasure our way of life in small towns and rural communities. Yet no matter where we live, we depend on food and agriculture. Thus the day-to-day responsibilities of the Secretary of Agriculture touch the lives of all Americans and millions of others around the world.

"Governor Johanns got a good start in life, growing up on a dairy farm near Osage, Iowa. As the governor of our neighboring state of Nebraska, he has added to his knowledge of food, agriculture and rural issues. Governor Johanns, I look forward to working with you on the many challenges we face.

"One of them is carrying out the farm bill. We passed a good bill in 2002, President Bush praised it and signed it into law, and for the most part it has been working. We stayed within the budget in writing that legislation, but since then the president's budget and appropriations bills have taken a lot of funding away. In fiscal 2005 alone, over $1.2 billion was cut from programs such as conservation, rural economic development, research and renewable energy. On top of that, the administration insisted that disaster assistance could only be obtained by drawing funds out of the farm bill. This bleeding of funds from the farm bill is damaging and short-sighted.

"Key farm bill initiatives are also suffering from delayed or misguided implementation. It seems as if the regulations for the Conservation Security Program were intentionally written to drive farmers and ranchers away through stingy payments and overly burdensome requirements. The new initiative to bring investment capital to rural communities has been largely nullified by unworkable rules. Funds dedicated to rural broadband access lie idle because of excessively tight-fisted lending policies. These implementation problems can and should be solved.

"It is encouraging that Governor Johanns understands the importance of developing markets for value-added products – from pork and beef to farm-based renewable energy and bio-based products. Adding value to commodities holds real promise for boosting farm income, jobs and economic growth in rural America. We wrote a provision in the farm bill requiring all federal departments and agencies to give a preference to procuring bio-based products whenever feasible – thus creating a huge potential market. Unfortunately, USDA's rules to establish this requirement are now more than two years late. This initiative is too critical to delay any further.

"We also face unprecedented challenges in protecting the safety and security of our nation's food supply – including from intentional acts scarcely contemplated in the past. Besides meat and poultry inspection, USDA has a crucial role in fighting plant and animal diseases, such as soybean rust or foot and mouth disease, and protecting human health, such as from BSE or Avian influenza. To do the job, USDA needs state-of-the-art facilities, which is why we must provide the necessary funds to complete renovation of the animal disease center in Ames, Iowa.

"We have a history of bipartisan cooperation in our Committee and with the administration in support of domestic and international food and nutrition assistance. It is helpful that the agriculture community understands this "farm-food" connection and wants our nation's abundance to help those who need it. I am proud to have worked with Senators Lugar and Cochran to strengthen the federal food assistance and child nutrition programs. Governor Johanns, I hope that you will continue USDA's strong support for national eligibility standards and benefit levels in these programs.

"In trade, we have for years taken for granted our nation's agricultural trade surplus. But for 2005, USDA projects that for the first time since 1959 our agricultural trade surplus will disappear. Clearly, global trade negotiations will require a lot of careful work, as will efforts to reopen markets for U.S. beef. More work is needed on USDA's just-released rule for expanding imports of cattle and beef from Canada in the wake of BSE.

"Finally, there is an urgent need to step up enforcement of the Packers and Stockyards Act against anti-competitive practices.

"Again, I welcome Governor Johanns to the Committee and look forward to today's hearing and to working with him in the coming months and years."

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FOR IMMEDIATE RELEASE
Thursday, January 6, 2005

Contact: Rachel Reiter or
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Statement by Senator Chuck Hagel
"Governor Mike Johanns
Nominee to be Secretary of Agriculture "

Senate Agriculture Committee Hearing

January 6, 2005

"Mr. Chairman, I appreciate the opportunity to appear before your Committee today.

Over the next four years the Secretary of Agriculture will play a critical role in the direction of U.S. agriculture. The decisions made and policies crafted, such as the next farm bill, will form the foundation of a competitive position for U.S. producers in a rapidly changing global market. The list of issues facing USDA is long, complicated and will require strong and visionary leadership. So today, I am proud to introduce to this Committee the man I believe is uniquely qualified to provide that leadership: Nebraska Governor Mike Johanns.

Mike's passion for agriculture is as strong today as it was while growing up on an Iowa farm. As Governor of Nebraska, that passion drove Mike to be an effective and tireless advocate for Nebraska agriculture all over the world. Drought assistance, ethanol, rural development, and natural resources are just a few areas where Mike's leadership has benefitted agriculture. He has recognized the importance of diversifying Nebraska's trade portfolio. During his tenure, he led five Nebraska delegations on trade missions to eight different countries.

Over the last six years, Mike and I have developed a productive working relationship and personal friendship. Mike's passion for agriculture is personal. It is part of who he is and where he comes from. I am confident that Mike's passion, determination, and leadership will guide U.S. agriculture in the right direction over the next four years. President Bush could not have picked a better person for this job. Mr. Chairman, I am proud to introduce the President's nominee for Secretary of Agriculture, Nebraska Governor Mike Johanns.

Thank you."

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Statement of Governor Michael Owen Johanns,
Nominated by the President to be Secretary of Agriculture,
Before the United States Senate Committee on Agriculture, Nutrition and Forestry
January 6, 2005

Mr. Chairman and distinguished members of this Committee, I am honored and humbled by the President's nomination and the confidence he expressed in my ability to serve as Secretary of Agriculture. The U.S. Constitution vests in the Senate a critical role in this process so today I am here to answer your questions, in hopes that I might also earn your confidence and assist you in fulfilling your constitutional role.

I am joined today, and would like to acknowledge, my partner and biggest supporter, my wife, Stephanie.

I appreciate the opportunity to highlight the agricultural milestones that I've achieved as Governor. I will share with you in a simple and straightforward manner who I am and why I am so eager to champion the cause of agriculture. I would like to point out at the outset that the successes I will outline are not mine alone. I worked with many citizens, legislators, fellow governors and a whole host of others throughout my years in public service. They, too, deserve credit for these achievements.

I grew up in Mitchell County, Iowa, the son of dairy farmers. I woke with the sun to do the chores and we often finished after dark. At a very young age I learned discipline and commitment to purpose. I developed a deep respect for the land and a work ethic that helps to define who I am as a person. I will always be a farmer's son with an intense passion for agriculture.

You won't have a difficult time finding evidence of that passion throughout my time in public service. I currently serve as Governor of a state in which agriculture is a key economic driver. Nebraska is the largest beef processing state in the nation and the fourth largest exporter of agricultural products. I have had every reason to remain very closely connected to my roots and the lessons I learned long ago.

For example, every farm kid quickly learns the importance of productivity. Having worked long hours on the farm, I imagined at the time that we were churning out as many bushels of corn per acre as humanly possible. Today, productivity has increased so dramatically that producers harvest crops we only dreamed of when I was young.

Technology has revolutionized farming and biotechnology could open the door to a more productive future. As chairman of the Governors' Biotechnology Partnership, I have actively encouraged the exploration of biotech opportunities with a determination to overcome hurdles, open new markets, and provide expanded opportunities for productivity in agriculture. Biotechnology has the potential to reduce global food needs, enhance product quality and address environmental concerns. The subject of biotechnology brings to mind a powerful quote from author Kathleen Norris, found in a book she wrote about rural life; "Disconnecting from change does not recapture the past. It loses the future."

In Nebraska, we have invested a great deal in the future of agriculture. Working with legislators, we enacted a Value-Added Agriculture Initiative, recognizing the consumer trend toward convenient, ready-to-consume products and the opportunity that trend presented to our state. In 2000, I signed into law the "Agricultural Opportunities and Value-Added Partnership Act." This successful program provided approximately $2 million in funding for 37 Nebraska projects. We supported the development of a hydroponic produce facility, promoted Nebraska Corn-Fed Beef, and conducted ethanol plant feasibility studies. Budget challenges made it impossible to continue this program but we turned to another value-added product and made enormous investments.

We zeroed-in on ethanol and aggressively pursued a role for our state. I assumed the chairmanship of the Governors' Ethanol Coalition as the country continued distancing itself from MTBE. In 2001, I signed legislation that focused our financial resources on providing transferable, non-refundable gas tax credits for the production of ethanol. The result is expected to be a state investment of more than $200 million within the next eight years. It is already paying-off. Nebraska currently has seventeen ethanol plants, with eleven of them fully operational. Now, nearly one in five bushels of corn in Nebraska is processed into ethanol.

A look to the future must also involve a global pursuit of new markets. That's why I have led eight delegations of Nebraska agricultural and business leaders on trade missions around the world. I've pushed for increased export opportunities in Mexico, Japan, Taiwan, China, Hong Kong, Australia, Korea, Singapore, Malaysia, Chile and Brazil. I've learned first-hand from visiting places like Brazil that if American producers do not claim the market, then others will.

Growing up, I also learned a simple lesson about Mother Nature; it doesn't matter how fancy your tractor or how high the export demand if there isn't enough rain to get your crops out of the fields. In the mid-1960's, it didn't rain in Mitchell County and my family lost our entire crop. Drought was unusual for northern Iowa. But, drought is not unusual for many of our states. This experience, combined with the knowledge I've gained from serving as Governor during a severe drought, has driven my aggressive work to better prepare for and respond to drought.

In Nebraska, the drought's firm grip has taken its toll. I've walked the fields in the hardest hit counties and stayed in close contact with producers. We worked in partnership with you and others to help by providing disaster aid and other programs. In fact, it was only through such a partnership that the nonfat dry milk program was christened to provide excess USDA stocks of nonfat dry milk for use in livestock feed rations. The program has benefited thousands of farmers and ranchers in Nebraska and other states.

While such programs provide necessary, short-term relief, I believe an analysis of our nation's long-term drought preparedness and response is in order. As co-lead governor on drought for the Western Governors' Association, I teamed up with Governor Richardson, of New Mexico, and others, to advocate on a bipartisan basis for an integrated drought monitoring system. By establishing an early warning system, we could better forecast future drought cycles, thereby allowing for better preparation. We extended our

partnership to the National Oceanic Atmospheric Administration and an outline of our ideas has been presented to this committee.

I also contributed to the development of national agriculture policy as the lead governor on the Farm Bill reauthorization of 2002 for both the Western Governors' Association and the Midwestern Governors' Association. I appreciated the opportunity to work with Governor Vilsack and numerous other colleagues in drafting policy objectives that focused on innovative ideas. Together, we garnered bipartisan support for our recommendations and as a result, many were adopted in the most recent reauthorization legislation.

I've said much about the policies that I've supported in hopes they provide some insight into my philosophy and vision. I've said little about the principles upon which I base my actions and decisions. You have a right to that information, too. As old-fashioned as it might sound, I believe public service is a higher calling. It is appropriate for you to consider both my policies and my principles before deciding whether I am worthy to serve as a member of the President's Cabinet.

What I offer you is not profound. It is as basic as my upbringing.

I believe citizens should have access to governmental leaders. I maintain an open-door policy as Governor, just as I did as a mayor and a county commissioner. You might find Nebraskans who have disagreed with my decisions, but they have always been given the opportunity to discuss an issue with me whether we do or do not see eye to eye.

I believe government, be it local, state, or federal, must fiercely guard against the notion that all good ideas are conceived inside government offices. That's why I visited all 93 counties in Nebraska and travel the state frequently to have direct, face-to-face contact with the constituents I serve. I appreciate that our nation is much larger than the 93 counties of Nebraska and yet the same reality holds true regarding the exceptional wisdom often imparted by the citizens we serve.

I believe personal integrity is critical. The answers I provide might not please everyone, but they will be honest and straightforward. I've worked with contentious issues and stood up for what I believe in. As an example, I developed a Meatpackers Bill of Rights amid considerable controversy. It outlines eleven rights of all workers within the meat packing industry in Nebraska, the majority of whom are Hispanic, in response to reports of poor working conditions. The basic premise is that people have a right to a safe work environment whether they earn five or fifty dollars per hour.

I believe that when a spirit of cooperation prevails, hope can be found in seemingly hopeless situations. Cooperation is sometimes equated with compromise of principle and I vehemently disagree with that characterization. I could cite numerous examples of divisive issues being resolved by bringing diverse interests to the table – none of which involved sacrificing principles. Some of the most formidable challenges we've faced as a state were overcome only by establishing an atmosphere of cooperation. If confirmed, I am eager to work with this committee and the full Congress to establish a similar

atmosphere in which we can tackle the challenges and seize the opportunities before us to achieve new agricultural milestones as a nation.

I believe that those in leadership positions must not only manage the issues of the day, but also look to the future and do so with courage. My concern about the future of a constitutional corporate farming ban in Nebraska, known as Initiative 300, ignited an intense, but necessary debate. In past months, the U.S. Court of Appeals for the Eighth Circuit ruled that a similar ban in South Dakota was invalid because it violated the Commerce Clause of the U.S. Constitution. I knowingly risked great criticism in calling for a statewide task force to study the Eighth Circuit case and propose changes if any were necessary to prevent a similar fate for Nebraska's law. I did so because the issue warrants attention until the question of constitutionality is resolved.

Political courage is sometimes necessary to set the course for the future. Our country has been blessed with many courageous leaders and I believe the future holds great promise for a strong, vibrant rural America. I admired the optimism of my parents during the downturns and their smart decisions during the good times. I am in awe of the farmers and ranchers in Nebraska whose resilience has been nothing short of remarkable as they faced a fifth year of drought. You would be hard-pressed to put a challenge before them that they are unwilling to accept. It is important for those whose responsibility it is to support our farmers and ranchers to demonstrate the same resiliency and determination.

I will promise you this: If you should decide I am fit to serve our country in this capacity, I will do so with passion, determination, and a continued commitment to the very values I learned on that dairy farm near Osage, Iowa. We may disagree from time to time, but I want you to know that my loyalty to agriculture will always drive my decision-making.

As Governor of a state that has benefited tremendously from the good work of the USDA, I would be honored to stand side-by-side with the dedicated employees of the department to work as a team in advocating for rural America. I would welcome the challenges associated with managing a diverse, complex organization. I have had to make many difficult decisions as Governor, and I have tried to clearly articulate my reasons for these decisions to the citizens whom I serve and represent. I understand the significance of being accountable to the President, to you, to the employees of the department, and most importantly, to the citizens of this great country.

I have spoken with most of you by phone and many of you in person since my nomination was announced. Your interest in USDA programs has given me an appreciation for the important work performed by the department. I am eager to follow up and learn more about the topics you've raised in our meetings such as managing our nation's 192 million acres of national forest lands, overseeing food assistance programs that serve one in five Americans at some point during the year, protecting plant and animal health, ensuring the safety of our food, and making certain the USDA serves all customers and treats all employees with equality, dignity and respect.

When I accepted the nomination of our President, he said something that has stayed with me in the subsequent weeks. He described me as a faithful friend to farmers and ranchers. I can only hope that the farmers and ranchers of Nebraska share the President's view. I can only hope that if confirmed by this Senate, the farmers, ranchers, and consumers of America will feel that I have been a faithful friend and strong advocate at the completion of my term. I will never hesitate to speak passionately on their behalf.

Senator Baucus
Senate Agriculture Committee
Nomination Hearing of Mike Johanns
January 6, 2005

Thank you, Mr. Chairman. Thank you also to Governor Johanns for being here today. The experience and credentials you bring to this job will serve you well, and help steer USDA through what is shaping up to be a very busy and critical period for our agricultural industries.

The recent confirmation of another Canadian cow infected by BSE underscores the stakes the U.S. cattle industry is facing. As you know, I am particularly concerned about the recent USDA proposal to re-open the Canadian border at this time. The seriousness of the issue warrants a thorough public dialogue on the basis of U.S. policymaking with regard to BSE. Resolving the BSE crisis requires a policymaking process that accedes to the highest standards of both sound science and transparency. While I commend Secretary Veneman and her staff on the work they have done responding to the crisis, I personally think USDA has not done as good a job in explaining to the public the hows and whys of its BSE policies. I also think we are running out of time in opening our export markets. These are serious problems that will affect the U.S. cattle industry for many years to come.

As dramatically important as the BSE crisis is to U.S. agriculture, it is not the only deeply serious challenge you will face as Secretary.

In two years, the current farm bill is scheduled to expire. Meanwhile, in Geneva, trade negotiators struggle to craft the next WTO agreement, alongside a major legal challenge from Brazil against important elements of U.S. farm policy.

In short, the U.S. faces some of the most serious challenges to its farm policy in modern history, specifically in the form of BSE, WTO, and the Farm Bill. Each of these individually is a heavy burden for a Secretary. Together, they represent a monumental task. I personally believe your legacy as Secretary will rest on how well you navigate the intersection of these three challenges.

If I may also give one bit of advice from my conversations with producers during my travels across Montana, don't take agricultural producers for granted. Many producers have the sweat from prior generations in their farms and ranches. It is an enormous amount of responsibility to carry on their family torches while fighting to enable their own children to have the opportunity of the quality of life that producing our nation's food supply affords. Montana agricultural producers are decent, intelligent, and hard working people who deserve nothing less than to be treated honestly, openly and to be a part of the many, many decisions that have a profound impact on their futures.

I would like to discuss these issues in more detail during the question and answer period of your testimony. For now, I will simply conclude by reiterating that I think you bring to the job the skills and stature to succeed and to leave office with a lasting legacy. I wish you the best and I look forward to working closely with you during your tenure.

SENATE AGRICULTURE, NUTRITION AND FORESTRY COMMITTEE

HEARING TO CONSIDER THE NOMINATION OF GOVERNOR MICHAEL JOHANNS FOR THE POSITION OF SECRETARY OF AGRICULTURE

JANUARY 6, 2004

OPENING STATEMENT BY SENATOR KENT CONRAD

Mr. Chairman, thank you for calling this hearing of the Senate Agriculture, Nutrition and Forestry Committee to consider the President's nomination of Governor Michael Johanns for the position of Secretary of Agriculture.

Governor it is a pleasure to see you again. I welcome your appearance before the committee and look forward to your responses to the questions that I and my colleagues will pose during this hearing as well as those submitted to you for a written response in the near future.

Before we get too deeply into our questions for the Governor, let me just take a moment to congratulate you, Mr. Chairman, on becoming the new chairman of this committee. I look forward to working with you in developing an agriculture agenda and policies that will benefit our nation's farmers, ranchers, rural communities and consumers.

Let me also offer my congratulations to Senator Cochran, who will now chair the Senate Appropriations Committee. I am pleased the Appropriations Committee will be led by a Senator with the depth of knowledge and understanding of agricultural and rural issues that you have consistently exhibited as both a member and as chairman of this committee.

I look forward to working closely with you and Senator Bennett, the Chairman of the Agriculture Appropriations Subcommittee, on a wide range of issues important to my State of North Dakota and to our nation.

Mr. Chairman, I believe the events of the past few of weeks concerning USDA's proposed rule to re-open our border with Canada for live cattle trade, the recently confirmed case of BSE in another Canadian cow and Canada's proposed modifications to their livestock feed regulations require that the Senate become immediately engaged in considering the full effects of these actions. There are many questions, such as the actual level of compliance with Canada's livestock feed regulations by Canadian feed manufacturers and USDA's adherence to international health standards in developing the proposed rule that need to be addressed.

Therefore Mr. Chairman, I am pleased you have committed to schedule a hearing of the Senate Agriculture Committee as soon as practical to focus on these issues. I believe it is important the Committee fully review all these issues from a scientific standpoint as well as from an economic, market and trade point of view.

As we consider the nomination of Governor Johanns to become the next Secretary of Agriculture, I believe we must all realize just how important this position is to American farmers and ranchers, and beyond that, to every American consumer as well as to millions overseas, a point that is again being made daily as we seek to provide aid and assistance to those who have suffered such terrible losses as a result of the recent Tsunami.

I don't believe there can be any question but that American agriculture is and will continue to face significant challenges on many fronts. It is incumbent upon all of us as elected representatives of our states, each of which has a substantial farming, ranching and rural basis, to be the strongest advocates we can be for our producers and their communities.

I also believe the position of Secretary of Agriculture is unique in that it must provide the kind of leadership and advocacy that promotes a greater understanding of the important role our agricultural producers play in our own economy and society as well as internationally.

The Secretary's role must be more than just the spokesperson for the administration on agricultural issues. In fact, I believe that one of the most important aspects of this position is to be an advocate within the administration to ensure our producers, consumers and rural communities are not short-changed in the domestic and international policy and political processes.

Governor, if confirmed, you will have a very big job as we confront the pressures that are being placed on agriculture as a result of the budget deficit, weather related disasters, increased food safety and bio-terrorism concerns, environmental issues related to agriculture, economic development needs in rural America and the level of insecurity that an increasing numbers of farmers, ranchers and rural main street businesses are feeling as a result of globalization.

Once again Governor Johanns, I welcome you to the Committee and look forward to your comments.

Thank you Mr. Chairman

Confirmation hearing for Mike Johanns
Opening Statement of Sen. Jim Talent
January 6, 2005

Mr. Chairman, thank you for holding this hearing and thank you to our nominee, Gov. Johanns for accepting the President's nomination. Thank you for appearing before the committee. I congratulate you on your nomination and I am proud to support you as the President's nominee for Secretary of Agriculture.

I'd also like to take this opportunity to thank Secretary Ann Veneman for her service over the last four years. The policies she pursued over the last four years have helped our farmers and ranchers earn greater income and to sell record amounts of food and fiber abroad.

In Missouri, we almost have a "foot in every camp." We can relate to Westerners and Southerners with the diverse agriculture base in our state. We've got everything from cotton to corn, wine, pecans, of course livestock… but first and foremost we have always considered ourselves Mid-westerners. I am pleased that the President has nominated the son of a dairy farmer from our nation's heartland to lead the Department of Agriculture in his second term.

Gov. Johanns, I appreciate your leadership on behalf of renewable fuels. Ethanol and biodiesel are the fuels of the future that we can use today. Farmers in Missouri and Nebraska have been growing an alternative to imported oil for years. The renewable fuels industry is contributing to our

rural economy and lessening our dependence on foreign oil. Again, I am hopeful that promoting the use and development of renewables will continue to be a priority for you in your new role as Secretary of Agriculture. Senators Coleman, Lincoln and Harkin and I formed the Senate Biofuels Caucus – many of my colleagues on this committee are members. I am confident that we will have a strong working relationship with you.

As Chairman of the Subcommittee on Marketing, Inspection and Promotion I am keenly interested in market development and maintaining access to our export markets. I don't need to tell you that no sector of the U.S. economy is more dependent on trade than agriculture. For example, one out of every five rows of U.S. corn is exported. I appreciate all the work you have done to promote Nebraska's agriculture products and I hope that you will continue to have that focus as Secretary.

I have a few questions that I will save for later and some that I will submit for the record. Agriculture as an industry may have a tough row to hoe – so to speak – in the upcoming years. As we prepare for the next farm bill, respond to the changing markets and continue to fight for export markets, I look forward to working with you and your Department on behalf of farmers and ranchers in Missouri.

Statement for U.S. Senator Blanche Lincoln
before the
Agriculture Committee

Nomination Hearing of Governor Michael Johanns to be Secretary of Agriculture

January 6, 2005

- Thank you, Chairman Chambliss and congratulations on your new position. I look forward to working with you in your new capacity as the Chair of this committee.

- I'd also like to welcome the newly appointed members of the committee to their new posts. Congratulations to each of you. I trust that each one of you will enjoy the work that comes before this committee as much as I do and I look forward to working with each of you during this session of Congress.

- And good morning to you, Governor Johanns. While I regret that I haven't had the opportunity to meet you, I have had a chance to review your background and I look forward to hearing your vision for the Department of Agriculture, farm policy, as well as your thoughts on some specific issues that I'd like to discuss later today.

- I represent a state that relies on agriculture as its largest industry. I shudder to think what my state's economy would look like without the fertile soil in the Mississippi Delta which is ideal for cotton and rice production or without the aquaculture, cattle, and poultry farms and processors throughout the rest of my state.

- As a farmer's daughter and as a Senator from Arkansas, I recognize the importance of maintaining agriculture production in this country and I view our current agriculture policy as a vital part of ensuring that we continue to produce the safest, most abundant, most affordable food supply in the world... not only is it vital to the producers in my state and my state's overall economy... but it is also vital to our country as a whole.

- In addition to providing a safety-net to producers, it is also important to promote and protect our nutrition programs which many families in my state and the nation depend upon to meet their basic needs. In that vein, six

months ago this committee and both bodies of Congress unanimously approved the Child Nutrition Reauthorization Act. I hope that we can count on your support and assistance in implementing the program improvements and expansions that were contained in that legislation.

- In short, it is my view that the farm and nutrition programs are a very modest investment... coming in at a mere one half of one percent of the federal budget... and providing benefits for American families from New York to Long Beach, from Spokane to Miami. In my opinion... this is a very small price to pay.

- As a veteran of the farm bill debate, I also view our agriculture policy as representing a solid compromise between many different interest. To me, the farm bill should be viewed as a contract between our farmers and their government... between our rural bankers and their government... between our rural economies and their government... and between the neediest among us and their government. To me, this is a contract that must NOT be broken. To me, the costs of doing so are far too high.

- It is my hope that you will add your voice to those of us who intend to protect against cuts to our farm, nutrition, conservation, and rural development programs.

- As I am sure you are aware, the role of the Secretary of Agriculture goes well beyond simply agriculture production and domestic policy... and stretches well beyond the borders of the United States.

- Opening markets for our products around the world and ensuring fairness in those markets is a role that your predecessor worked hard to ensure... I hope that you, too, will share that commitment and reassure us that we won't be giving up the farm in our trade agenda.

- With that, I'll bring my remarks to a close with the exception of a few questions that I'd like to ask and I thank the nominee for being here today.

Senator Craig Thomas
Committee on Agriculture, Nutrition, and Forestry

January 6, 2005

I am pleased to welcome Governor Michael Johanns before this Committee. By all indications it appears President Bush has made a good choice in nominating Governor Johanns to be the next Secretary of Agriculture. I look forward to hearing his testimony today.

As Secretary of Agriculture you will face many new and old challenges in the years to come: keeping BSE out of the U.S. beef supply; eliminating trade barriers to U.S. agricultural products; and ensuring fair competition in increasingly concentrated agricultural markets. Agriculture is an extremely important part of the economy and way of life in my home state of Wyoming, as well as in the nation as a whole. The Department of Agriculture will play an important role in ensuring that agriculture remains a strong part of our economy and that family farms and ranches continue to be economically viable.

A significant challenge we face is ensuring the safety of our food supply. Thankfully, our food is among the safest and the best in the world. We need to make sure this is the case in the future through effective regulation, research, and testing. It is also important that we maintain consumers' confidence in the safety of our food. One of the best ways to do that is to provide consumers with the information they need to make an informed choice about the products they wish to consume. We have done a decent job of getting information to consumers, but more can be done, including ensuring that mandatory country of origin labeling for meat is fully implemented.

Additionally, it is important that we work to expand opportunities for our agricultural products in both foreign and domestic markets. Our farmers and ranchers work hard to produce some of the best products in the world. They should be given fair opportunities to market their products at home and abroad. The Secretary of Agriculture must play a key role in this area and aggressively pursue opportunities for our agricultural producers.

Many issues await the next Secretary and I encourage you to work with members of Congress and the agriculture community to find solutions. Rural America depends on a healthy and vibrant agriculture industry. Achieving that result must be a top priority of the Department and the Secretary.

Statement of the Honorable Norm Coleman

1. United States Senator for Minnesota

Confirmation Hearing on the Nomination of Governor Michael Owen Johanns for Secretary of Agriculture

U.S. Senate Committee on Agriculture, Nutrition, and Forestry

January 6, 2005

Mr. Chairman, thank you and congratulations on taking over the reigns of this Committee. You are a proven friend of the American farmer and rancher, having served on both this Committee and as a Subcommittee Chairman over at House Agriculture, and I know you have taken some pretty gutsy stands in favor of our farm families over the years. You have certainly been a good friend of mine and I am proud to call you my Chairman.

Chairman Cochran, I appreciate your strong leadership on behalf of U.S. agriculture over the years and particularly for the responsiveness you have shown my Minnesota farm families and me. Last year you took a day out of your busy schedule to travel all the way to Owatonna, Minnesota to hear the views of my farmers. They sure appreciated your time and attention as did I. You're a good friend and I congratulate you on moving on to the Mount Olympus of the Senate, the Chairman of Senate Appropriations Committee. Please don't forget about the little people like me that you met along the way!

I also want to join in welcoming the new members of the Committee. I look forward to working with each of you as we address both the opportunities and challenges facing American agriculture today and in the years to come.

And, of course, welcome to you, Governor Johanns.

There are some qualities about Governor Johanns that I think make him an eminently qualified nominee for Secretary of Agriculture.

First, he has served as the Governor of an important farm state. In fact, Nebraska has much the same agricultural profile as Minnesota, with Nebraska's top 5 commodities being cattle, corn, soybeans, hogs, and wheat. I also like the fact that Nebraska has sugar beets, a very important part of Minnesota's economy.

Second, he has served as the mayor of a city whose economy is very much impacted by what is happening on the farm. In fact, I first got to know Governor Johanns when he was mayor of Lincoln and I was the mayor of Saint Paul, both capitol cities of our respective states. Both of us toiled at the bottom of the political food chain as mayors where budgets are always tight, the power to get things done is very limited when compared to the big kids on the block in state and federal government, and the people you serve hold you accountable for everything. Tight budgets, limited power, and raw accountability: the perfect training ground for a Secretary of Agriculture.

Third, Governor Johanns has dirt under his finger nails. He grew up on a dairy farm and he worked in a dairy processing plant to earn money while in college. So he knows a little bit about the life of dairy farmers in my state who get up everyday at 5 in the morning in some pretty chilly temperatures in order to make Minnesota 5th in the nation in milk production.

And fourth, he's got to be a pretty sharp guy in order to be accepted and graduate from a fine Minnesota college, Saint Mary's University in Winona, Minnesota, a beautiful town located in southeastern Minnesota right on the Mississippi River.

So, Governor Johanns, you come with some impressive credentials.

I have few main points to emphasize – they are statements as much as questions really – and I would like you to offer any comments you may have on each. Governor, I would very much appreciate you providing me with written answers to the following questions.

Senator Ken Salazar
Regarding the Nomination of Governor Johanns to be Secretary of Agriculture
January 6, 2005

Good morning. Thank you, Mr. Chairman. And thanks to Senator Harkin. I am delighted to serve with them and all my colleagues on this important Committee. I look very much forward to learning from their experience and leadership on issues of importance to agriculture, nutrition and forestry across the country, and I look forward to putting into action my own experience as a farmer and rancher and the experience I have gained talking to farmers and ranchers across the great state of Colorado.

And thank you, Governor Johanns, for your service to Nebraska – a neighboring state that is struggling with many of the same challenges that Colorado faces – and thank you for your willingness to serve the federal government as well.

My family has farmed and ranched in the San Luis Valley and northern New Mexico for more than 400 hundred years. I grew up on the same farm in the San Luis Valley that has nurtured six generations of my family and continues to operate today.

I understand the significance and impact of the work done in this committee and what that work means to families across the country. I also recognize the challenges that farmers, ranchers and rural towns in Colorado and across America face today. Farming, ranching and agri-related businesses play a vital role to rural communities across the country, and it is the job of this committee and the United States Department of Agriculture to preserve this way of life and ensure that it will sustain many more generations of families.

On my desk in the Attorney General's office I had a sign that says, "No Farms – No Food." I kept this on my desk to remind me and all who came into my office of the importance of agriculture and agricultural policies. Our family farmers, ranchers and rural business people deserve fair farm, rural development and conservation programs as well as a safe food supply and other policies that help create more successful communities.

In Colorado, many of our rural counties missed out on the economic boom of the 1990s, and they continue to suffer through the current economic doldrums as well as reoccurring drought conditions. For example, rural and small town Coloradans have lower income and higher unemployment than our urban residents, and farmers and ranchers struggle to sell their products in markets controlled by huge corporations.

This past Sunday, *The Denver Post* ran an article describing the declining farming and ranching population in Colorado. According to the article, the typical Colorado rancher or farmer is in his 60s. He has spent his life building his ranch but his children are now forced to look somewhere other than that farm or ranch for employment.

The article also sites a survey done by the Colorado Department of Agriculture that reveals some startling statistics about rural Colorado. Remarkably, in 2002, 60 percent of farms and ranches in Colorado had annual sales of less than $10,000. In addition, in 1992, Colorado's north and central mountain ranches counted 233,719 head of cattle. In 2004, that number was roughly 150,000 – that is a 25% reduction in the head of cattle raised in my state.

Here is what that means: family farms are closing, America is more dependent on fewer sources of food production and a way of life that built this great nation is imperiled.

It does not have to remain so, and I look forward to working with my colleagues on this Committee and hearing from Governor Johanns about how we can – and will – stop this decline.

We can, for example, provide our rural residents with increased rural development and sustainable agricultural opportunities as well as reasonable commodity supports and eligibility guidelines to ensure that federal supports go to the family farmers who are the intended beneficiaries. And to protect our family farmer and rancher, we must stop the monopolization of the meatpacking industry and protect the ability of small, family agri-businesses to compete.

Again, thank you, Mr. Chairman and Senator Harkin. And thank you, Governor Johanns.

Opening Statement of Sen. Debbie A. Stabenow
Confirmation of Governor Michael Johanns as Secretary of Agriculture
January 6, 2005

Chairman Chambliss and Ranking Member Harkin, I am pleased to join you today for the confirmation hearing of Secretary-designate Michael Johanns. Governor Johanns, I would like to congratulate you on your nomination and welcome you to today's hearing.

Agriculture has long been a priority for me. I have served on the Agriculture Committee in all four legislative bodies to which I have been elected -- the Michigan state house, the Michigan state Senate, the U.S. House, and I am very proud to be a member of the U.S. Senate Agriculture Committee.

While most people easily associate Michigan with the automobile industry, many do not realize the key role that agriculture plays in our state's economy. Urban communities like Detroit, Grand Rapids, Lansing and Flint contrast with the great expanse of farmland that stretches from the west coast to the thumb, to the tip of the mit, and all across the broad heart of the state. The Upper Peninsula is a beautiful place blessed with several national forests, and a few rugged souls who have farms up there as well.

Michigan is second only to California in the diversity of crops that we produce. Michigan grows not only traditional program crops such as corn, soybeans, and wheat, but a diverse array of specialty crops, including apples, tart cherries, asparagus, and Christmas trees. Supporting our nation's specialty crop growers and providing nutritious fruits and vegetables to our nation's consumers is vital to ensuring our own health and the health of our economy. For far too long, specialty crops have not received the same support or USDA consideration as program crops. All of our farmers work hard and gamble annually

against heat, drought, frost, storms, and more recently a flood of foreign produce, to receive a return on their crops.

In addition to our farmers who grow fruits and vegetables, I am also concerned about our nation's children and seniors who do not receive the necessary fruits and vegetables in their diets. The 2002 Farm Bill attempted to correct this problem by allocating an additional $200 million in new funds for the purchase of fruits and vegetables. The Farm Bill Conference Report emphasized that the allocated $200 million is to be used for additional purchases *over and above* the purchases made under current law. For example, in 2001, the USDA purchases $243 million in fresh fruits and vegetables; therefore, the new total under the Farm Bill should be $443 million in purchases.

Unfortunately, the USDA is not complying with this provision. Instead of adding the $200 million on top of baseline spending for school lunch and senior programs, USDA has eliminated the baseline spending so there is no guarantee of any new spending on fruits and vegetables for our citizens most in need. In fact, in 2002 USDA did not even meet the minimum purchase requirement; only $181 million in fresh fruits and vegetables were purchased. Governor Johanns, I look forward to working with you to reach a resolution to this discrepancy.

While Michigan produces a broad range of agriculture products, dairy has the highest amount of cash receipts and is a very important component of our agricultural economy. The Canadian and U.S outbreaks of Mad Cow have devastated a battered dairy industry already dealing with the outbreak of Bovine Tuberculosis. In 2000, Michigan lost its "TB-free" status granted by USDA. Michigan is currently the only state in the nation with the presence of Bovine TB in non-captive animals, namely free-roaming deer. The deer transfer the disease to cattle, affecting both farmers and hunters and devastating our economy in Northeast Michigan which is so heavily reliant on the hunting industry. Last year, Michigan was granted "split state" TB status, which

requires additional compliance testing from our farmers. This expensive testing has further burdened our over-burdened farmers.

In addition to the foods we eat, Michigan specialty crops include nursery plants and trees. Over the past two years, Michigan has suffered the devastating effects of the emerald ash borer, an invasive species from China. The insect, which boroughs under the bark of ash trees, has already killed more than 8 million Michigan ash trees. Thirty-nine of Michigan's 83 counties have experienced emerald ash borer infestation. Last month, the brown fir long-horned beetle, a non-native species from Asia, was found on wood trunk pieces of artificial Christmas trees in Saginaw Township, Michigan. Michigan has already been devastated by one beetle, and a second non-native pest could potentially destroy our tree, landscape and nursery industries. I am hopeful that you will work with Congress and APHIS to ensure that animal and pest inspections receive the attention that they deserve.

I look forwarding to working with Secretary-designate Johanns to benefit agriculture in Michigan and throughout the nation.

Statement of Senator Patrick Leahy
Confirmation Hearing of Governor Michael Johanns

January 6, 2005

I first would like congratulate the new Chairman, Senator Chambliss, and welcome the new members of our Committee who are joining us for the first time today. Under Chairman Chambliss' leadership I am sure Senators Salazar, Santorum and Thomas will make great additions to what has been appropriately called the most bipartisan Committee in the United States Senate.

I would also like to welcome Governor Michael Johanns to his first, of what I expect will be many, hearings before this Committee. Governor, I was pleased when President Bush selected you as his choice to succeed Ann Veneman as Secretary of Agriculture.

I am especially encouraged by your dairy background. In Vermont, dairy is king. It is our butter and our bread. Our agricultural economy depends on the hundreds of millions of dollars dairy farmers bring to our state every year. By growing up on a dairy farm in Iowa, you surely learned that dairying is more than a job or an industry; it is a way of life for thousands of family farmers.

You have had a distinguished career in Nebraska and demonstrated true leadership on national agricultural issues through your work with the National Governors Association. You know the federal farm programs and have the trust and respect of those who have worked with you.

Governor, upon your confirmation, I look forward to working with you to provide strong advocacy on behalf of America's farmers and ranchers.

You no doubt will have serious challenges ahead of you. I want to briefly mention a few points that are important to me and I think to the rest of the Committee.

First I hope that you will be a strong partner in fulfilling President Bush's commitment to extend the Milk Income Loss Compensation (MILC) program before it expires in September. As you know, for many years there have been widely divergent views on dairy policy in this body. However, during the 2002 Farm Bill, regions came together to formulate a national dairy policy, the Milk Income Loss Compensation Program (MILC). The MILC program has widely been credited with helping thousands of dairy producers weather the historically low prices we have seen in recent years. In keeping with the President's pledge to support the MILC program extension, I look forward to working with you to extend this essential program for our nation's dairy farmers.

Second, I hope you will continue the Department's efforts to provide regional equity for working lands conservation programs as required by the 2002 Farm Bill. Regional equity, which stipulates that states must be given priority in conservation program assistance until they have reached a minimum of $12 million in funding, has been

tremendously successful in and important to Vermont. We have been able to fund an increasing number of Environmental Quality Incentive Program (EQIP) projects over the last two years, and with continued regional equity funding, Vermont will be able to overcome the current backlog of EQIP applications in the near future.

Third, I continue to be very concerned about the increasing concentration of agribusiness, a view I think most members of this Committee share. Over the last decade we have witnessed major consolidations in sector after sector, which in the end will lead to higher prices for consumers and lower incomes for farmers.

When Dean Foods merged with Suiza Foods in 2001 to form the largest milk processing company in the world, it gained control of approximately 70 percent of the milk supply in New England. It achieved this market dominance by buying up local dairies and then closing them down. Moreover, Dean Foods now controls more than 30 percent of all milk production nationally. I ask that you carefully monitor this situation and investigate the adverse effects that this consolidation is having on our farmers, ranchers and consumers throughout the nation.

Fourth, I encourage you to follow in the footsteps of your predecessors, Secretaries Glickman and Veneman, in providing strong support for organic agriculture. With an annual rate of growth of 20 percent per year in organic retail sales, organic agriculture is clearly a bright spot in our agricultural economy. Yet the strength of the organic market is highly dependent on consumer confidence in the integrity of the USDA organic label. Therefore, it is critical that USDA take its role as the administrator of the National Organic Program seriously. This commitment needs to start at the top, with the Secretary of Agriculture, as well as with those who directly administer the organic programs.

Finally, I urge you to demonstrate strong leadership in advancing federal nutrition programs. As you know nutrition and hunger programs at USDA represent a long-standing, bipartisan commitment to fighting hunger in America. Specifically the Department is in the midst of implementing the Child Nutrition and WIC Reauthorization Act of 2004 which President Bush signed into law a few months ago. One of the important initiatives in that legislation was the new farm-to-cafeteria grant program. Under this new program, communities will be able to apply for competitive grants from USDA for up to $100,000 to purchase adequate equipment to store and prepare locally produced fresh foods. I hope you will work with me to fund and support this new and exciting program.

Governor Johanns, I believe your knowledge and experience will be useful in meeting these challenges, and I am hopeful about the progress we can make by working together.

# # # # #

Statement of Senator Mike Crapo
Senate Agriculture Committee
January 6, 2004

Thank you Chairman Chambliss, Senator Harkin. Thank you, Governor Johanns, for being here with us today. I appreciate your willingness to serve as Secretary of Agriculture. Based on your background, I am confident that you possess the strength and skill necessary to meet the challenges that you will surely face as Secretary of Agriculture. Be it responding to plant and animal diseases such as BSE, expanding foreign and domestic market opportunities for U.S. agriculture, working to reauthorize and implement a new Farm Bill, and others, your experience will guide you in meeting these challenges and strengthening the agriculture industry.

Your experience with the Western Governor's Association has probably given you some idea of the diversity of agriculture across the Western states. In Idaho, this is especially true.

The State of Idaho has a diversified agriculture industry with Idaho farmers and ranchers producing 144 commodities statewide. These commodities include dairy, beef, potatoes, grains, onions, sugar, greenhouse and nursery, onions, hops, tree fruit and more. As a great portion of the commodities produced in Idaho are specialty crops, I know you understand the importance of maintaining the competitiveness of the specialty crop industry to Idaho producers.

As the Governor of a Western state and someone who has dealt with the many challenges agriculture faces, I do not have to go through the litany of issues and concerns that are important to producers in my state. When you are confirmed I am sure that we will have many opportunities to discuss these issues in detail. I would, however, like to point out a few pressing issues.

First, while there are numerous issues of importance to the agriculture industry, there is no bigger issue facing Idaho farmers and ranchers that maintaining a consistent water supply. The bottom line for many producers is simple and harsh: No water, no production. I know this is an issue shared with Nebraska and other Western state farmers and ranchers and one that you have a great deal of experience addressing. Your consistent record of addressing this issue in the State of Nebraska and through your leadership in the Western Governors' Association will no doubt be an asset as we continue to work to find solutions.

Of more commodity specific concern:

As you know, cattle producers have faced many challenges dealing with the unfortunate discovery of BSE. The U.S. Department of Agriculture (USDA) has made substantial strides to improve the safeguards and surveillance measures in place to quickly respond to animal disease outbreaks, and I look forward to working with you as work continues to expand on these enhancements and reopen our foreign markets to beef exports. I cannot more strongly state that the opening of our Canadian border has made more pressing the already vital need to open our foreign markets. We must do all we can to reopen our beef trade with Japan and other foreign markets.

Another pressing issue in the livestock areas is the expiration of the dairy forward price pilot program. Dairy prices have been subject to substantial fluctuations in the past several years, and I am committed to ensuring that dairy producers have the flexibility necessary to remain viable. That is why I have supported extending the dairy forward pricing pilot program. Many producers in my home state of Idaho and nationwide used this voluntary program to reduce marketing risk by securing stable prices. Unfortunately, this program expired in December. However, I look forward to working with you to ensure that dairy farmers have access to tools such as this to better enable them to manage risk.

As you step into the Department, you will have a tremendous affect on farmers and ranchers throughout our country, but the impact will be felt much more broadly. You will reach out to consumers, retailers, trading partners, and many others. From USDA's work in rural America to its management of our nation's forest lands, the Department's reach is much further than many American's perceptions of Agriculture.

In the past two Congress' I have served as Chairman of the Subcommittee on Forestry, Conservation, and Rural Revitalization. I have seen how important these programs are to states like Idaho.

USDA's Rural Development has an important role in Idaho, and I am sure the nation. From water and waste water grants to economic development. I appreciate the efforts of the Administration to ensure that our smaller communities are not left behind and I look forward to working with you to best serve rural America.

The conservation programs of the Department of Agriculture are some of the most significant environmental programs administered by the federal government. I am sure you will agree that they serve a vital role in helping producers meet the mandates placed on them in pursuit of the public's goal of cleaner air and water and more wildlife habitat. I look forward to working with you to ensure these programs are effectively implemented to assist producers and enhance the environment.

I also look forward to working with you on forestry issues. In addition to the assistance USDA provides to private forest landowners, USDA's Forest Service manages more than twenty million acres in Idaho. Naturally, I have a strong interest in management of these lands. With the support of the Department of Agriculture, and your predecessor, we were able to pass the Healthy Forest Restoration Act to help manage those lands that are at highest risk of catastrophic wildfire. Certainly, we have more work yet to do to effectively manage our National Forests. I hope we can build on the bipartisan success of the Healthy Forest Restoration Act.

Governor Johanns, I welcome you here and look forward to working with you. We have a great deal of work ahead. There are several issues that I will mention during the question portion of today's hearing, but I support your nomination and thank you again for being here with us today.

Thank you, Mr. Chairman.

DOCUMENTS SUBMITTED FOR THE RECORD

JANUARY 6, 2005

Statement for the Record
U.S. Senator Rick Santorum
Committee on Agriculture, Nutrition and Forestry
Confirmation Hearing for USDA Secretary-Designate, Governor Mike Johanns
January 6, 2005

Thank you for accepting the President's call to lead the United States Department of Agriculture and for being with the Committee today. Governor Johanns, you have a distinguished record of public service. I believe the skills you developed as Governor will be an asset as you carry out your duties as a member of the President's cabinet. You are arriving at the USDA at a unique time. As this committee works with you to craft agriculture policy, you will be required to make extraordinarily difficult decisions. Increasing pressure to reduce farm commodity payments, in light of budget constraints, will likely cause this committee to consider significant farm policy changes. I am confident that you are up to the task, and I look forward to working with you upon your confirmation by the full Senate.

Like you, I am from a state with a strong rural community and a diverse agricultural economy. Pennsylvania has a rural population of 3.7 million that spans over 7 million acres of farmland and comprises our largest industry. I am committed to working with you to achieve policies that promote economic development in these rural areas. Ninety-one percent of Pennsylvania's land area is classified as "rural," and these communities have different needs and problems than those of urban areas.

One such problem is development of our farmland. Every year more than one million acres of our nation's most productive farmland is lost to urbanization. To mitigate this problem, I led the fight to create the Farmland Preservation Program, through which every state in the nation has benefited from the preservation of countless thousands of acres of precious farmland. I look forward to working with you to continue this important program.

Another area of interest to me is crop insurance. Providing a robust risk management program allows farmers for control their destiny, thereby avoiding the need for costly disaster relief spending. It is my hope that you will commit yourself to strengthening our crop insurance program by increasing participation levels of both producers and insurance providers.

I am also dedicated to promoting agricultural products as the United States negotiates free trade agreements with other countries, so I am pleased to hear that you are committed to aggressively promoting our agriculture products. As we negotiate trade agreements, the exclusion of certain sensitive commodities will only cause our trading partners to resist granting market access for our products, an outcome that is not beneficial to either side. I encourage you to call for the inclusion of all agricultural commodities in free trade agreements.

In order to better understand your position on these and other important agricultural issues, I have included some questions relating to the current issues facing agriculture policy makers. Thank you in advance for your attention to these questions. I look forward to your responses.

QUESTIONNAIRE FOR UNITED STATES DEPARTMENT OF AGRICULTURE NOMINEES

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).

   Michael Owen Johanns

2. Date and place of birth.

   June 18, 1950 -- Osage, Iowa

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

   Stephanie A. Johanns
   Vice President External Relations
   Alltel Corporation
   1620 M Street
   Lincoln, Nebraska 68508

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   St. Mary's University of Minnesota
   Winona, Minnesota
   B.A. – Communication Arts – May 1971

   Creighton University
   Omaha, Nebraska
   J.D. – May 1974

   Northwest Missouri State University at
   Maryville, Missouri
   Attended Summer School -- Summers 1969 & 1970

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

January 1999 – Present

Governor
State of Nebraska
State Capital
Lincoln, Nebraska 68509
(402) 471-2244

May 1991 – January 1999
Mayor
City of Lincoln, Nebraska
555 South 10th St.
Lincoln, Nebraska 68508
(402) 441-7511

February 1976 – May 1991
Attorney
Peterson, Bowman, Coffman and Larson
(Original name of firm – it has changed many times throughout the years.)
121 South 13th St.
Lincoln, Nebraska 68508
(402) 434-9090
My supervisor was Richard Peterson:
132 South 13th
Lincoln, Nebraska 68508
(402) 475-6911

June 1975 – February 1976
Attorney
Cronin and Hannon
O'Neill National Bank
O'Neill, Nebraska 68763
The firm no longer exists.
My supervisor was: Judge Ed Hannon
3211 South 76th St.
Lincoln, Nebraska 68506
(402) 489-1661

June 1974 – June 1975
Judicial Law Clerk
Judge Hale McCown
Judge McCown is no longer a Judge at the Supreme Court.
State Capital Building
Lincoln, Nebraska 68509
(402) 471-3730

June 1973 – June 1975
Law Clerk
Bruce Mason
1505 South 108th
Omaha, Nebraska 68144
(402) 397-1050

October 1972 – June 1973
Law Clerk
Zweiback & Laughlin
This law firm has long ago dissolved. My supervisor was:
Mark Laughlin
11718 Nicholas Suite 101
Omaha, Nebraska 68154
(402) 330-1900

October 1972 – June 1973
Law Clerk
Swarr, May, Smith & Anderson
Omaha, Nebraska
This law firm has long since dissolved. My supervisor was:
Bill Morrow
10330 Regency Parkway Drive
Omaha, Nebraska 68114
(402) 397-2200

May 1972 – August 1972
Camp Employee
KOA Campground
Honey Creek Exit
Council Bluffs, Iowa
This was a husband and wife operation. I have had no contact with them since my employment. They purchased the campground after retirement and may be deceased. I believe their names were Harold and Hat Hatton.

June 1969 – August 1969 & June 1970 – August 1970
Dairy Processing Plant (Plant)
Northwest Missouri State College
Maryville, Missouri 64468
This was a brief summer job to earn spending money. I have no recollection of who was the manager of the Plant.

June 1968 – June 1971
Summer employment
Parents' Farm
John and Adeline Johanns (deceased)

R.R. 3
Osage, Iowa 50461

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No.

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

Lancaster County Commissioner – 1983-1987 – Elected.

Lincoln City Council – May 1989-May 1991 – Elected.

Mayor of Lincoln, Nebraska – May 1991-Dec. 1998 – Elected.

Governor, State of Nebraska – January 1999-Present – Elected.

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

Honorary Doctorate – Creighton University, Omaha, Nebraska

Friend of Agriculture – Nebraska Farm Bureau

Distinguished Alumni Award – Creighton University Law School

Distinguished Alumni Award – St. Mary's University of Minnesota

I have also received a variety of awards and honors during my years in public service.

9. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Western Governors Association
National Governors Association
Midwest Governors Association
Republican Governors Association
Nebraska Bar Association
Iowa Bar Association
Governors' Ethanol Coalition

Governors' Biotechnology Partnership
Governors' Public Power Alliance
Export-Import Bank of the U.S. – Advisory Committee
Education Committee of the States
Stratcom Consultation Committee

10. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

    I have given dozens of speeches since becoming Governor. As a sample I have provided speeches given at my annual agricultural forum and documents authored or co authored on drought and reauthorization of the last Farm Bill.

11. Health: What is the present state of your health?

    Excellent.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   Yes.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, incompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   I estimate receiving the following:

SAJ, LLC	$63,882	Rent
MOJ, LLC	$16,055	Rent
Alltel Corp.	$ 1,573	Stock dividends

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

Yes. I may desire to resume my positions as Vice President of MOJ, LLC and SAJ, LLC, though there is no formal agreement for me to do so.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

Yes, it has been repaid.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

If confirmed, I will abide by the terms contained in the ethics agreement I will enter with the Office of Government Ethics.

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

January 5, 2005

The Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Michael O. Johanns, who has been nominated by President Bush for the position of Secretary, Department of Agriculture.

We have reviewed the report and have also obtained advice from the Department of Agriculture concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated December 28, 2004, from Mr. Johanns to the Department's ethics official, outlining the steps that Mr. Johanns will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with the actions he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Johanns is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Marilyn L. Glynn
Acting Director

Enclosures

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209-0001

Date of Appointment, Candidacy, Election or Nomination (*Month, Day, Year*)	Reporting Status (*Check appropriate boxes*)	Incumbent	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate	Termination Filer	Termination Date (*If Applicable*) (*Month, Day, Year*)
		[ ]		[X]	[ ]	

Reporting Individual's Name	Last Name: Johanns	First Name and Middle Initial: Michael O.
Position for Which Filing	Title of Position: Secretary	Department or Agency (*If Applicable*): Agriculture
Location of Present Office (or forwarding address)	Address (*Number, Street, City, State, and ZIP Code*): State Capitol, Lincoln, Nebraska 68508	Telephone No. (*Include Area Code*): (402) 430-3280
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held	

Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Agriculture, Nutrition and Forestry	Do You Intend to Create a Qualified Diversified Trust? [ ] Yes [X] No

Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: [signature]	Date (*Month, Day, Year*): 12/28/04
Other Review (If desired by agency)	Signature of Other Reviewer: [signature]	Date (*Month, Day, Year*): 12/28/04
Agency Ethics Official's Opinion On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: [signature]	Date (*Month, Day, Year*): 12/28/04
Office of Government Ethics Use Only	Signature: [signature]	Date (*Month, Day, Year*): 1/5/05

Comments of Reviewing Officials (*If additional space is required, use the reverse side of this sheet*)

(*Check box if filing extension granted & indicate number of days* _____) [ ]

(*Check box if comments are continued on the reverse side*) [ ]

Fee for Late Filing
Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period shall be subject to a $200 fee.

Reporting Periods
Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)-- Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

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DEC 28 2004

SF278 (Rev. 03/2000)
5 C.F.R Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Michael O. Johanns

SCHEDULE A

Page Number

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual acount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $130,000	
	Kempstone Equity Fund					X								X										X									
	IRA: Heartland 500 Index Fund							X						X											X								
1	STATE OF NEBRASKA Salary -- Governor																															CY 03: $84,567 CY 04: $85,000	
2	State of Nebraska Employees Retirement Plan -- 401(a) Plan Like a Deferred Benefit Plan			X															X					X								Lump payout; Fixed investments Fixed payout	
3	State of Nebraska Deferred Compensation Pension 457 Plan -- Managed by State					X								X										X								See Attachment for assets	
4	ALLTEL [Communications] Spouse's Employment Vice President External Relations																																
5	Alltel Stock Alltel Stock Options [non-qualified]			X		X											X			X	X			X									
6	Alltel Corp. Profit Sharing Plan Cash component			X																	X												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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U.S. Office of Government Ethics

Reporting Individual's Name: Michael O. Johanns

SCHEDULE A continued

(Use only if needed)

Page Number

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

None ☐

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 *	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Alltel Corp. Profit Sharing Plan (Cont.)																																
	Alltel 401(k)																																
	---Fidelity Equity Income Fund			X										X							X												
2	---Fidelity Advisor Equity Growth Fund				X									X							X												
	---Vanguard Explorer Fund					X								X							X												
	---Vanguard Institutional Index				X									X							X												
3	---Alltel Stock		X														X				X												
	---T Rowe Price Small Cap Stock Fund	X												X						X						X							
	---Fidelity Magellan Fund	X												X						X					X								
4	---AIM Constellation Fund	X												X						X					X								
	---BGI Equity Income Fund	X												X						X					X								
5	SMITH BARNEY IRA																																
	---AMGEN		X														X				X												
	---CISCO Systems		X														X				X												
6	---CITIGROUP			X													X				X												
	---DELL INC		X														X				X												
	---JP MORGAN CHASE & CO		X														X				X												
7	---MERCK		X														X				X												
	---MICROSOFT		X														X				X												
	---SHELL TRANS & TRADING		X														X				X												
8	---ALLSTATE CORP	X																		X			X										
	---ST PAUL/TRAVELERS COS. INC.	X																		X		X											
9	MFS Sun Annuity -- Variable Annuity																																
	---MFS GROWTH OPPORTUNITIES		X											X							X												

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Reporting Individual's Name: Michael O. Johanns

SCHEDULE A continued

(Use only if needed)

Page Number

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

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	None ☐																																
1	S/SMITH BARNEY IRA																																
	---NASDAQ BIOTECH INDEX FUND		X											X							X												
	---S&P MIDCAP 400		X											X							X												
2	---MATERIALS SELECT SECTOR SPDR		X											X							X												
3																																	
	AMERITRADE ACCOUNT																																
4	---RESEARCH IN MOTION	X																		X			X										
5	JOHANNS FAMILY TRUST AGREEMENT																																
	SAJ, LLC [100% owned by Trust]																																
	[Residential rental property mgmt]																																
6	Property # 1, Lincoln, Nebraska				X													X							X								
	Property # 2, " "				X													X							X								
	Property # 3, " "				X													X							X								
7	Property # 4, " "				X													X							X								
	Property # 5, " "				X													X							X								
	Property # 6, " "					X												X							X								
8	Property # 7, " "				X													X							X								
	Property # 8, " "				X													X							X								
	Property # 9, " "				X													X							X								
9																																	

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SCHEDULE A continued

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1	JOHANNS FAMILY TRUST AGREEMENT MOJ, LLC [100% owned by Trust] [Residential Rental Property Mgmt.]																																
2	Copper Mountain, CO					X												X							X								
3	Ponce Inlet, FL						X											X							X								
4	UNDEVELOPED LOT Lot 1312 Pelican Bay, Lincoln, NE					X															X												
5																																	
6	U.S. Bank [Money Markey Account] U.S. Bank [Checking]		 X		X														X X		 X		X										
7	U.S. Treasury Series E Bonds		X																X		X												
8																																	
9																																	

None ☐

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Do not Complete Schedule B if you are a new entrant, nominee, Vice Presidential or Presidential Candidate

Reporting Individual's Name: Michael O. Johanns

SCHEDULE B

Page Number

Part I: Transactions

None ☐

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
Example:	Central Airlines Common	X			2/1/99			X									
1																	
2																	
3																	
4																	
5																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260; and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $114 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$300
1			
2			
3			
4			
5			

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Do not Complete Schedule B if you are a new entrant, nominee, or Vice Presidential or Presidential Candidate

Reporting Individual's Name: Michael O. Johanns

SCHEDULE B continued

(Use only if needed)

Page Number

Part I: Transactions

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
	Example: Central Airlines Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	
13																	
14																	
15																	
16																	

* This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

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SCHEDULE C

Page Number

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☐

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples:	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10 %	on demand					x						
1	Security Federal	Rental Property Mortgage Property # 6, Lincoln, Nebraska	2003	5.75%	15 yrs.			X								
2																
3																
4																
5																

Category of Amount or Value (x)

* This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: continuing participation in an employee benefit plan (e.g. 401k, deferred compensation; (2) continuation payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00	Doe Jones & Smith, Hometown, State	7/85
1	State of Nebraska Employees Retirement Plan and Deferred Compensation Pension. Within 60 days of appointment, both plans will be rolled into an Individual Retirement Account.	State of Nebraska	1/99
2			
3			
4			
5			
6			

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Reporting Individual's Name		Page Number
Michael O. Johanns	**SCHEDULE D**	

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (*Name and Address*)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	MOJ, LLC	Family Corporation Real Estate Management	Vice President	5/03	12/04
2	SAJ, LLC	Family Corporation Real Estate Management	Vice President	5/03	12/04
3	State of Nebraska	State Government	Governor	1/99	Present
4	National Governors Association	Non-profit -- forum	Executive Committee Member	1/99	Present
5	Governors' Biotechnology Partnership	Non-profit -- forum	Chairman	1/99	Present
6	Mike & Stephanie Johanns Family Trust Agreement	Revocable Living Trust	Co-Trustee-uncompensated	8/03	Present

Part II: Compensation In Excess Of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate

None ☐

	Source (*Name and Address*)	Brief Description of Duties
Examples:	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Moneytown, State	Legal services in connection with university construction
1	State of Nebraska	Public Service as Governor
2		
3		
4		
5		
6		

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EXHIBIT H

STATE OF NEBRASKA DEFERRED COMP PENSION PLAN
PLAN 002000

Participant Account Statement for the period 07/01/2004 through 09/30/2004

07
MICHAEL D JOHANNS

DATE OF BIRTH: 06/18/1950
DATE OF HIRE: 01/07/1996
DATE OF PARTICIPATION: 02/01/1999
STATUS: ACTIVE

TOTALS BY SOURCE	ALLOC PCT	BEGINNING BALANCE	DEPOSITS	GAIN/LOSS	TRANSFERS	ADJUSTMENTS	ENDING BALANCE
MEMBER ACCOUNT							
SMALL COMPANY STOCK	50%	38,082.41	2,000.01	1,530.93-	0.00	1.18-	38,320.31
LG VALUE STOCK INDEX	50%	29,830.06	1,988.88	458.61	0.00	0.82-	31,317.93
SUBTOTAL		67,912.47	3,988.89	1,072.12-	0.00	2.10-	70,638.24
QUALIFIED ROLLOVER							
S & P 500 STOCK INDEX	60%	0.00	0.00	0.00	0.00	0.00	0.00
SMALL COMPANY STOCK	30%	54,877.44	0.00	2,228.46-	0.00	1.61-	52,647.37
INTERNATIONAL STOCK	10%	0.00	0.00	0.00	0.00	0.00	0.00
LG VALUE STOCK INDEX		24,906.68	0.00	370.25	0.00	0.79-	25,266.14
SUBTOTAL		79,784.12	0.00	1,858.21-	0.00	2.40-	77,939.51
*** TOTALS ***		147,706.59	3,988.89	2,930.33-	0.00	4.50-	148,771.75

THE ADJUSTMENTS COLUMN ABOVE INCLUDES THE ACCRUED MONTHLY CHARGE TO COVER RECORD KEEPING FEES.

THE AMOUNTS SHOWING IN THE GAIN/LOSS COLUMN ARE NET OF ALL ADMINISTRATIVE AND INVESTMENT EXPENSES.

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PA-457 Rev. 9-98

DEC 28 2004

John Surina
Designated Agency Ethics Official
U.S. Department of Agriculture
Washington, DC 20250-0122

Dear Mr. Surina:

The purpose of this letter is to describe the steps that I intend to take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary, U.S. Department of Agriculture.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me:

- my spouse;
- my minor children;
- my general partners;
- any organization in which I serve as officer, director, trustee, general partner, or employee; and
- any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Current Employment. State of Nebraska.

Currently, I serve as Governor of the State of Nebraska. Upon confirmation, I will resign that position. Pursuant to 5 CFR § 2635.502, for one year from the date of my resignation as Governor, I will not participate in any particular matter involving specific parties in which the State of Nebraska is a party or represents a party, unless I am authorized to do so by the Designated Agency Ethics Official.

As an employee of the State of Nebraska, I currently participate in the State of Nebraska Employees Retirement and Deferred Compensation Pension Plans. Within 60 days of my appointment to the position of Secretary of Agriculture, I will roll both plans into an Individual Retirement Account.

Spousal Employment. ALLTEL Corporation.

My spouse, Stephanie A. Johanns, is employed as Vice President for External Relations for Nebraska, Kansas, Arizona, Colorado, and New Mexico for ALLTEL Corporation (ALLTEL), a communications company. Through her employment with ALLTEL, she:

- Participates in company profit sharing;
- Owns company stock and stock options;
- Participates in a company-sponsored 401(k) plan containing ALLTEL stock and several publicly-traded and widely held mutual funds.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on ALLTEL unless I first obtain a written waiver, pursuant to section 208(b)(1).

Family Corporations.

My spouse and I own residential real estate rental corporations: MOJ, LLC (my company); SAJ, LLC (my wife's company). Each company is 100% owned by the Michael and Stephanie Johanns Family Trust (Trust). Neither corporation participates in Federal programs nor has any involvement with the Federal Government. In December 2004, I stepped down from the position of Vice President, which I held in both corporations.

I understand that, during my tenure as Secretary of Agriculture I am barred from receiving any outside earned income. Accordingly, all matters relating to the operations of these corporations shall be handled by my wife. I will hold no position, nor play any role, in the operations of either corporation during my tenure. Moreover, as required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the Trust; MOJ, LLC; SAJ, LLC; or any of their underlying properties, unless I first obtain a written waiver, pursuant to section 208(b)(1).

Other Investments.

My wife and I own the following investment vehicles:

- Smith Barney Individual Retirement Account (IRA) -- self;
- Smith Barney IRA – spouse's;
- MFS Sun IRA -- self; and
- Ameritrade Account -- self.

Under my Smith Barney IRA, I own stock in AMGEN and MERCK, two pharmaceutical companies that produce animal biologics which are regulated by the Animal and Plant Health Inspection Service, a component agency of the U.S. Department of Agriculture.

While I am aware that my holdings in each of these companies, and in the pharmaceutical sector generally, would not constitute a conflicting financial interest pursuant to 5 CFR § 2640.202, out of an abundance of caution, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the interests of AMGEN or MERCK unless I first obtain authorization from the Designated Agency Ethics Official to do so.

Positions with Non-Federal Entities.

Upon confirmation, I will resign from the following positions:

> Executive Committee Member, National Governors Association; and
> Chairman, Governors' Biotechnology Partnership.

Pursuant to 5 C.F.R. § 2635.502, for a period of one year after the termination of these positions, I will not participate in any particular matter involving specific parties in which any one of these organizations is a party or represents a party, unless I am authorized to participate.

I will remain as Co-trustee of the Trust for which I do not receive any compensation:

I believe that the steps which I have outlined above will serve to assure that no conflict of interest or appearance thereof will arise between my personal financial interests on the one hand, and the duties I will perform if confirmed to serve as Secretary of the U.S. Department of Agriculture on the other.

Sincerely,

Michael O. Johanns

WGA Policy Resolution 04-23

Governor Mike Johanns

December 4, 2004
San Diego, California

A. BACKGROUND

1. Mike Johanns was sworn into office as Nebraska's 38th Governor on January 7, 1999, and in November, 2002, became the first Republican to be reelected Governor of Nebraska since 1956.

2. As Governor, he has promoted an agenda of tax relief, less government, building the economy, protecting families, and ensuring the health, safety, and success of Nebraska's children.

3. Governor Johanns has actively participated in the Western Governors' Association throughout his tenure as Governor.

4. Governor Johanns has served as a Co-Lead Governor for the WGA Drought Program. Under his leadership, the Association has made great strides in drawing attention to the need for a national policy on drought.

5. In 2003-2004, Governor Johanns helped establish a partnership with the National Oceanic and Atmospheric Administration (NOAA) to develop recommendations for improving drought monitoring and forecasting. This partnership resulted in the report, "Creating a Drought Early Warning System for the 21st Century: the National Integrated Drought Information System."

6. Governor Johanns has also served as the Lead Governor for Farm Bill reauthorization of 2002 for both the Western Governors' Association and the Midwest Governors Conference.

7. On December 2, 2004, President George Bush nominated Governor Johanns to become the Secretary of the United States Department of Agriculture.

B. GOVERNORS' POLICY STATEMENT

1. The Western Governors believe Governor Johanns possesses extraordinary leadership skills and a keen understanding of agricultural, environmental and natural resources issues.

2. The Western Governors believe Governor Johanns is highly qualified to become the USDA Secretary and will be an asset to our nation in managing this Department.

3. The Western Governors applaud President Bush in nominating Governor Johanns, and we urge the Senate to act expeditiously on his confirmation.

4. The Western Governors look forward to working with Governor Johanns on WGA priorities which he has helped to develop, including enactment and implementation of a national drought preparedness policy; establishing a National Integrated Drought Information System (NIDIS); reauthorizing the Farm Bill; improving the Endangered Species Act and its implementation; and implementing the 10-year Comprehensive Wildfire Strategy.

C. GOVERNORS' MANAGEMENT DIRECTIVES

1. The Western Governors direct staff to communicate this policy resolution to the President of the United States, his appropriate staff and cabinet.

2. The Western Governors direct staff to communicate this policy resolution to the Senate Majority and Minority Leaders, and to the Committee conducting confirmation hearings on Governor Johanns.

F:\04resos\final\johanns.doc

E. BENJAMIN NELSON
NEBRASKA

(202) 224-6551
FAX: (202) 228-0012
http://bennelson.senate.gov

United States Senate

WASHINGTON, DC 20510-2706

January 10, 2005

The Honorable Saxby Chambliss, Chairman
Committee on Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Tom Harkin, Ranking Member
Committee on Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Chambliss and Ranking Member Harkin:

In recognition of the wide-ranging support for Governor Mike Johanns to lead the U.S. Department of Agriculture, I am pleased to forward letters of support from the following individuals and organizations:

Nebraska State Senator Bob Kremer of Nebraska, Chairman, Agriculture Committee
Former Nebraska State Senator Merton L. Dierks, D.V.M., Chairman, Agriculture Committee
Nebraska Farm Bureau Federation
Nebraska Dry Bean Commission
Nebraska Pork Producers Association
Western Governors' Association

Please include these endorsements in the official Agriculture Committee nomination hearing record. I appreciate your consideration of this request, and I look forward to working with you to secure the nomination of Governor Johanns.

If you have any questions, please do not hesitate to contact me.

Sincerely,

E. Benjamin Nelson
United States Senator

EBN: jrn

Enclosures

287 DENNEY FEDERAL BUILDING
100 CENTENNIAL MALL NORTH
LINCOLN, NE 68508
(402) 441-4600
FAX: (402) 476-8753

FIELD REPRESENTATIVE
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MCCOOK, NE 69001
(308) 340-1264

FIELD REPRESENTATIVE
POST OFFICE BOX 1033
CHADRON, NE 69337
(308) 430-0587

FIELD REPRESENTATIVE
POST OFFICE BOX 1891
SCOTTSBLUFF, NE 69363
(308) 631-7614

7602 PACIFIC STREET
SUITE 205
OMAHA, NE 68114
(402) 391-3411
FAX: (402) 391-4725

Nebraska State Legislature

SENATOR BOB KREMER

District 34
186 Donegal Road
Aurora, Nebraska 68818
(402) 694-3421

Legislative Address:
State Capitol
PO Box 94604
Lincoln, Nebraska 68509-4604
(402) 471-2630
E-Mail:
bkremer@unicam.state.ne.us

COMMITTEES

Chairperson - Agriculture
Business and Labor
Natural Resources
Committee on Committees

December 27, 2004

Senator Saxby Chambliss, Chairman
Senator Tom Harkin, Ranking Member
Senate Agriculture Committee
113 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Chairman and Ranking Member:

I am pleased to offer my personal endorsement for President George Bush's selection of Governor Mike Johanns to succeed Ann Veneman as Secretary of Agriculture. It is my understanding that confirmation hearings before your committee are scheduled for January 6 and I hope that this letter can be made a part of the record for that proceeding.

Governor Johanns comes well credentialed for the responsibility that is asked to be bestowed on him and I have no hesitation in my belief that he is equal to the task. His administration has been one of the more active in utilizing personal diplomacy to initiate and strengthen trade relationships on behalf of Nebraska's farmers and processors. It was my honor to accompany Governor Johanns on one such trade mission to Japan in 2003 where I personally witnessed how his personality won many friends and impressed our hosts that this was a man with whom they could do business. At home, we were fortunate to have Governor Johann's leadership and advocacy in the development of ethanol as an important value-added allied industry to complement our grain and livestock sectors. He has continually encouraged and lent his prestige to initiatives that have opened up new opportunities in agriculture and rural development. I would also add that Governor Johanns has steered the state through a very severe budget crisis. His firm resolve on spending restraint while advancing numerous initiatives to improve the efficiency of state government have been instrumental in putting the state back on the road to a sound fiscal footing.

As chairman of the Agriculture Committee of the Nebraska Legislature, it has been my privilege to work with Governor Johanns on a variety of issues of importance to the welfare of agriculture and rural communities. I have always appreciated his vision, leadership and initiative and have grown to know him as a reliable and competent partner. Finally, I am confident that the national agricultural community, even those who may not always see eye-to-eye with him on specific policy issues, will find as we have in Nebraska that Mike Johanns is a man of impeccable character and integrity.

Governor Johanns' background, experience, and leadership skills will serve the nation well in meeting the challenges and opportunities that await agriculture and rural America. I would strongly encourage the Senate Agriculture Committee to recommend approval of President Bush's nomination of Mike Johanns for Secretary of Agriculture.

Respectfully,

Bob Kremer

Senator Bob Kremer, Chair
Agriculture Committee of the Nebraska Legislature

BK/rl d:/office04/Johannsendorse

cc: Senator Chuck Hagel, Senator Ben Nelson, Governor Mike Johanns

Merton L. Dierks, D.V.M.
R. R. 1, Box 131,
Ewing, Nebraska, 68735

December 23, 2004

Senator Ben Nelson
720 Hart Building,
Washington, D. C. 20510

Senator Ben Nelson and Members of the U. S. Senate Committee on Agriculture:

It is a great pleasure for me to write a letter of recommendation to your committee, for the Honorable Mike Johanns, as you prepare to hold hearings for his appointment as Secretary of Agriculture in the cabinet of President George W. Bush.

I was a member of the Nebraska Legislature during all eight years of Governor Ben Nelson's administration and the first four years of Mike Johanns administration. I can only emphasize the total respect that I have for both gentlemen.

During those four years of the Johanns administration, I was chairman of the Nebraska Legislature's Committee on Agriculture. I had the opportunity to work very closely with Governor Johanns on a number of agricultural related issues. He was very helpful with issues of importance to the family farmers and ranchers, such as mandatory livestock price reporting, transparency in livestock marketing contracts, a statutory ban on packer ownership of livestock, a ban on discriminatory pricing on the part of packers when purchasing livestock from producers, and he signed the legislative bill which overturned the Illinois Brick Decision, allowing direct legal access to corporations by individual Nebraskans.

Governor Johanns is certainly a champion of ethanol production, not only in Nebraska, but also at the national level, where he served as chairman of the governor's coalition on ethanol. He served Nebraska during very difficult budget years. He did a magnificent job with the budget and the citizens of Nebraska know that and appreciate his dedication on their behalf. He had an open door policy regarding state senators. He always made time for us and was very forthright in conversation with us. I appreciated his candor and his help with issues as well. Governor Johanns is without question a man of outstanding integrity, a man with a great and constant sense of ethics, a man who will stand proudly in the George W. Bush Administration.

Again, I am pleased to recommend Mike Johanns to the position of Secretary of Agriculture in the cabinet of George W. Bush.

Sincerely,

Merton L. Dierks, D.V.M.

Merton L. Dierks, D.V.M.

nebraska farm bureau federation
5225 S. 16th St., P.O. Box 80299, Lincoln, NE 68501 Phone: (402) 421-4400, FAX# (402) 421-4432

January 6, 2005

Senate Agriculture Committee
328 Russell Building
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of Nebraska's largest farm organization, I would like to offer this letter of recommendation for Governor Mike Johanns who was nominated as the next Secretary of Agriculture.

From a producer perspective, we believe that President Bush's selection of Governor Johanns as the next Secretary of Agriculture is great news. We certainly think that Gov. Johanns is a very qualified person who has the leadership skills and the ability to be a true spokesman for agriculture all across America.

As Governor for Nebraska, Mike Johanns has always had agriculture at the top of his agenda and has always had a special place in his heart for the needs of farmers and ranchers. If confirmed, we are confident that farmers and ranchers will have a leader in the USDA that understands agriculture and that understands the role government should play in its relationship with the agricultural industry.

Thank you, in advance, for your consideration of this recommendation. We highly recommend Governor Johanns for Secretary of Agriculture and we hope that the Senate Agriculture Committee will give him a favorable recommendation for confirmation.

Sincerely,

Keith R Olsen

Keith R. Olsen
President

4502 Ave I, Scottsbluff, NE 69361
Phone (308) 632-1258
Fax (308) 632-1371
E-mail: office@nebraskadrybean.com
Internet: www.nebraskadrybean.com

January 4, 2005

Senator Ben Nelson
720 Hart Senate Office Building, Suite 205
Washington, DC 20510

Dear Senator Nelson,

On behalf of the Nebraska Dry Bean Commission members I would like to submit to you our support for Mike Johanns as the next Secretary of Agriculture.

Governor Johanns has been an advocate for Nebraska agriculture from the beginning of his term of Governor of Nebraska. He has led numerous trade missions to foreign countries, developing personal relationships and promoting Nebraska agriculture products. Johanns brings a reputation for accessibility to the secretary's post, which will benefit all U. S. agriculture.

Governor Johanns will put his first hand knowledge of agriculture to use to benefit U. S. agriculture as Secretary of Agriculture.

Sincerely,

Jack Revelle

Jack D. Revelle
Chairman

lr

Jack Revelle, Chairman
Gering, Nebraska

Mark Watson, Vice-Chairman
Alliance, Nebraska

David Howell, Treasurer
Morrill, Nebraska

Dale Eirich
Bayard, Nebraska

Mark Robertson
Alliance, Nebraska

Stephen Snyder
Scottsbluff, Nebraska

Rodney Loose
Mitchell, Nebraska

Kenneth Rhoades
Big Springs, Nebraska

Dave Brown
Champion, Nebraska

Nebraska Pork Producers Association, Inc.
PO Box 830909
Lincoln, NE 68583-0909

January 5, 2005

The Senate Agriculture Committee
% Senator Ben Nelson
720 Hart Building
Washington D.C. 20510

The Officers and Directors of the Nebraska Pork Producers Association are proud to support the nomination of Governor Mike Johanns as the new Secretary of Agriculture. This nomination is wonderful news for all of agriculture and the nation. Governor Johanns has been a friend to our industry for quite some time, and as pork producers – and citizens of Nebraska – we are very excited by the President's choice.

As the fifth largest pork producing state, Governor Johanns has been extremely supportive of our industry both nationally and internationally. He has invited numerous producers to accompany him on trade building missions, and has been very responsive to the producers' needs. Governor Johanns has always expressed a genuine interest in the success of producers.

We urge the Senate to quickly confirm the nomination of Governor Mike Johanns as the new Secretary of Agriculture. There is no doubt that Gov. Johanns will serve the county very well.

Sincerely,

Dave Hansen, President

WESTERN
GOVERNORS'
ASSOCIATION

Bill Owens
Governor of Colorado
Chairman

Janet Napolitano
Governor of Arizona
Vice Chair

Pam O. Inmann
Executive Director

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Washington, D.C. 20001

202-?24-5402
Fax 202-?24-7707
www.westgov.org

December 16, 2004

The Honorable Thad Cochran, Chairman
Senate Committee on Agriculture, Nutrition & Forestry
Room SR-328A
Russell Senate Office Building
Washington, DC. 20510-6000

Dear Senator Cochran:

At their Winter Meeting earlier this month Western Governors enthusiastically endorsed the nomination of Governor Mike Johanns to be the next Secretary of Agriculture. Attached is the resolution they passed supporting his nomination.

Sincererly,

Pam O. Inmann
Executive Director

WGA Policy Resolution 04-23

Governor Mike Johanns

December 4, 2004
San Diego, California

A. BACKGROUND

1. Mike Johanns was sworn into office as Nebraska's 38th Governor on January 7, 1999, and in November, 2002, became the first Republican to be reelected Governor of Nebraska since 1956.

2. As Governor, he has promoted an agenda of tax relief, less government, building the economy, protecting families, and ensuring the health, safety, and success of Nebraska's children.

3. Governor Johanns has actively participated in the Western Governors' Association throughout his tenure as Governor.

4. Governor Johanns has served as a Co-Lead Governor for the WGA Drought Program. Under his leadership, the Association has made great strides in drawing attention to the need for a national policy on drought.

5. In 2003-2004, Governor Johanns helped establish a partnership with the National Oceanic and Atmospheric Administration (NOAA) to develop recommendations for improving drought monitoring and forecasting. This partnership resulted in the report, "Creating a Drought Early Warning System for the 21st Century: the National Integrated Drought Information System."

6. Governor Johanns has also served as the Lead Governor for Farm Bill reauthorization of 2002 for both the Western Governors' Association and the Midwest Governors Conference.

7. On December 2, 2004, President George Bush nominated Governor Johanns to become the Secretary of the United States Department of Agriculture.

B. GOVERNORS' POLICY STATEMENT

1. The Western Governors believe Governor Johanns possesses extraordinary leadership skills and a keen understanding of agricultural, environmental and natural resources issues.

2. The Western Governors believe Governor Johanns is highly qualified to become the USDA Secretary and will be an asset to our nation in managing this Department.

3. The Western Governors applaud President Bush in nominating Governor Johanns, and we urge the Senate to act expeditiously on his confirmation.

4. The Western Governors look forward to working with Governor Johanns on WGA priorities which he has helped to develop, including enactment and implementation of a national drought preparedness policy; establishing a National Integrated Drought Information System (NIDIS); reauthorizing the Farm Bill; improving the Endangered Species Act and its implementation; and implementing the 10-year Comprehensive Wildfire Strategy.

C. GOVERNORS' MANAGEMENT DIRECTIVES

1. The Western Governors direct staff to communicate this policy resolution to the President of the United States, his appropriate staff and cabinet.

2. The Western Governors direct staff to communicate this policy resolution to the Senate Majority and Minority Leaders, and to the Committee conducting confirmation hearings on Governor Johanns.

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STATE OF CONNECTICUT
EXECUTIVE CHAMBERS

M. JODI RELL
GOVERNOR

December 22, 2004

The Honorable Thad Cochran
Chairman
Senate Committee on Agriculture, Nutrition and Forestry
Room SR-328A
Russell Senate Office Building
Washington, DC 20510-6000

The Honorable Tom Harkin
Senate Committee on Agriculture, Nutrition and Forestry
Room SR-328A
Russell Senate Office Building
Washington, DC 20510-6000

Dear Chairman Cochran and Senator Harkin:

We are writing to express our enthusiastic support for the confirmation of Governor Mike Johanns as the nation's 28th Secretary of the U.S. Department of Agriculture. Governor Johanns will bring many assets to this position.

First, Governor Johanns grew up on an Iowa farm and knows first-hand the language and culture of the farming and ranching community. Upon being nominated, he told President Bush, "I'm very proud of my ag background. I do feel that those years on that dairy farm did much to define who I am as a person."

Second, his experience as chief executive of the State of Nebraska demonstrates his commitment to the agriculture economy. Governor Johanns has led numerous trade delegations to promote farm products to such nations as Mexico, Australia, Japan, Hong Kong, Korea, Malaysia, Singapore and Taiwan. He has been relentless in pushing for the reopening of borders to U.S. beef.

Third, Governor Johanns has demonstrated solid leadership abilities in wading through tough issues. He brings a seriousness of purpose that has served him well throughout his public life. Governor Johanns has chaired numerous state organizations and was chosen to be the lead Governor in the successful effort to help reauthorize the 2002 farm bill.

STATE CAPITOL, HARTFORD, CONNECTICUT 06106
TEL: (860) 566-4840 • FAX: (860) 524-7396
www.state.ct.us/governor

It is also important to note that Governor Johanns brings to this position a background as a lawyer, county commissioner, city council member and Mayor of Lincoln, Nebraska. He will summon skills from all of these past experiences to help in his work to strengthen the agricultural sector of the economy.

We believe that Governor Johanns will be a superior Secretary of Agriculture and strongly endorse his confirmation.

Sincerely,

M. Jodi Rell
Governor

NCFC®

NATIONAL COUNCIL OF FARMER COOPERATIVES

January 6, 2005

The Honorable Saxby Chambliss
Chairman
Senate Committee on Agriculture, Nutrition and Forestry
U.S. Senate
Washington, DC 20510

Dear Mr. Chairman:

We are writing to express our strong support for the nomination of Governor Mike Johanns to be Secretary of Agriculture.

The National Council of Farmer Cooperatives is the national trade association representing America's farmer cooperatives. There are approximately 3,000 farmer cooperatives across the U.S. whose member owners include a majority of our nation's nearly 2 million farmers and ranchers. These farmer-owned businesses handle, process and market virtually every type of commodity produced in the U.S.; manufacture and sell farm supplies; and provide credit and related financial services for and on behalf of their member owners. Earnings from these activities are returned to their farmer members on a patronage basis, thereby helping improve their income from the marketplace. They also provide jobs for nearly 300,000 Americans with a combined payroll of approximately $8 billion.

As governor of Nebraska, Governor Johanns has demonstrated a solid record of leadership when it comes to agriculture. Having grown up on a dairy farm, he also understands firsthand the unique challenges facing farmers and ranchers and the importance of policies and programs aimed at helping them improve their economic wellbeing, capitalize on potential market opportunities, and compete more effectively in a rapidly changing global economy.

For these reasons, we are pleased to support his nomination and confirmation as Secretary of Agriculture.

Sincerely,

Jean-Mari Peltier

Jean-Mari Peltier
President & CEO

50 F STREET, NW • SUITE 900 • WASHINGTON, DC • 20001 • 202-626-8700 • fax 202-626-8722 • Web site www.ncfc.org

Serving America's Farmer-Owned Cooperative Businesses Since 1929

January 5, 2005

The Honorable Saxby Chambliss
Chairman, Agriculture Committee
328A Senate Russell Office Building
Washington, DC 20510

The Honorable Tom Harkin
Ranking Member, Agriculture Committee
328A Senate Russell Office Building
Washington, DC 20510

Dear Chairman Chambliss and Ranking Member Harkin:

On behalf of the International Dairy Foods Association (IDFA), I am writing to inform you of our support for Governor Mike Johanns as the 28th Secretary of the U.S. Department of Agriculture (USDA). As the dairy foods industry's collective voice in Washington, D.C., IDFA represents the 500 member companies of the Milk Industry Foundation, the National Cheese Institute, and the International Ice Cream Association.

We believe Governor Johanns has built an impressive record in Nebraska, particularly regarding his commitment to free trade. Governor Johanns has led trade missions to Japan, China, Australia, Brazil, Chile and other important trading partners in order to open new markets for products from Nebraska. We are confident that he will be equally successful in promoting free trade for all U.S. agricultural products. We are pleased to see that Governor Johanns has roots in dairy, having been raised on a dairy farm. We look forward to working closely with the Secretary and the Committee on the reauthorization of the Farm Bill in order to devise federal dairy policies for producers and processors that encourages growth and innovation into the future.

We commend President Bush for moving so quickly to fill this important post for the food and agriculture community. We encourage the Senate to confirm Governor Johanns without delay.

Sincerely,

Connie Tipton

Constance E. Tipton
President and CEO
International Dairy Foods Association

RGA
555 Eleventh Street . Northwest . Suite 700 . Washington, DC . 20004
REPUBLICAN GOVERNORS ASSOCIATION

January 5, 2005

The Honorable Saxby Chambliss
Chairman
Senate Committee on Agriculture, Nutrition and Forestry
Room SR-328A
Russell Senate Office Building
Washington, DC 20510-6000

The Honorable Tom Harkin
Senate Committee on Agriculture, Nutrition and Forestry
Room SR-328A
Russell Senate Office Building
Washington, DC 20510-6000

Dear Chairman Chambliss and Senator Harkin:

We are writing to express our enthusiastic support for the confirmation of Governor Mike Johanns as the nation's 28th Secretary of the U.S. Department of Agriculture. Governor Johanns will bring many assets to this position.

First, Governor Johanns grew up on an Iowa farm and knows first-hand the language and culture of the farming and ranching community. Upon being nominated, he told President Bush, "I'm very proud of my ag background. I do feel that those years on that dairy farm did much to define who I am as a person."

Second, his experience as chief executive of the State of Nebraska demonstrates his commitment to the agriculture economy. Governor Johanns has led numerous trade delegations to promote farm products to such nations as Mexico, Australia, Japan, Hong Kong, Korea, Malaysia, Singapore and Taiwan. He has been relentless in pushing for the reopening of borders to U.S. beef.

Third, Governor Johanns has demonstrated solid leadership abilities in wading through tough issues. He brings a seriousness of purpose that has served him well throughout his public life. Governor Johanns has chaired numerous state organizations and was chosen to be the lead Governor in the successful effort to help reauthorize the 2002 farm bill.

P 202 662 4920
F 202 662 4924
E www.rga.org

PAID FOR BY THE REPUBLICAN GOVERNORS ASSOCIATION

It is also important to note that Governor Johanns brings to this position a background as a lawyer, county commissioner, city council member and Mayor of Lincoln, Nebraska. He will summon skills from all of these past experiences to help in his work to strengthen the agricultural sector of the economy.

We believe that Governor Johanns will be a superior Secretary of Agriculture and strongly endorse his confirmation.

Sincerely,

Kenny C. Guinn
Governor of Nevada

Mitt Romney
Governor of Massachusetts

Bob Riley
Governor of Alabama

Dirk Kempthorne
Governor of Idaho

Jeb Bush
Governor of Florida

Mike Huckabee
Governor of Arkansas

Arnold Schwarzenegger
Governor of California

Bill Owens
Governor of Colorado

Bob Taft
Governor of Ohio

George E. Pataki
Governor of New York

Linda Lingle
Governor of Hawaii

Rick Perry
Governor of Texas

Felix P. Camacho
Governor of Guam

Ernie Fletcher
Governor of Kentucky

M. Jodi Rell
Governor of Connecticut

Robert L. Ehrlich, Jr.
Governor of Maryland

Haley Barbour
Governor of Mississippi

Matt Blunt
Governor-elect of Missouri

Donald L. Carcieri
Governor of Rhode Island

Frank H. Murkowski
Governor of Alaska

Sonny Perdue
Governor of Georgia

Tim Pawlenty
Governor of Minnesota

John Hoeven
Governor of North Dakota

M. Michael Rounds
Governor of South Dakota

Jim Douglas
Governor of Vermont

Mark Sanford
Governor of South Carolina

Archery Trade Association * Bear Trust International * Boone and Crockett Club * Bowhunting Preservation Alliance * Campfire Club of America * Congressional Sportsmen's Foundation * Conservation Force * Foundation for North American Wild Sheep * Houston Safari Club * International Association of Fish and Wildlife Agencies * National Shooting Sports Foundation * National Wild Turkey Federation * North American Bear Foundation * Pheasants Forever * Quality Deer Management Association * Rocky Mountain Elk Foundation * Ruffed Grouse Society * Safari Club International * Texas Wildlife Association * US Sportsmen's Alliance * Wildlife Forever

January 5, 2005

The Honorable Bill Frist
Senate Majority Leader
United States Senate
S-230
Washington, D.C. 20510

The Honorable Harry Reid
Senate Minority Leader
United States Senate
S-221
Washington, D.C. 20510

Dear Senators Frist and Reid:

We, the above listed organizations, representing millions of America's sportsmen conservationists, write in regard to the President's nominee to serve as the Secretary of Agriculture, Governor Mike Johanns. As a two-term governor from America's heartland, Governor Johanns understands agricultural policy, and knows first-hand the environmental and economic benefits that accrue from strong agricultural conservation programs like those contained in the 2002 Farm Bill.

Programs like the Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP) and others ensure that millions of acres of habitat, vital to fish and wildlife, is protected on a voluntary, incentive-based basis. These programs are enormously successful and are the largest private landowner wildlife programs in America. The next Farm Bill will likely be debated and passed during the 109th Congress. Conservation and sportsmen's organizations are looking for support and leadership from the Department of Agriculture to ensure that the strongest possible conservation title is contained in the next reauthorization efforts.

President Bush has demonstrated his commitment to these conservation programs in visible ways. On Earth Day 2004, he specifically referred to the Wetlands Reserve Program as a primary strategy in his efforts to achieve wetlands conservation goals. His strong support was also demonstrated by his announcement last summer that USDA would offer early re-enrollments and contract extensions for CRP acres that begin expiring in 2007. We now look towards the Congress and the USDA to take appropriate action in support of the President's beliefs and intentions on these programs. We urge the United States Senate to fill this important post for Agriculture Secretary in a timely manner, with a believer in agricultural conservation like Governor Johanns.

Our organizations will work to build upon the effective agricultural conservation programs like those mentioned above. We look forward to continuing our work with the new Secretary, others in the Bush Administration and with the Congress to develop agriculture policies that include a strong emphasis on wildlife conservation.

National Milk Producers Federation

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111 FAX 703-841-9328

Agri-Mark, Inc.
Arkansas Dairy Cooperative Association
Associated Milk Producers, Inc.
California Dairies, Inc.
Cass-Clay Creamery, Inc.
Continental Dairy Products, Inc.
Cooperative Milk Producers Assn.
Dairy Farmers of America, Inc.
Dairymen's Marketing Cooperative, Inc.
Dairylea Cooperative Inc.
Ellsworth Cooperative Creamery
Farmers Cooperative Creamery
First District Association
Foremost Farms USA
Land O'Lakes, Inc.
Lone Star Milk Producers, Inc.
Manitowoc Milk Producers Coop.
MD & VA Milk Producers Cooperative Association, Inc.
Michigan Milk Producers Assn.
Mid-West Dairymen's Company
Niagara Milk Cooperative, Inc.
Northwest Dairy Association
Prairie Farms Dairy, Inc.
St. Albans Cooperative Creamery, Inc.
Scioto County Co-op Milk Producers' Assn.
Select Milk Producers, Inc.
Southeast Milk, Inc.
Swiss Valley Farms, Co.
Tillamook County Creamery Assn.
United Dairymen of Arizona
Upstate Farms Cooperative Inc.
Zia Milk Producers

December 22, 2004

Senator Thad Cochran
Senate Agriculture, Nutrition and Forestry Committee
113 Dirksen Senate Office Building
Washington, D.C. 20510-2402

Dear Sen. Thad Cochran:

I am writing to express the support of the National Milk Producers Federation for Governor Mike Johanns, the nominee for Secretary of Agriculture. We hope the Senate Agriculture Committee, following the necessary hearing and deliberations, will act quickly to approve Governor Johanns.

Much has been made of Governor Johanns's agricultural background, having been born and raised on a dairy farm in Iowa. From our organization's standpoint, while such experience is certainly irreplaceable, the most relevant – and more significant – set of credentials that Mr. Johanns brings to the USDA is his experience as a capable government executive. Running the Lincoln city government, and then the state government in Nebraska, will be important assets as he arrives in Washington. As the chief executive of one of the most rural, and most agriculturally-oriented states in America, Gov. Johanns will be a quick study on many of the issues for which USDA is responsible.

Even as crop and livestock producers (including dairy farmers) enjoy a banner year, there are a great many challenges facing the nation's farmers and ranchers. Dairy farmers' concerns about changes in global trade policies, the need to enhance biosecurity, pressures to reduce environmental impacts, the challenge of finding quality employees – plus larger economic issues involving everything from health care costs to interest rates – all of these are crucial matters that the USDA must involve itself in addressing. These are also issues, of course, that Governor Johanns has experience in addressing during the past six years.

Among the recent crop of Cabinet nominees, Gov. Johanns is one of the few coming from outside the Beltway, and the only governor. Those are very important qualities, and we feel confident that they will make Governor Johanns an effective Secretary of Agriculture.

Yours truly,

Jerome J. Kozak

Jerry Kozak
Chief Executive Officer

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

January 3, 2004

The Honorable Thad Cochran
United States Senate
SD-113
Dirksen Senate Office Building
Washington, DC 20510-2402

FAX: 202-224-9450

Aloha Senator Cochran:

I wish to express my enthusiastic support for confirming Governor Mike Johanns as the nation's 28th Secretary of the U.S. Department of Agriculture. After working closely with him in the Republican Governors Association, I know he would bring much talent and dedication to this challenging position.

As the son of an Iowa farm family, he understands the language and culture of "ag" communities. Today, as Nebraska's chief executive, he demonstrates a deep commitment to the agriculture economy. He has led trade delegations to promote farm products in Mexico, Australia, Japan, Hong Kong, Korea, Malaysia, Singapore and Taiwan, and strongly advocated for the reopening of borders to U.S. beef. Based on his demonstrated abilities, he was chosen as the lead Governor in the successful effort to help reauthorize the 2002 farm bill.

In summary, I believe Governor Johanns would make an outstanding Secretary of Agriculture and I strongly endorse his confirmation.

Sincerely,

LINDA LINGLE

National
Corn Growers
Association
www.ncga.com

January 5, 2005

The Honorable Saxby Chambliss
Chairman
Committee on Agriculture, Nutrition & Forestry
United States Senate
328 A Russell Building
Washington, DC 20510-6000

Dear Chairman Chambliss:

I am writing on behalf of the 33,000 members of the National Corn Growers Association (NCGA) regarding your committee's hearing this week on the nomination of Governor Mike Johanns to serve as Secretary of Agriculture. NCGA commends your decision to expedite the consideration of Governor Johanns' appointment and urges the committee to support confirmation by the full Senate. Our board of directors unanimously resolved to endorse this action at our December board meeting. Governor Johanns' strong leadership and breadth of experience in his public service with the challenges facing farmers, ranchers and our rural communities make him eminently qualified to serve as the nations' next Secretary of Agriculture.

NCGA believes that Governor Johanns has demonstrated a real commitment to advancing U.S. agriculture interests through his active work on incentives for value-added agriculture and the creation of jobs in Nebraska's rural areas. Moreover, his understanding of the complex issues before the Department of Agriculture, ranging from renewable fuels to expanding trade opportunities, will help ensure continued progress on addressing the problems of utmost concern to consumers as well as U.S. producers.

Again, NCGA appreciates the Senate Agriculture Committee's action to move forward with the confirmation hearings for Governor Johanns. We look forward to working with you in the 109th Congress in your efforts to strengthen the corn industry and U.S. agriculture.

Sincerely,

Leon Corzine
President

cc: Senator Tom Harkin

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NEBRASKA BIOCLEAN
Merging Technologies

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January 3, 2005

The Honorable George W. Bush
President of the United States
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear President Bush:

I am writing to express our strongest possible endorsement of your nomination of Nebraska Governor Mike Johanns as your new Secretary of Agriculture. You could not have made a better selection.

I have had the honor and privilege of working closely with Governor Johanns here in Nebraska for many years. I have watched him successfully preside as Chief Executive of this state, and have actively supported his efforts to stimulate rural economic development, improve agricultural incomes, and protect the environment by advancing the renewable fuels industry.

Governor Johanns led the Governors' Ethanol Coalition during one of the key periods of the ethanol industry's development, and distinguished himself as an articulate proponent of the Renewable Fuels Standard (RFS). Governor Johanns recognizes that American agriculture must move beyond the traditional role of producing "food, feed, and fiber", to also become a major producer of homegrown and environmentally clean "fuels". He knows that American farmers can produce ethanol from a wide range of crops and other biomass; biodiesel from soybeans; and biogas from animal wastes and other low-value products. In short, American agriculture is on the front lines of our fight to improve the nation's energy security.

Here in Nebraska, Governor Johanns has had the vision to support innovative technologies like ours, which combines community-sized ethanol units with on-site cattle and/or dairy operations, and then converts the animal wastes into biogas that eliminates the need for purchased natural gas. Technologies like these will improve the economics of renewable fuels production, and at the same time protect our air and water resources. Your new Secretary of Agriculture will help lead the way to a sustainable expansion in the nation's renewable fuels industry that will benefit all sectors of the economy, and all regions of the country. The final result will be not only a stronger agricultural sector, but improved energy security and environment, as well.

Thank you once again for making Governor Johanns your Secretary of Agriculture, and for your steadfast support of expanded production and use of domestically produced renewable fuels.

Sincerely,

David E. Hallberg

David E. Hallberg
Chairman & CEO

Cc: Honorable Saxby Chambliss
Honorable Tom Harkin
Honorable Chuck Hagel
Honorable Ben Nelson
Honorable Richard Lugar

United Egg Producers

UEP Headquarters
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Al Pope, President
Dolph Baker, First Vice Chairman
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Linda Reickard
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Howard Magwire
Director of Government Relations

Michael McLeod, Esq.
Washington Counsel

Randy Green
Sr. Government Relations Rep.

Egg Nutrition Center
Dr. Don McNamara
Executive Director

Egg Food Safety Center
Dr. Hilary Shallo Thesmar
Director of Food Safety Programs

Official U.S. Council Representative

January 4, 2005

Honorable Saxby Chambliss
Chairman, Senate Agriculture Committee
416 Russell Senate Office Building
Washington, DC 20510

Dear Senator Chambliss:

United Egg Producers is a cooperative whose independent members account for 90% of U.S. shell egg production. Our member farms are directly affected by a variety of programs at the U.S. Department of Agriculture. We favor market-oriented, science-based agricultural and food policies and have applauded USDA's dedication to these principles over recent years.

We are writing to offer strong support for the nomination of Governor Mike Johanns as Secretary of Agriculture. We believe that the Governor is highly qualified for this post and will bring leadership, vision and skill to a challenging assignment.

Governor Johanns's upbringing on a dairy farm gives him an important foundation in the real world of livestock and crop agriculture. His career in the important agricultural state of Nebraska has made him keenly aware of the critical importance of our food and farm system to the entire U.S. economy and social structure. And his experience in managing the government of the State of Nebraska speaks well of his ability to lead a complex government department. Few if any Cabinet departments have as wide a range of responsibilities as USDA -- from food safety to forestry, and from animal health to human nutrition. We are confident that the Governor will make American agriculture proud as he manages the Department and implements the President's policies.

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Please vote in favor of Governor Johanns's nomination. Thank you for your consideration of our views.

Sincerely,

Al Pope
President

Roger Deffner
Chairman of the Board

Mike McLeod
Washington Counsel

Howard Magwire
Director of Government Relations

Randy Green
Senior Government Relations Representative

Renewable Fuels Association
One Massachusetts Avenue, NW
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http//www.EthanolRFA.org
email: info@ethanolrfa.org

January 6, 2005

The Honorable Saxby Chambliss
Chairman - Senate Committee on Agriculture, Nutrition & Forestry
SR-328A - Russell Senate Office Building
Washington, DC 20510-6000

Dear Chairman Chambliss:

On behalf of the members of the Renewable Fuels Association and the 150,000 Americans whose employment is tied to the U.S. fuel ethanol industry, I respectfully offer our enthusiastic support for Governor Mike Johanns' nomination to be Secretary of Agriculture.

The U.S. ethanol industry is the fastest growing energy industry in the world, and is the most important value-added market for farmers across rural America. In 2004, the 81-ethanol plants across the country processed more than 1.4 billion bushels of grain into over 3.4 billion gallons of fuel ethanol. The industry continues to grow. Twelve new plants opened last year, adding 22,000 new jobs and more than $15.3 billion to the gross output of the American economy. There are 16 plants under construction, 2 more are expanding, and dozens more are in the final planning stages.

Nebraska was the first state to recognize the potential of ethanol in the 1970's, creating the first programs promoting its use and leading the nation to do the same. As Governor, Mike Johanns was an outstanding advocate for farmers and ethanol, promoting state policies that encouraged increased ethanol production. With eleven plants producing more than 500 million gallons of ethanol, Nebraska is now the fourth largest ethanol state, and Governor Johanns has seen firsthand the vital role expanding ethanol production plays in improving rural economies and increasing farm income. Governor Johanns chaired the Governors' Ethanol Coalition (GEC), and during his term pursued an impressive vision for ethanol in America, being among the first to promote a Renewable Fuels Standard that became the cornerstone of comprehensive energy legislation.

Governor Johanns knows ethanol is not only important to the farm sector but also to the future energy security and air quality of this nation. The U.S. imports nearly 60 percent of its transportation fuel and produces only 2.5 percent of its total fuel volume from renewable alternatives. In Nebraska, almost every gallon of fuel sold in the state is blended with ethanol. We know Governor Johanns will provide a strong voice for increasing ethanol production throughout the U.S. just as he has done in Nebraska, providing immeasurable energy, economic and environmental benefits for the nation.

Again, we applaud the President's selection of Governor Mike Johanns to be Secretary of Agriculture, and we encourage the Committee to expeditiously approve his nomination.

Sincerely,

Bob Dinneen
President & CEO

cc: Senator Tom Harkin

The Renewable Fuels Association is the national trade association for the domestic ethanol industry

, President

Jerry W. Friedman, Execu

December 21, 2004

The Honorable Bill Frist
Majority Leader
United States Senate
United States Capitol, Room S-230
Washington, DC 20510

Dear Majority Leader Frist:

I am writing on behalf of the American Public Human Services Association (APHSA) to endorse the nomination of Governor Mike Johanns as Secretary of Agriculture. Since 1999, Governor Johanns has served the citizens of Nebraska with distinction and during his tenure he has demonstrated leadership in the area of agriculture and rural development, as well as in the field of public human services.

APHSA, founded in 1930, is a national bi-partisan organization representing the state and local human service administrators throughout the nation, including those who implement the federal Food Stamp Program. In 2004, under Governor Johanns leadership, Nebraska was one of four states in the nation to receive a USDA High Performance Bonus for payment accuracy and Food Stamp Program integrity. APHSA urges the Senate to approve Governor Johanns' nomination and we look forward to working with him in the delivery of food and nutrition benefits and services to millions of Americans in need.

Sincerely,

Jerry W. Friedman
Executive Director

Representing Public Human Services Since 1930
810 First Street, NE, Suite 500, Washington, DC 20002 • (202) 682-0100 • fax: (202) 289-6555 • www.aphsa.org

Jay J. Vroom
President & CEO

December 20, 2004

The Honorable Saxby Chambliss
Senate Committee on Agriculture, Nutrition and Forestry
SR-328A Russell Senate Office Building
Washington, DC 20510-6000

Dear Senator Chambliss:

On behalf of the members of CropLife America, I would like to express our support for the President's nomination of Nebraska Governor Mike Johanns to be the next Secretary of the United States Department of Agriculture (USDA) and urge you to pursue a quick confirmation.

Established in 1933, CropLife America represents the developers, manufacturers, formulators and distributors of plant science solutions for agriculture and pest management in the United States. CropLife America member companies produce, sell and distribute virtually all the crop protection and biotechnology products used by American farmers.

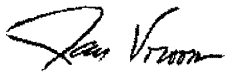
Mike Johanns' record as Governor of Nebraska indicates that he is a strong candidate to succeed Secretary Veneman as head of USDA. Governor Johanns has been a tireless advocate for agriculture within Nebraska and a national leader among his peers. Especially notable are his numerous leadership roles associated with the national and regional governor's organizations and his co-chairmanship of the Governor's Biotechnology Partnership, an organization devoted to coordinating national legislative activities, marketing and promotional campaigns, and research and development activities of the member states. Also impressive are the many international trade missions that the governor led during his tenure as governor.

There are several issues that the Secretary of Agriculture will need to address that are of great importance to CropLife America member companies. One of the most difficult challenges facing American agriculture today is balancing the protection of endangered species with the necessity of producing an abundant and affordable food supply. U.S. farmers will also need assistance combating soybean rust by having quick and easy access to available crop protection technologies. Lastly, USDA can help farmers in their role as stewards of the land by supporting the development and use of agriculture technologies which enhance conservation practices.

• Representing the Plant Science Industry •
1156 15th St. N.W. • Washington, D.C. 20005 • 202.296.1585 • 202.463.0474 fax • www.croplifeamerica.org

Again, on behalf of the members of CropLife America, I express our full support for the nomination of Governor Mike Johanns to the post of Secretary of the United States Department of Agriculture, and encourage the committee to move swiftly through the confirmation process.

Sincerely,



Jay J. Vroom

cc: Senator Thad Cochran
Senator Richard Lugar
Senator Mitch McConnell
Senator Pat Roberts
Senator Peter G. Fitzgerald
Senator James M. Talent
Senator Craig Thomas
Senator Rick Santorum
Senator Norm Coleman
Senator Michael D. Crapo
Senator Charles E. Grassley
Senator Elizabeth Dole

Senator Tom Harkin
Senator Patrick Leahy
Senator Kent Conrad
Senator Max Baucus
Senator Tom Daschle
Senator Blanche Lambert Lincoln
Senator Debbie Stabenow
Senator Ben Nelson
Senator Mark Dayton
Senator Ken Salazar
Senator Zell Miller

QUESTIONS AND ANSWERS

JANUARY 6, 2005

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR SAXBY CHAMBLISS

1. Invasive weeds, especially in the West, are responsible for habitat losses for many plants and animals, many of which are endangered or at risk. Invasive weeds are also a major factor in the frequency and severity of wildfires, which also have attendant adverse effects on wildlife habitat. Considering USDA manages about 80 per cent of the federal budget for wildfire issues, including Forest Service for fire management, what priority will you set as Secretary of Agriculture to work towards invasive eradication/management?

Response: USDA will need to continue to expand its efforts to work with other Departments and agencies who share concerns about the growing impacts of invasive species. Increased focus on the invasive species is one of the top threats to America's ecosystems, and we need to recognize the significant risk these exotic invasive species pose to the environment, the economy, and to human health.

2. Crop protection products are strictly regulated by the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA). FIFRA is a strong and effective law ensuring safety for the public, wildlife and the environment, while at the same time providing safe farmer access to critical crop protection tools. Under FIFRA, these products undergo a rigorous testing regiment which includes potential impacts on humans, crops and ecosystems.

Do you believe that farmers, lawfully following the application instructions, can be successful in preventing impacts on water quality or should farmers be required to get an EPA National Pollutant Discharge Elimination System permit before applications?

Response: I would certainly hope that use of FIFRA approved products consistent with label application instructions can be successful in preventing impacts on water quality. I know from my own experience how important it is to minimize paperwork and regulatory hurdles for farmers.

3. Private sector agronomists can be certified by USDA as Technical Service Providers (TSPs) and can then help develop conservation and nutrient management plans for farmers that will be used by the Natural Resource and Conservation Service. Currently, TSP rates are so low there is no incentive for private TSPs to develop plans under this program. As Secretary, would you seek to increase support for TSPs to encourage private sector participation in the development and implementation of conservation and nutrient management programs?

Response: In general, I am supportive of the idea of utilizing and leveraging private sector sources of expertise. As Secretary, it will be important to weigh considerations such as the availability of third parties, the level of expertise, and ultimately the net result for the taxpayer. Your question denotes a level of detailed study of the issue that I have

not yet had an opportunity to engage. However, I look forward to the opportunity to explore the issue thoroughly in the near future.

4. How can USDA improve its outreach to and involvement of all sectors of the farm economy in meeting ongoing and ever more complex challenges of protecting agricultural and natural resources from pests and diseases?

Response: Safeguarding U.S. agriculture and the environment from exotic pests and diseases is a huge job. In meeting this task, I understand USDA relies on its partnerships with many different stakeholders—State agriculture departments, industry organizations, environmental groups, and others—to ensure that its safeguarding systems remain robust and responsive to emerging pest and disease threats. I look forward to furthering outreach efforts as a way of eliciting additional support for these vital safeguarding programs.

5. During the last few years, we have seen numerous examples of eco-terrorists vandalizing both public and private crop and animal research facilities. For this reason, as well as to protect confidential commercial or financial information, biotechnology companies have chosen not to publicly release information about the specific locations of their test plots, although this information is provided to USDA regulators. Do you support the right of biotechnology companies to submit their field trial information to USDA in a manner consistent with confidential business information protection?

Response: Yes, I recognize the need to protect the confidential business information submitted to USDA by companies and others as part of regulatory oversight under Federal law. This extends to information submitted by biotechnology companies, and I will support the protection of this information, as appropriate, under the Freedom of Information Act and other applicable statutes.

6. Animal disease transmission and human food safety concerns have suggested the benefit of a national animal identification and /or tracking system. Do you see a role for biotechnology in a rapid response program to identify and contain accidental or intentional contamination in the interest of domestic food safety and international trade safeguards?

Response: I am not familiar with the use of biotechnology for this purpose so I cannot comment on its role at this time. I would welcome the opportunity to explore the application of biotechnology in these areas and I look forward to continuing a discussion to address how biotechnology may play additional roles in domestic food safety and international trade safeguards.

7. I commend the President for his commitment to a national strategy of universal affordable access to broadband technology by 2007. We want to work with the Administration to ensure the availability of high-speed Internet access in all rural communities. I note that the President's FY 2005 budget for USDA requested that all broadband incentives administered by the Rural Utility Service be funded in the form of

loans and loan guarantees. In addition to these loans and guarantees, Congress ultimately funded broadband telecommunication grants. Why are loans and loan guarantees, not grants, the Administration's preferred method of providing incentives for broadband establishment in rural communities?

Response: Thank you, Senator Chambliss, for your support of the President's Initiative to make broadband service available to all citizens by 2007. Prior to confirmation, I am not privy to any details of the President's budget proposals. However, there are two observations I would make. First, grants are always more popular than loans. They don't have to be paid back. Second, from a budget viewpoint, grants do not go as far as loans. I look forward to working with you to achieve the President's goal of universal broadband availability.

8. Last February the Farm Service Agency proposed regulations for streamlining the direct loan program. Contained within this proposal was a revised definition of "family farm". The proposed definition stipulates that annual gross income of a "family farm" operation seeking a USDA loan cannot exceed $750,000 in annual sales or alternatively exceed the 95 percentile of farms in the state with sales in excess of $10,000. Congress has many times found that such attempts to explicitly define "family farm" (for lending purposes or otherwise) are impracticable because the term must allow for some variability by geographical region. Does the agency intend to move forward with this proposal?

Response: I do not know at this point how the agency intends to move forward on this proposal. If I am confirmed I will review the matter and discuss it with you at the appropriate time.

9. As you know further development of, and the ability of US farmers to market, new agriculture and food biotechnology products will be one of the important issues you address during your tenure as Secretary of Agriculture. We would appreciate knowing how you plan to continue efforts to support the introduction of new technologies that improve production, offer benefits to consumers and protect the food supply and the environment.

Response: I have been very involved in the issue of biotechnology as the Chairman of the Governors Biotechnology Partnership. I know first hand the benefits associated with, and the potential of, agricultural biotechnology. At the same time, however, I believe it is very important that USDA continue to ensure that the development of these new products is done so safely and does not pose a risk to traditional agricultural industries, or the environment. A strong, transparent regulatory system for agricultural biotechnology not only safeguards U.S. agriculture, but also helps to support new innovations and domestic confidence in the safety of these products.

10. We applaud the work USDA, with its Foreign Agriculture Service and US Embassies, has done over the last several years to better coordinate activities to help developing countries, particularly, and our export customers build regulatory systems and

government polices that improve acceptance of agriculture and food biotechnology products. What additional steps do you intend to take as Secretary to continue those efforts and make them even more effective?

Response: As Secretary, I will support increased efforts within USDA, other Government agencies, farmer associations, and the private sector that are designed support government policies that ensure greater market access for all US agricultural products, including those derived from biotechnology.

As Chairman of the Governors Biotechnology Partnership, I have actively encouraged the exploration of biotech opportunities overseas. I have seen first hand the importance of helping our export customers build regulatory systems that readily accept US agricultural and food products derived through modern biotechnology and I believe this will become more important as our farmers adopt a wider array of biotech crops in the future.

11. As you know, the Food and Drug Administration published guidance for companies to receive an Early Food Safety Evaluation during early field trials of new food and feed traits derived from biotechnology. Does USDA intend to implement additional steps to ensure that the U.S. government develops a science-based adventitious presence policy that promotes acceptance of biotechnology products in our export markets?

Response: I understand that the Animal Plant Health Inspection Service (APHIS) intends to revise their regulations pertaining to biotechnology field trials and other related issues this year. As a first step, in 2004 APHIS published a Notice of Intent to Prepare an Environmental Impact Statement in the Federal Register to help support the development of new regulations. The new regulations will address adventitious presence and APHIS expects this policy to be consistent with the Food and Drug Administration's guidance.

12. What role do you think the federal government should play in ensuring that our nation's children receive healthy meals in our public schools?

Response: The federal government has a vital role in ensuring that our nation's children receive healthy meals in schools. For those meals that are federally reimbursable, USDA should work with schools to ensure that meals meet nutrition standards established by statute and regulation. For other school food services, USDA should encourage and support local efforts to create and maintain positive school nutrition environments.

13. What do you think could be done to improve the service delivery of obesity-prevention programs?

Response: Overweight and obesity are critical health issues. I intend to maintain the Administration's commitment to explore innovative strategies to prevent overweight and obesity, based on the latest science and research. For example, I would expect to continue to seek and utilize new communications technologies such as the World Wide Web to improve access to interactive nutrition education and promotion for consumers. Similarly, we should continue to recognize the reach and depth of the nutrition assistance

programs as a prime opportunity to deliver obesity prevention messages and promotional strategies, especially for children. The new *Dietary Guidelines for Americans* and supporting food guidance system should be helpful new tools in this effort.

14. How can the federal government encourage individual Americans to make good choices in their daily diet?

Response: Choosing and consuming a healthful diet is a complex issue and a struggle for many Americans. We know that dietary choices are influenced strongly by our environment, our economy, and our individual upbringing.

We can't force people to change, or regulate away their opportunities. We must motivate them to make better choices themselves, with strong, consistent educational messages and changes in the environment to support healthy behaviors. USDA has been working for years to do just that. USDA is fortunate to have the resources of the Cooperative Extension Service in communities across the nation, and the Food and Nutrition Service serving schools and low-income people, to pursue and strengthen these strategies by working at the community level.

15. What are your thoughts concerning issues of program integrity in the child nutrition programs?

Response: Program integrity is fundamental to achieving the goals of the Child Nutrition Programs to provide free and reduced-price meals to children and adolescents in need. These programs cannot be sustained or improved without continued public trust in USDA's ability to administer them effectively. I am committed to ensuring effective stewardship of these programs. The Child Nutrition and WIC Reauthorization Act of 2004 authorizes the USDA to seek improvements in program integrity, and, if confirmed, I look forward to taking full advantage of that opportunity.

16. What are your views on WIC-only Stores in the WIC Program?

Response: I have not been fully briefed on this issue. I understand there is a tension between the services these stores provide to recipients versus the cost of the products to the program sponsors. The actions of USDA must ensure that participants and taxpayers receive maximum value for the program's benefits.

17. What do you think should be done to help ensure long-term viability of the WIC program?

Response: As I'm sure you are aware, the WIC Program is one of the most cost effective public health nutrition programs ever established by Congress. It also represents a significant part of the Department's budget. To ensure the long-term viability of the Program, the program must be efficiently and effectively operated to ensure quality services. WIC's latest reauthorization provided the authorities in the program that will help to ensure effective and efficient benefit services.

18. From your personal experience, what role could and/or should the U.S. play in developing other countries' food safety systems, especially as it relates to trade?

Response: The U.S. plays a critical role in developing and enhancing food safety worldwide. The U.S. can help developing countries understand the science of food safety and establish food safety systems based on sound scientific principles. In addition, USDA remains vigilant in ensuring that meat; poultry and egg products imported into the U.S. are as safe as those produced domestically.

19. What avenues can the federal government pursue to increase our agricultural exports?

Response: The Bush Administration has had the most aggressive trade agenda in history and it has yielded record farm exports. I will continue this focus on five primary areas: market access and maintenance; market intelligence, market development, using export programs such as export credit guarantees; and conducting trade capacity building activities.

Additionally, U.S. efforts to address global food security through food aid and active participation in a variety of international organizations can have a positive effect on agricultural exports.

20. It costs $2 million per year to fund the state Pesticide Safety Education Program (PSEP). EPA has historically provided all of the funding (except for one year) for the PSEP, and has reduced their FY 2005 budget request by one third. Can USDA and EPA jointly fund this program?

Response: I have not been briefed on the funding for this program. I will be glad to look into how USDA and EPA can jointly fund it.

21. This past June, the Senate passed the Child Nutrition and WIC Reauthorization Act of 2004 which was subsequently signed into law by President Bush. As Secretary, what are some steps you will take to ensure the swift implementation of the provisions in this law? Where is the Department currently in its implementation process?

Response: The Child Nutrition and WIC Reauthorization Act of 2004 provides a tremendous opportunity to strengthen federal nutrition assistance programs and improve their effectiveness for low-income families and children. If confirmed, implementing the provisions of this Act will be a Department priority for me. I will work to ensure prompt implementation. I support the Department's implementation efforts, which have included a briefing for Child Nutrition cooperators, drafting and issuing regulations, and providing guidance on a number of issues.

22. A little over a year ago, Congress passed the Healthy Forest Restoration Act of 2003. The legislation provides additional resources and tools to better help protect our Nation's

forest against the threats of fire, disease, and insects. The Healthy Forest Restoration Act also provided incentives for private landowners to better manage their land, restore lost habitat, and encourage research and monitoring of forests threats before they become epidemic. These last issues I mention are specifically important to my state and others throughout the South.

While I commend USDA and the Forest Service for moving quickly to implement the hazardous reduction aspects of the legislation, there are still many programs contained in the legislation which have yet to be implemented; programs important to many regions of the Country. Can I have your assurance that if Congress is able to fund some aspects of these new programs that USDA will be prepared to implement them?

Response: If Congress is able to fund some aspects of these new programs I will certainly work to insure that USDA is ready to implement them.

23. In the next four years, the United States will continue to participate in the Doha Round and reauthorize the farm bill. How do you see these two events playing out in the domestic and international arenas?

Response: I can tell you without any hesitation that I will be personally involved in the Doha Round. A lot has happened up to this point, but I see such a critical role for agriculture here that I've already indicated that I want to be there, I want to be at the table, I want to be advocating for agriculture and making sure that our voice is heard. Your observation is correct; these events will probably come together at about the same time. I'll work with you, the members of this committee and Senate and House, and the Office of the U.S. Trade Representative on the issues and concerns relative to these two events.

24. As we prepare for the next farm bill debate, what are your thoughts on how to go about crafting a safety net for farmers that does not conflict with the U.S. position in the Doha Round of world trade talks which are aimed at cutting market distorting subsidies and price supports?

Response: I can tell you without any hesitation that I will be personally involved in the Doha Round. In negotiating new trade agreements, including the Doha Development Agenda, we need to focus on opening markets for U.S. products. Part of improving competitive conditions for our products in world markets is to reduce trade-distorting support of other WTO members, so that our farmers and ranchers have free and fair access to markets around the world. Then farmers will be able to achieve profit from the marketplace, with government programs taking an appropriate supplementary role.

25. The President recently announced an expansion and extension of the Conservation Reserve Program (CRP) by offering early re-enrollments, extensions of existing contracts, and expanding the program to cover grasslands and wetlands that are not in a flood plain. What approach to CRP management do you advocate to guarantee the program is one of environmental stewardship and not a supply control mechanism?

Response: The Conservation Reserve Program is no longer just a supply management tool. Its objectives now include achieving improvements in water and air quality, as well as wildlife habitat. I intend to continue the approach ensures that those offers that are accepted into the program are those that deliver the most environmental benefit for the taxpayer's dollar.

26. Are there ways in which you see the traditional crop insurance program used to protect farm income in ways that would make loan deficiency payments or counter-cyclical payments simply a secondary option to insurance protection?

Response: Those are separate programs and both are helpful to farmers when they are needed. Crop insurance, under the direction of the Federal Crop Insurance Corporation, is intended to protect farm families against the risks inherent in agricultural production. Of course, a well considered farm risk management program can help the family farm continue to exist and provide a living in the years when production is low, but it is not intended to take the place of marketing loans and other payments currently available to farmers through programs administered by the Farm Service Agency. As revenue insurance products and risk management strategies grow and become more popular, we believe more ideas for yield and price protection may evolve.

27. What approach do you believe the U.S. Department of Agriculture should take to both encourage the development and use of biotechnology while easing international safety concerns?

Response: I have been very involved in the issue of biotechnology as the Chairman of the Governors Biotechnology Partnership. I know first hand the benefits associated with, and the potential of, agricultural biotechnology as does USDA. At the same time, however, USDA is charged with ensuring that the development of new genetically modified products does not pose a plant pest risk to traditional agricultural industries, or the environment. This combination provides a strong, transparent regulatory system for agricultural biotechnology that not only safeguards U.S. agriculture, but also helps to support domestic confidence in the safety of these products. In much the same way, on the international front, USDA works through standard setting organizations, as well as in conjunction with individual U.S. trading partners, to help ensure that international regulatory approaches pertaining to agricultural biotechnology are science-based and consistent with U.S. regulations. One opportunity to explain our system was through the International Science and Technology Conferences hosted by Secretary Veneman. I, too, will use every available opportunity to educate people around the world about the safety of our regulator system.

28. Right now the department is looking at premises-based animal identification, leaving technology selection to the states. However, there is DNA-based technology available today that would allow animals to be traced from meat case to birth farm, while at the same time providing breed verification, etc. Shouldn't USDA be encouraging farmers to

use state-of-the-art technology at a reasonable price rather than dealing with ID on a piece-meal basis, and then moving to other applications?

Response: I believe there is no "one-size-fits-all" identification technology. It is likely that some technologies will work better for some species than for others. Producers and other stakeholders involved throughout the production chain are in the best position to determine what technologies work best in their production environments, are practical, and to decide which may offer the industry other opportunities.

29. USDA is struggling with various mechanisms to deal with emergency feed assistance for farmers hit with drought, floods, etc. The current non-fat dry milk program is at best a hit-or-miss approach, and while it may draw down stocks of USDA nonfat dry milk, it does meet the farmers' needs. Would you favor development of a statutory program overseen by USDA to provide emergency feed assistance to farmers in a way that does not distort feed ingredient markets nor exclude commercial feed companies from participation?

Response: USDA has used existing authorities to develop new initiatives providing assistance for farmers and ranchers needing emergency feed assistance. For example, as Governor of Nebraska, I worked very closely with USDA officials to develop the 2003 and 2004 nonfat dry milk livestock feed assistance initiatives. Through our combined efforts, we developed innovative partnerships between USDA, qualifying states and Tribal governments to provide surplus milk to livestock producers in areas hardest hit by continuing drought.

The use of existing authorities and the ability to be creative in the use of those authorities is of great importance to USDA in being able to provide assistance times of need. If confirmed, I will continue to work closely with Congress to address the needs of American farmers and ranchers because of drought and other natural disasters.

30. Today's agricultural trade issues tend to be more related to non-tariff trade barriers. How do you see USDA's agencies working together and with other Federal Departments, such as the Department of State, Commerce, and the U.S. Trade Representative, to bring down these barriers and open trade?

Response: It is my understanding that the USDA and other relevant Federal agencies cooperate closely on these issues. This cooperative work across agencies is critically important to resolving many ongoing agricultural trade disputes and I will work with my counterparts across the government to see it continues.

31. The reopening of Japan and the rest of the export markets are a top priority for the U.S. beef industry. What is your plan to get these markets reopened soon?

Response: If confirmed, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest

customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed.

32. In the last Congress, several bills were introduced to remove USDA's role in nutrition policy and education due to the perceived conflict of interest in promoting agricultural products and also determining what role these products play in human nutrition. In light of this, what is your vision for USDA and its role in nutrition programs?

Response: In my view, USDA is uniquely positioned to promote good nutrition because of our links to food production, processing, nutrition research, extension, education and food supply economics, as well as consumer food guidance and nutrition assistance. With regard to the nutrition programs in particular, the Department's special expertise in the science of food and nutrition, and experience in working with States to effectively deliver nutrition assistance to millions of people every day, makes it well suited to its nutrition program responsibilities. If confirmed, I want to bring all of USDA's resources to bear to improve nutrition among our people, including working with producers to realize the market opportunities in improving and promoting healthy food options.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR TOM HARKIN

1. During the President's first term, the United States initiated negotiations for free trade agreements with 19 countries. Of the 19 countries, only five ranked among the top 30 of U.S. agricultural export destinations in 2003. We were actually net agricultural exporters to only one of those countries, the Dominican Republic. To date, these FTA's have offered only modest prospects for export expansion for our agricultural products.

Do you pledge to consult with the Senate and House Agriculture Committees and farm groups more closely in the future than has been the case in recent years about choosing potential FTA partners?

Response: I will certainly work with Congress on this issue. It is my understanding that the Administration carefully considers potential FTA partners. A number of factors are considered including a country's economic, trade policy and regulatory readiness to commit to a comprehensive FTA with the United States, as well as geographic and national security factors.

U.S. commercial interest is a very important factor and our new and pending FTA partners constitute America's third largest export markets and the sixth largest economies in the world. I look forward to continuing to consult closely with the agricultural community, including farm groups, the House and Senate Agriculture Committee and interested Members of Congress, as we continue to pursue our trade agenda.

2. As governor of Nebraska, you have seen first-hand in recent years the economic harm to agricultural producers from sustained droughts and other natural disasters, and you have been a strong advocate of providing federal disaster assistance to such farmers and ranchers.

Given that experience, what would you say are key changes that are needed in existing USDA programs, particularly crop insurance, to address the need for a response to agricultural disaster losses without resorting to ad hoc disaster assistance?

Response: Federal crop insurance covers a large number of agricultural commodities and on a very large proportion of our acreage base. It is a critical component of the overall safety net available to producers.

When disasters strike, crop insurance participation at higher levels of coverage means more assistance to farmers. As a Nebraskan, I know first-hand how natural disasters can impact farmers. My state has been particularly hard-hit by drought in the last few years.

The cost and frequency of ad hoc disaster assistance has been and continues to be a topic of concern. The greater the amount of disaster assistance, and the more consistently it is

offered, the less incentive producers have to purchase crop insurance. I look forward to working with you and other members of Congress on developing an even stronger risk management portfolio for our farmers and ranchers to reduce the need to request ad hoc disaster assistance.

3. In November, Asian soybean rust was detected for the first time on the U.S. mainland, in Louisiana and later in eight other states. In fields not properly treated by fungicides, soybean farmers in other countries have experienced yield losses ranging from 10 percent to 80 percent. Will you stay informed developments in the presence of Asian soybean rust in the United States, monitor the response plans of USDA and dedicate the necessary resources to help farmers minimize their losses from soybean rust?

Response: I recognize the serious nature of the threat that soybean rust poses to U.S. producers. I fully intend to regard the management of soybean rust as a high priority in the coming years.

4. USDA has imposed a comprehensive ban on the use of any downed cattle for human food. Some have asked that this ban be reconsidered. Do you believe the ban needs to be reviewed?

Response: As Governor, I supported Secretary Veneman's decision to take the emergency measure to ban non-ambulatory disabled cattle from the human food supply after finding the BSE-infected cow in Washington State. From the European experience with BSE, we have learned that certain high-risk cattle, such as those that are non-ambulatory disabled, have a higher probability of testing positive for BSE than other cattle.

I am told that Public comments about the ban and the other interim final rules are currently being reviewed. In addition, once the Department completes the BSE surveillance program later this year, there should be a much clearer picture of BSE in this country, and at that time it would be possible to make fully informed regulatory decisions.

Follow up: In any such review, would you allow an opportunity for public comment and make sure any decisions consider the public health and animal welfare implications of changes to the ban?

Response: It is my understanding that USDA provides for public comment on these issues and works to ensure an open process. Under my leadership, decisions will continue to be based on sound science.

5. Secretary Veneman and the White House last year endorsed legislation to stiffen penalties for violations of the federal animal fighting law regarding dogfighting and cockfighting. The animal fighting legislation was not enacted last Congress, but it will be reintroduced. Will you support strengthening penalties for violation of the federal law banning animal fighting?

Response: I understand that last year USDA supported S. 736 that would have, among other things, made the penalty for animal fighting a felony. This makes sense from an animal welfare standpoint, and would also help to deter cockfighting which, as you note, could play a role in the introduction and spread of exotic poultry diseases. I have not been briefed on further changes to this act, but will work with you and other Members on these issues.

6-A. One of the oft-touted successes of the 2002 Farm Bill was the significant increase in support for conservation programs. Unfortunately, the conservation programs have been repeatedly raided for funding other programs. Although the president applauded the increase in conservation funding when he signed the farm bill, his budgets have consistently recommended cutting those programs. Congress has repeatedly agreed to cuts to conservation programs.

What do you see as the future for conservation programs in relation to United States agricultural policy? How do you envision implementing the conservation programs of the 2002 Farm Bill?

Response: Conservation programs will certainly continue to play an important role in formulating United States agricultural policy. These programs contribute billions of dollars annually and have a tremendous amount of support, both nationally and in my State of Nebraska.

You would not have to look very deep into my past record as Governor of Nebraska to find that conservation programs have my full support. I'll do everything I can to work with you and other members of the Committee in the Senate to implement the provisions of the 2002 Farm Bill and work together on developing a conservation framework for the 2007 Farm Bill.

6-B. When do you expect to make long-range decisions for the Conservation Reserve program, e.g. renewal of expiring contracts?

Response: I am aware that the Department is now exploring options on how to handle the large volume of expiring contracts. I would hope to have policy decisions made early this summer.

7. The Environmental Quality Incentives Program (EQIP) has been very successful. As you know, the program is designed to assist farmers and ranchers in improving the quality of the environment, especially water quality.

I am concerned, however, with the funding formula for this program. The State of Iowa has more farm animals per capita than any other state in the union. Yet, in 2003 Iowa was ranked 17th among states in EQIP formula dollars. Although Iowa's status improved to 10th in 2004, it still remained low given the importance of agriculture to the State. I note

that Nebraska has also been under-funded. I look forward to working with you on this very important program to ensure the resources are targeted where they are needed most.

Please provide the most recent EQIP allocation factors and their weighting for fiscal 2004 and 2005. Will you pledge to review the EQIP allocation formula and its use in practice to ensure the distribution of EQIP funds is consistent with the location and concentration of environmental challenges in the nation's agricultural operations?

Response: I have not had access to this data but will ask that NRCS supply this information to you.

8. Governor Johanns, from my position on this Committee I have had the opportunity to work closely on conservation issues which impact my constituents. President Bush reiterated his support for agricultural conservation programs during his announcement of your nomination for Secretary of Agriculture. He specifically mentioned his desire to expand conservation programs benefiting soil, water, and wildlife.

As you prepare to enter your new post, I would like for you to share your plans to implement President Bush's commitment to ensure that wildlife benefits continue to be enhanced through USDA programs.

Response: This administration already has a strong track record on conservation, which has been recognized by the sportsmen organizations. Last year, under the Conservation Reserve Program new measures were announced to enhance wildlife habitat and restore wetlands. If confirmed, I will continue to make conservation a priority and will reach out and engage with the conservation and sporting community.

9. How do you plan as Secretary to promote opportunities for farmers, ranchers, and landowners to work more closely with the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) to improve the voluntary, incentive-based programs that provide win-win solutions for landowners and wildlife? Will you advocate within the administration to maintain the full levels of funding for the programs provided in the 2002 Farm Bill?

Response: I am very supportive of the Farm Bill conservation programs. The Bush Administration has provided substantial leadership for the growth of these programs. Funding for conservation programs on private lands is now referred to in billions of dollars rather than millions. I will advocate conservation program budgets that reflect the Administration's proven commitment to conservation and the Nation's fiscal realities.

10. Both agriculture and wildlife are important to the way of life for many rural citizens and the rural economy. Given that 75% of our nation's remaining waterfowl habitat exists on private lands, it is vitally important USDA continues to work with landowners to secure a base of wetland and grassland habitats that supports healthy waterfowl populations for future generations to enjoy. Key programs to support wetlands conservation have been cut in the president's budget and annual appropriations bills.

If you are confirmed as the next Secretary of Agriculture how do you plan to honor President Bush's Earth Day 2004 promise of net wetlands gain, which is to be accomplished through the Wetlands Reserve Program and other USDA programs?

Response: If confirmed, I will ensure that USDA continues its efforts to fully implement the President's Wetlands Initiative, to create, improve, and protect overall wetland acres.

11. There is strong support for CRP as a critical component of the conservation title in 2007 when the Farm Bill is reauthorized. President Bush stated his strong support for CRP by his announcement last summer that USDA would offer early re-enrollments and contract extensions for CRP acres that begin expiring in 2007.

What type of commitment are you willing to make to conservation and sportsmen's organizations that are looking for support and leadership from the Department of Agriculture to ensure that the strongest possible conservation title is contained in the next reauthorization efforts?

Response: This administration already has a strong track record on conservation, which has been recognized by the sportsmen organizations. If confirmed, I will continue to make conservation a priority and will reach out and engage with the conservation and sporting community.

12. I am very concerned about the lack of broadband loans. I perceive that there are several problems that exacerbate the difficulties involved. First, we have some very restrictive standards such as the failure to consider the ongoing cash flow of existing customers. And, I believe a lot more can be done to increase the national outreach efforts and simplify the application process. Will you take a personal look at this program so we can increase the areas that are served by broadband?

Response: Yes, I will certainly look at the Broadband Loan program, as well as other rural development programs that will help achieve economic growth in rural areas. Broadband availability is an area of great importance as we seek to enable rural communities to participate in the global economy.

13. The USDA animal disease facilities in Ames are a crucial part of our defense against animal diseases. At this point, appropriations have covered the cost of the major lab facility. But, we still need to complete the low-level bio-containment animal holding facilities. Since a lot of work is done on healthy animals, cutting the capacity there is very damaging. Also, as the costs of construction have grown with rising cement and steel prices, some want to sharply cut back on the low-level bio-containment large animal holding facilities that are proposed to be built, which would impair this premier USDA animal disease facility. Will you support the full construction of these facilities meeting the 2003 USDA assessment of needs so we have the capacity to protect animal agriculture and our food supply?

Response: Senator, I share your interest regarding the major construction effort currently underway to modernize the USDA's National Center for Animal Health, and specifically, its capacity to effectively carryout its planned mission. Having grown up on a dairy farm I fully understand and appreciate, as you do, the important work the Centers do to protect the health of the Nation's livestock and the safety of our food supply.

14. Both Iowa and Nebraska, along with South Dakota, North Dakota and Minnesota, and are members of the Northern Great Plains Authority, reestablished by the 2002 farm bill, to address the economic development needs of our region's rural communities. The purpose of the Authority is to draw attention, ideas and resources to under-served rural areas. It is governed by a board made up of the Governors of the participating states, plus a federal member and the chairperson of an Indian tribes in the region, both to be appointed by the President and confirmed by the Senate. We provided the Authority with some initial seed money in the FY04 appropriations bill, which lapsed, and again in this most recent FY05 bill. Officials and local communities and local businesses from the five states have been meeting and are ready to bring recommendations to the governing board of the Authority. However, the President has not yet made his appointments, without which the board cannot function. I hope you will urge the President to make these appointments so that the vital work of this commission can get underway. Will you please provide the Committee with an update of when those appointments will be made?

Response: As the Governor of one of the states in this region, I am familiar with this Farm Bill provision. While I am not in a position at this time to speak specifically to the issue of funding appropriated for the Commission or to the Presidential appointment process. If I am confirmed, I will review the situation and be mindful of your interest in this matter.

15. USDA officials have asserted that their Listeria directive and rule have reduced the prevalence of Listeria positives in food processing plants. However, in 2003, the first year the directive and rule were in effect, the rate of Listeria food poisoning increased by 22 percent. The increase came after a four year decline in illnesses caused by this pathogen. As Secretary will you investigate the potential reasons for this increase and review the risk assessment underlying the rule based upon what you find?

Response: Protecting public health through a safe food supply is of the utmost importance. Under my leadership risk assessments and the application of science will continue to play a vital role in USDA's effort to ensure a safe food supply and protect public health. I look forward to working with you to look for ways to further enhance the safety of the food supply.

16. Would you consider going back to the requirement in the 2000 proposed rule that, in some circumstances, meat processing plants be required to test final so-called ready to eat products to ensure Listeria control procedures are working?

Response: It is my understanding that comments on the lysteria rule are currently being accepted. As with any final rule, these comments will be considered in developing the final rule.

17. In May 2000, the President directed USDA and HHS to take actions to halve the rate of Listeria poisoning by 2005. Will you reaffirm that commitment?

Response: If confirmed, I will make sure USDA continues to work with its public health partners to further reduce the incidence of food borne illness and strengthen public health.

18. In August 2004 President Bush signed the Food Allergen Labeling and Consumer Protection Act of 2003 (Title II of P.L 108-282). The law requires that, beginning in January 2006, packaged foods regulated by the Food and Drug Administration must disclose in plain English (e.g., wheat rather than semolina and milk rather than whey) the presence of major allergens, including their presence in spices, flavorings or colorings. Some products regulated by the United States Department of Agriculture (USDA), such as meat pies, may contain a major allergen (defined in the law as Crustacean shellfish, egg, fish, milk, peanuts, soybeans, tree nuts and wheat), so it is important to the public health that the presence of a major allergen in such foods also be disclosed.

As Secretary, will you make sure that USDA follows suit and also requires allergen labeling consistent with PL 108-282 by January 2006 for disclosure of major allergens in the foods it regulates?

Response: If confirmed, I will work with the FDA and other agencies to ensure consumers have information they need to make informed decisions.

19. Currently, the US Department of Agriculture (USDA) has a voluntary recall system, which means that USDA has no authority to force companies to recall potentially life threatening contaminated meat or poultry. In 2000, only 25% of all recalled meat and poultry was recovered in completed recalls. In March 2003 former Secretary of Agriculture Anne Veneman said that USDA was working under a Meat Inspection Act that pre-dates the Model-T and agreed that USDA should work to modernize the food safety system.

Do you believe USDA enforcement authorities should be modernized?

Response: Protecting public health through a safe food supply is of the utmost importance. I believe USDA has a strong system in place to ensure the safety of food and protect public health. If after review I see a need for additional changes I will not hesitate to work with this Committee.

20. Many consumers and public health officials have noted the difficulty of obtaining distribution information for recalled meat and poultry products from industry and USDA. In fact, USDA's policy is to refuse to disclose such information to states unless states

agree not to disclose it to the public. As Secretary will you review the recall system and implement a notification system that will better allow consumers and public health officials to identify recalled products?

Response: While I don't know the specific protocol USDA uses to announce a recall, I understand that USDA has taken action in the past year to improve the effectiveness of recalls. I look forward to learning more about this issue to determine if further action is necessary.

21. In 1990 Congress, by passing the Nutrition Education and Labeling Act, directed the Food Drug and Administration (FDA) to require nutrition information, such as the number of calories and the amount of saturated fat, on packaged foods regulated by the FDA. The FDA's final nutrition labeling regulations were published in January 1993. At present, USDA does not require nutritional labeling of meat and poultry products; instead it permits voluntary labeling.

In January 2001, USDA issued a proposed rule to require nutrition labeling of single-ingredient, raw ground or chopped meat and poultry products and to permit all fresh ground meat and poultry labels to make percent lean claims. In April 2001 Secretary Veneman said, "This proposed rule is important to help consumers make informed dietary decisions. USDA looks forward to working with all interested parties to ensure that the final rule provides consumers accurate nutritional information." While almost four years have passed since the public comment period on USDA's proposal closed, USDA has not yet issued its final regulations.

As Secretary will you make sure USDA moves forward promptly in issuing these regulations?

Response: Nutrition labeling will give consumers additional information with which to make informed decisions about meat and poultry products. I look forward to learning more about nutrition labeling regulations and what may be to move these regulations forward.

22. In July 2003 the Food and Drug Administration (FDA) issued a final rule requiring disclosure, beginning in 2006, of the amount of trans fatty acids in packaged foods that it regulates. The consumption of trans fatty acids contained in partially hydrogenated vegetable oils increases the risk of coronary heart disease.

The United States Department of Agriculture (USDA) has not announced a similar requirement for the disclosure of the amount of trans fatty acids in food products that it regulates. Under your leadership, will USDA follow FDA's lead and require the disclosure of trans fatty acids on the labels of food products within its jurisdiction?

Response: I have limited knowledge of the matter but have been informed that USDA is planning to publish a proposal that is consistent with the FDA rule on trans fatty acids.

23. The U.S. Government Accountability Office (GAO) recently released a report concluding that Antibiotic resistance is a serious and growing public health problem. GAO found that the widespread use of antibiotics in human medicine was the principal cause of resistance, but that the use of antibiotics in animals raised for human consumption also contributed to antibiotic resistance in humans.

One of GAO's recommendations also urged that "the Secretaries of Agriculture and of Health and Human Services jointly develop and implement a plan for collecting data on antibiotic use in animal's so that we would have better information available to determine which uses of antibiotics may contribute most to the risk of increased antibiotic resistance." Will you review this recommendation and work with the Secretary of HHS and Congress to implement it?

Response: I will review the recommendation and consult with HHS and Congress.

24. The GAO report also found implications of antibiotic resistance for U.S. trade. GAO noted that U.S. meat exports were about $7 billion in 2002 and observed that two of our major competitors in world meat markets New Zealand and Denmark have banned use of medically important antibiotics for growth promotion in food animals, as has the European Union. It further notes that Japan, a major market for US meat exports, is now reviewing such uses and considering a ban.

What are your plans, as Secretary, to address potential export market consequences of U.S. policy on the use of antibiotics in animal production?

Response: If confirmed, I will make every effort to closely coordinate with my colleagues at FDA and USTR in dealing with actions that foreign governments may take with regard to this issue. The use of sound science also is fundamental to this issue and we will continue to stress that to our trading partners if needed.

25. USDA's Agricultural Marketing Service is currently working on standards for four meat label claims covering antibiotic-free, grass-fed, hormone-free, and free range. Earlier standards developed by USDA were withdrawn after significant public criticism from consumers, farmers and public interest organizations that the standards as written would not provide consumers with the accurate information they sought. Subsequent to the standards' withdrawal, USDA has been meeting with interested parties to develop a new rule.

What steps will you take to ensure that the four meat label claims, antibiotic-free, grass-fed, hormone-free, and free range, are meaningful and not misleading to consumers? Will you move expeditiously on the rule to allow these label claims?

Response: If I am confirmed I will review the labeling issue with a view to addressing your concerns.

26. In 1999, the U.S. government and a class of African-American farmers entered into a consent decree that settled an ongoing class action lawsuit alleging that USDA had systemically discriminated against black farmers in providing access to USDA programs and benefits.

Though the settlement was hailed at the time as a historic moment in US civil rights, since that time there have been numerous complaints about many aspects of the settlement, both the content of the consent decree itself as well as its implementation.

A key issue concerns the fact that after the original filing deadline had passed nearly 70,000 additional individuals filed for entry into the class, the vast majority of whom were subsequently denied. As a result, many people have suggested that steps should be taken to allow late-filers who were originally denied entry into the class the opportunity to gain entry into the class. It is very doubtful that so many farmers would consciously fail to file a claim if they really knew that they were required to do so earlier.

The easiest route to fixing the consent decree would simply be for the black farmers and for the U.S. government both to agree to re-open the consent decree and to ask the court to approve any changes to which they both agree.

What is your view on reopening the Consent Decree to enable late-filers who are legitimate members of the class entry into the settlement and the opportunity to seek compensation under it?

Response: First, let me state that there is no principle more important than complying with every aspect of our nation's civil rights laws. I have always been committed to establishing a discrimination-free workplace for all employees and delivering programs and services fairly to all the people we serve. If confirmed, that would be one of the hallmarks of my tenure at USDA.

The Pigford Consent Decree was a landmark government settlement and certainly there is a valid public interest to ensure that all aspects of the settlement have been appropriately implemented. If confirmed, I will insure that USDA continues to fully comply with the court's direction in implementing this agreement and I intend to pursue policies that promote our civil rights commitments. However, determinations about revisiting the Consent Decree are beyond the sole authority of USDA, as they are matters still in litigation that rest with the Department of Justice, the Courts and Congress.

27. Do you think that it is necessary to find a solution to the issue of the many people who have lost the opportunity to establish their right to compensation through the consent decree settlement?

Response: I have not yet been briefed on Judge Friedman's recent rulings in this case. I will need to review this and other material before making further comment.

28. Minority farmers nationwide feel they have endured decades of discriminatory treatment by local Farmers Home Administration ("FmHA") and Farm Service Agency ("FSA") offices. Despite repeated efforts by USDA to address such discrimination, most minority farmers continue to assert that in fact it continues.

What will you do to eliminate the discrimination that unfortunately persists despite previous efforts? Is there legislation this Committee should consider that would help you to address these issues?

Response: One of the first meetings I had after my nomination was announced was with the Assistant Secretary for Civil Rights to learn of efforts in this Administration to eliminate any vestiges of past discrimination in any of USDA's programs or services. The Bush Administration has welcomed the participation of all stakeholders who have recommendations on how USDA can enhance its civil rights performance and I look forward to continuing that commitment.

These efforts have been focused on finding innovative ways to help small or disadvantaged farmers by increasing access and participation in USDA programs and services.

29. In addition, many farmers who have taken steps to file discrimination complaints or who have chosen to pursue legal action against the Department of Agriculture feel that discrimination continues unabated. Many feel that they face further retaliation at the hands of local officials precisely because they have filed complaints.

How do you plan on approaching and solving this ongoing problem of retaliation against minority farmers who have filed discrimination complaints?

Response: If confirmed, I would work to ensure USDA will continue to eliminate discrimination of any kind. The Office of Assistant Secretary for Civil Rights has been empowered to hold USDA accountable for adhering to all of its civil rights commitments and I will support the initiatives outlined by President Bush to strengthen civil rights enforcement and improve the tracking and analysis of civil rights complaints. I will encourage individuals who believe that USDA has discriminated against them to bring their complaints to the attention of USDA's Office of Civil Rights so that they can be investigated. USDA is committed to addressing all discrimination complaints in a timely and professional manner.

30. We talked about the importance of renewable energy to the farm sector, and the rural economy. You also discussed the success Nebraska has had in promoting corn-based ethanol.

One aspect of the ethanol equation that we did not discuss, at least directly, is the great opportunity presented by the development of cellulosic biofuels. This could be the next big leap in the remarkable expansion of the existing ethanol industry, providing our biofuels producers, farmers, industrial biotechnology companies and others even greater

economic opportunity while improving environmental quality, and in particular, reducing greenhouse gas emissions.

Will you support the production of domestic ethanol from cellulosic biomass? If so, how will you go about doing this? How do we ensure that the U.S. does not lose the technology race to other countries in this regard?

Response: I have supported the production of domestic ethanol from cellulosic biomass in the past and will continue to do so if I am confirmed as Secretary of Agriculture. The Governor's Ethanol Coalition, an organization I led in 2001, is currently working on a strategic plan to develop a domestic cellulosic ethanol industry. I am looking forward to reading their recommendations to see what ideas can be incorporated into USDA's programs. USDA is currently working with the Department of Energy (DOE) on research to develop low cost feedstocks and efficient conversion technologies. And, the 2002 Farm Bill authorized various programs for these purposes. In addition, I will support the Administration's push for a renewable fuels standard as part of a comprehensive energy legislation package, which would also promote the production of domestic ethanol from cellulosic biomass.

31. You mentioned in your statement your experience dealing with Nebraska's constitutional restrictions on farming operations by corporations. What did you conclude from that experience, and how will you apply what you learned from it as Secretary of Agriculture?

Response: We learned in Nebraska that laws on the books can have unintended consequences. I heard from producers who felt that while Initiative 300 may have initially helped independent producers, it later became an impediment to individual producers making business decisions to help their farms.

This experience confirmed my belief that those in leadership positions must not only manage the issues of the day, but also look to the future and do so with courage. My concern about the future of Initiative 300 ignited an intense, but necessary debate. If confirmed as Secretary, there may be times when I will prod discussion of an issue with the hopes of guiding its future direction, rather than just reacting to a chain of events.

It also helped me recognize that during the heat of discussion, while others share my passion for agriculture, we may not always agree on what path to pursue to provide the best future for our producers. We can share these differing opinions openly, respectfully and without rancor in our effort to implement policies supportive of rural Amercia.

32. How would that experience relate to proposed federal legislation to ban packer feeding and ownership of livestock?

Response: I do believe that we should be careful of action which might have unintended consequences for producers. It is my understanding that Congress has appropriated funds to study the issues surrounding a ban on packer ownership of livestock. The study

includes a look at alternative marketing arrangements for livestock and meat from farm to retail. The study is now underway and the results will provide a better understand packer ownership of livestock as well as other marketing arrangements.

33. How would that experience relate to your approach to enforcing the Packers and Stockyards Act and to monitoring and advising the Department of Justice about economic concentration and antitrust matters in the food and agriculture sector?

Response: If confirmed, I will direct GIPSA to use all tools at their disposal to protect competition in the marketplace and work closely with the Department of Justice on these issues.

34. Concentration in the livestock markets, as defined by the four-firm concentration ratio, is now higher than it was in the early 1900's, when public outrage over market power in meatpacking prompted passage of the Packers and Stockyards Act of 1921. These figures do not even reflect the added market power possessed by the companies that are vertically integrated from `farm to fork', a phenomenon that did not exist in 1921. USDA has done little to stem this tide in recent years. Do you believe USDA should take a more active role on this issue, and if so, what type of actions would you suggest?

Response: As I mentioned in my opening statement, productivity on the farm has increased so dramatically that producers harvest crops that we only could have dreamed of back then. The same holds true for agribusiness. Technology has revolutionized farming and agribusiness. This production efficiency can benefit both farmers and agribusiness. However, with efficiencies comes concentration. I look forward to reading the results of the USDA's Livestock and Meat Market Study which was required by Congress. This will further explain competitive forces that are leading these changes in agriculture. Results of the study may be used for a thorough review of USDA's policies on concentration.

35. If USDA lacks the authority it needs with respect to the consequences of economic concentration, will you recommend proposed legislation to augment its authority?

Response: This is an issue I am familiar with as a Governor of the largest beef processing state in the nation. If one or more packers take advantage of concentration to engage in unfair or anti-competitive behavior that puts livestock sellers at a disadvantage, USDA has authority under the Packers and Stockyards Act (P&S Act) to take appropriate action. The Grain Inspection, Packers and Stockyards Administration enforces the P&S Act and spends investigative resources monitoring and investigating competitive conditions and practices in the livestock, meatpacking and poultry industries. If I see the need for additional legal authority I will not hesitate to work with this Committee.

36. The Packers and Stockyards Act of 1921 gives the Secretary of Agriculture the authority to regulate the conduct of livestock packers and poultry dealers with regard to unfair and deceptive trade practices, but provides no general authority to stop unfair

practices or penalize poultry dealers. USDA has previously expressed its support for an amendment to the Packers and Stockyards Act, to give the Secretary of Agriculture administrative enforcement authority over unfair and deceptive trade practices of live poultry dealers, and to clarify that the poultry authority provides protection for growers involved in all stages of production, including pullet and breeder hen growers. Will you support the poultry amendment to the Packers and Stockyards Act and actively help in seeking its enactment?

Response: It is my understanding that under the Packers and Stockyards Act (P&S Act), the Secretary of Agriculture has authority to investigate live poultry dealers for violations of the P&S Act. Grain Inspection, Packers and Stockyards Administration (GIPSA) must refer violations of the P&S Act by live poultry dealers to the Department of Justice for prosecution. I look forward to reviewing this issue further.

37. Cooperatives play a key role in promoting economic development and creating ownership opportunities in rural America. Millions of rural Americans depend on cooperatives for essential services, employment and access to markets that otherwise would be unavailable to them. What steps will you take to help promote and develop rural cooperatives?

Response: Throughout the history of our nation, cooperative organizations have flourished and delivered essential services to improve the quality of life for our rural citizens. As the Secretary of Agriculture, I will support developing cooperatives that enable our rural communities to actively participate in the global marketplace.

I will seek to communicate the benefits that cooperators bring to the table and look for better ways to provide information to those seeking to develop cooperatives.

38. The Rural Cooperative Development Grant program provides essential support for cooperatives that help foster entrepreneurial opportunities and serve the economic needs of rural America. Cooperative Development centers offer the only non-governmental technical assistance to rural cooperative development. Given the proposed cuts to this program in the past by the Administration, what is your commitment to securing adequate funding to enhance the ability of these centers to meet the growing needs of rural America?

Response: I agree that cooperative development centers are an important tool for the economic development of rural areas. Not only have farmer and rancher cooperatives benefited from the various services offered by the centers, but housing and shared-services cooperatives have also benefited. As you are aware, the Rural Cooperative Development Grant program provides financial support for the establishment and continued operations of many cooperative development centers including the cooperative development center at Iowa State University and the Nebraska Cooperative Development Center. USDA Rural Development grant programs will continue to assist centers in providing these essential services as we jointly explore new cooperative development opportunities and more diverse funding sources.

39. The Rural Business-Cooperative Services Program provides essential services to the cooperative sector. The program administers the Rural Cooperative Development Grant and the Value-Added Producer Grant programs; conducts research and compiles statistics on cooperatives; and provides direct technical assistance to cooperatives. Recommendations issued as part of the cooperative services program review indicate a redirection of the program away from supporting the member-owned and controlled structure. What is your commitment to securing adequate funding to enhance advisory and technical services to cooperatives and maintaining the focus of the program on the member-owned and controlled cooperative structure?

Response: As you know, I have not been briefed regarding the upcoming budget process, so I cannot make any specific commitments at this time. However, I do support public/private partnership that encourages economic development in our rural communities.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR THAD COCHRAN

1. I understand that the Office of Foreign Assets Control at the Department of the Treasury is amending or has amended its regulations for doing business with Cuba, which has now become an annual export market of about $400 million according to USDA. Commodity groups and farm organizations believe these changes will severely impact our exports. Has USDA done any analysis of the effect of the Treasury's changes and, if not, could you ask the appropriate agency or agencies there to do so?

Response: I have not been involved in these reported discussions and have no first hand knowledge of what, if anything is under consideration. It is my understanding that USDA is an active participant in interagency- review processes for matters like this which affect agricultural trade. Without knowledge of specific changes, it is difficult to measure their impact. If confirmed, I will make sure that agricultures concerns are forcefully raised in interagency discussions of this type.

2. The agricultural policy paper drafted in the WTO last year singled out two US programs – food aid and the cotton program – for special attention. No other country's programs got this kind of attention. I don't object to a discussion of our domestic and foreign aid programs in trade negotiations as long as the policies of our friends in Europe, Asia, and South America come in for similar consideration. Can you work with the US Trade Representative to make sure our programs are fairly treated in future WTO papers and discussions?

Response: Yes. I agree that we should defend our programs especially when it is clear they are compatible with our WTO obligations. The recent tsunami tragedy has shown how important food aid can be in times of natural disasters. And, the fact that the Department had ongoing programs in the region, funded by food aid, made our response much quicker and effective.

The criticisms of the U.S. cotton program also concern me. In the WTO negotiations, I will make every effort alongside my colleagues at USTR to ensure that the final agreement equates to freer markets and fair opportunities for U.S. farmers and ranchers.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR BEN NELSON

1. Does the USDA have the authority to require a modification in the rule that would establish a more controlled opening of the border which would allow for more of an incremental or stepped-up approach of allowing live cattle importation which would negate some of the economic impact to U.S. producers?

Response: I have been told Congress has the opportunity to review and approve or disapprove the rule; any administrative modifications would have to be accomplished through a new rulemaking. Under the Animal Health Protection Act (AHPA) USDA has the authority to regulate imports to protect animal and human health. However, USDA does not have the authority to devise animal health regulations based solely on economic impact although it is one of the considerations.

2. From a scientific standpoint, does Canada conduct a BSE surveillance program that is as consistent as we have in place in the United States?

Response: Canada and the United States have taken a similar approach to BSE surveillance, and Canada's program is consistent with ours. I have been informed that Canada has conducted active surveillance for BSE since 1992 and has exceeded the testing level recommended by the World Organization for Animal Health (OIE) for at least the past 7 years. The Canadian surveillance program focuses on testing targeted high-risk cattle: dead, dying, diseased, and down cattle over 30 months of age and cattle showing neurological symptoms consistent with BSE. Given the difference in adult cattle population size, Canada's surveillance efforts can be considered equivalent to those in the United States.

On June 1, 2004, USDA kicked off an enhanced BSE surveillance program in an effort to obtain a snapshot of the domestic cattle population to help define whether BSE is present in the United States, and if so help calculate at what level. All of these results have been confirmed negative. Like Canada's surveillance program, the U.S. enhanced program focuses on obtaining samples from the targeted high-risk categories: nonambulatory cattle; cattle exhibiting signs of a central nervous system disorder; cattle exhibiting other signs that may be associated with BSE, such as emaciation or injury; and dead cattle. USDA personnel will also sample all cattle condemned on ante-mortem inspection by USDA's Food Safety and Inspection Service.

3. What does the final rule specify regarding the requirements Canada will have to adhere to in providing age verification for cattle less than 30 months of age?

Response: It is my understanding that under this rule, cattle imported from a BSE minimal-risk region must be accompanied by certification by an authorized veterinary representative of the region of origin that the animals entering the United States are less than 30 months of age. As with the importation of all livestock into the United States, APHIS port veterinarians will be

responsible for assuring that shipments of animals presented for import fulfill all necessary import requirements before their release from the border port.

APHIS has said that verification of the animals' age can be made based on review of the certificate. In addition, animals will undergo visual inspection by U.S. inspectors at the port of entry while they are in the means of conveyance.

4. A large part of the United States faced a severe drought last year. In order to address the crises situation, Congress passed a substantial drought and disaster relief bill last year. Are there any water conservation measures, such as the upgrading or installation of more efficient irrigation systems, that you would recommend that may prevent the need for a drought relief bill this year?

Response: As Governor of Nebraska, I know firsthand about the devastating impact of drought on natural resources and agricultural producers. As Secretary, I know I cannot change the weather; however, I do believe USDA can help prepare producers with water management practices and water conservation. Conservation programs such as the Environmental Quality Incentives Program, the Ground and Surface Water Conservation Program, and the Small Watershed Program are obvious examples. I believe, we also need to utilize other programs including basic conservation planning in order to meet water management objectives. Through technical assistance from USDA programs land producers and land managers can learn how to make their operations "drought resistant" through improved water management, more drought tolerant cropping systems, better grazing management, and improved herd management.

5. The Conservation Reserve Program includes more than 25,000 contracts on nearly 15,000 farms in Nebraska, covering 1.2 million acres. CRP contributes $65.5 million annually to Nebraska farmers and provides outstanding soil, water, and wildlife benefits. With many CRP acres soon to expire, what are your thoughts on how the process of offering new contracts to those holding expiring contracts will take place in a timely manner?

Response: I am aware that the Department is now exploring options on how to handle the large volume of expiring contracts. I would hope to have policy decisions made early this summer.

6. Do you support legislation to restrict meat packers from engaging in livestock production?

Response: I do believe that we should be careful of action which might have unintended consequences for producers. It is my understanding that Congress has appropriated funds to study the issues surrounding a ban on packer ownership of livestock. The study includes a look at alternative marketing arrangements for livestock and meat from farm to retail. The study is now underway and the results will provide a better understand packer ownership of livestock as well as other marketing arrangements.

7. Do you support efforts to more effectively cap farm program payments to large farms?

Response: I understand the 2002 Farm Bill created a Payment Limitation Commission to fully review the issue of farm program payment limits. It completed its work last year and made some recommendations. I intend to closely review this report and other analyses that are available, and I am willing to work closely with Congress on this issue during Farm Bill deliberations.

8. If cuts at USDA are mandated, would you recommend cutting rural development programs or would you recommend cutting funding elsewhere?

Response: There are certainly challenges facing us in the coming year in both the budget and Rural Development arenas. I am committed to maintaining effective programs that serve our rural areas and the needs of the country. I look forward to engaging with the Congress and other stakeholders as we seek solutions to these challenges.

9. What type of commitment are you willing to make to conservation and sportsmen's organizations that are looking for support and leadership from USDA to ensure that the strongest possible conservation title is contained the next farm bill reauthorization efforts?

Response: This administration already has a strong track record on conservation, which has been recognized by the sportsmen organizations. If confirmed, I will continue to make conservation a priority and will reach out and engage with the conservation and sporting community.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR PAT ROBERTS

1. Critics of our food aid programs have long criticized us for handing out food and dollars in a haphazard and inconsistent manner. Fortunately we have ignored the critics, we all know the difficulties in funding programs at a consistent level, and we continue – despite our difficulties – to provide more food assistance than anyone else in the world. As Chairman of the Intelligence Committee and as a member of this committee, I have seen many instances were the proper food assistance program can provide people the ability to survive post-disaster while providing others the incentive to go to school for the first time. In fact, I share the view that Secretary Powell expressed earlier this week that the influx of humanitarian assistance to countries affected by the tsunami will further aid our efforts to combat terrorists in the affected countries. Governor, what role do you envision USDA food assistance programs providing in situations like we now face in South Asia and East Africa?

Response: We obviously share a sense of pride in providing U.S. food assistance around the world and during the recent tsunami disaster. USDA is an active participant in the ongoing efforts to determine the best use of U.S. government resources, including our full range of food aid programs, for emergency and humanitarian assistance.

For the longer-term reconstruction and development of the regions you mention, USDA will look to the Food for Progress program as a possible tool to target help in the rebuilding of the agricultural sector and the marketing systems. Also, the McGovern-Dole International Food for Education and Child Nutrition program may be a viable program to help children in the effected areas.

2. Governor. Representing Nebraska, you have witnessed much of the severe impact due to drought in the western part of your state that we have experienced in Kansas in recent years. One of the most important tools producers have in managing this risk is through the federal crop insurance program. In 1999 and 2000, I worked with Bob Kerrey to help push through major reforms to the crop insurance program. And, Chairman Chambliss was instrumental in getting that ball rolling in the House.

Last year RMA negotiated a new Standard Reinsurance Agreement (SRA) with the crop insurance industry. While it was important to take a hard look at the industry and to do this new agreement, I also believe that some of the cuts involved in the agreement were draconian. I do not believe the program can take further cuts and remain a viable program for producers that the industry can afford to continue to service. What are your thoughts regarding this program? Additionally, do I have your assurances that as USDA moves forward with budget proposals and efforts to reduce costs that you will carefully consider the cuts already made to this program and the potential detrimental impact of any additional cuts?

Response: Thank you, Senator. As a Nebraskan, I can appreciate the importance of crop

insurance. In particular, I appreciate your contributions in reforming this vital program. RMA's objective throughout the SRA negotiation was to strengthen the delivery system for sound, effective and affordable risk management tools to America's farmers and ranchers. A strong risk management program for agricultural producers is in the best long-term interest of the companies, agents, loss adjusters and the entire industry, as well as the government and taxpayers.

Developing an annual budget for submission to Congress is a long drawn out, complicated and confidential process. I am told that the Department's current leadership began working on the 2006 budget last summer and the process has been largely completed. I am entering the 2006 President's Budget process late in the game – too late to make an input for this year. However, it is my responsibility to pick up where Secretary Veneman left off and work with the Congress on the budget for 2006. I want to assure you that the Department will be fully engaged to provide whatever assistance the Congress may need as it carries out its responsibility related to the budget. I will be in a much better position next year to help frame the Department's 2007 budget proposals.

3. Governor. As you know, United States farm programs are facing assault on many fronts in the WTO, both through the Brazilian Cotton Case and the Doha Round Trade discussions. I have made no secret that I am no fan of the current counter-cyclical program in our present Farm Bill, and I believe it needs major changes and restructuring. At the same time, I am a staunch supporter of our budget baseline and our right to provide support to our farmers. What assurances can you give us that you will go into the trade policy fight carrying a six-shooter and not a butter knife? Will you work with our negotiators to insist that any cuts to U.S. agriculture programs be matched by equivalent cuts or reforms by our competitors?

Response: I share your concern about the criticisms facing U.S. farm programs. In the WTO negotiations, I will make every effort alongside my colleagues at USTR to ensure that the final agreement equates to freer markets and fair opportunities for U.S. farmers and ranchers. We believe the framework agreed last July for the current WTO negotiations is a positive step.

4. Governor. I have heard from many producers regarding the department's efforts to implement an animal identification program. Producers biggest concerns are that it will be a top down mandate from Washington and that private production numbers and information will be publicly released. Will you work with producers to address these concerns?

Response: I recognize and understand the concerns of producers about a National Animal Identification System. As Secretary, I will work on options to allay these concerns and continue to work with producers. From what I understand, the national repositories will only include information for animal and disease tracking purposes, and USDA has been working to protect the confidentiality of this information. In October 2004, USDA sent a legislative proposal to Congress suggesting that the Animal Health Protection Act be amended to add a new section that would protect from disclosure certain information contained in the NAIS. APHIS has posted on its Web site specific information that will be included in the National Premises Information Repository. Proprietary production data will remain in private databases.

5. Governor. A number of cabinet departments' chief legal officers are political appointees, and some offices of general counsel even have political appointees in midlevel positions. The Department of Agriculture's Office of General Counsel, with more than 200 attorneys, has but one political appointee, the current general counsel, who was appointed by President Bush and confirmed by the Senate. Historically, the position of Deputy General Counsel has also been a political appointee. However, that position is not currently filled by a political appointee.

If confirmed by the Senate, you will have a great opportunity to put in place a management team that will carry out the policy and legal objectives that you and the president should establish. Given the importance of seeing that the president and his cabinet officers surround themselves with high caliber personnel who can render policy and legal advice consistent with their vision and the interests of the American people, do you intend to name a Deputy General Counsel as a political appointment? If you do not name a political appointee, can you be assured that you will receive recommendations and advice consistent with your goals and those of the president?

Response: Thank you for bringing this matter to my attention. I have not yet had the opportunity to review the current management team with the level of detail provided by this question. However, I have made it very clear in my individual meetings with Senators, my public testimony and my discussions with USDA personnel both political and career, that I have taken this job to support the policies ultimately decided upon by the President. I have been a Governor and have depended on the service of a cabinet. I know first hand the importance of surrounding myself with high caliber people who share the desire to carryout the decisions of the top executive. USDA's current General Counsel was nominated by President Bush in November of 2001 and confirmed by the Senate in March of 2002. We will work together to identify any staffing needs that may be unmet.

6. Governor. The last Congress saw several bills introduced that intended to remove USDA's role in nutrition policy and education due to the perceived conflict of interest in promoting agricultural products and also determining what role these products play in human nutrition. In light of this, what is your vision for USDA and its role in nutrition programs?

Response: In my view, USDA is uniquely positioned to promote good nutrition because of our links to food production, processing, nutrition research, extension, education and food supply economics, as well as consumer food guidance and nutrition assistance. With regard to the nutrition programs in particular, the Department's special expertise in the science of food and nutrition, and experience in working with States to effectively deliver nutrition assistance to millions of people every day, makes it well suited to its nutrition program responsibilities. If confirmed, I want to bring all of USDA's resources to bear to improve nutrition among our people, including working with producers to realize the market opportunities in improving and promoting healthy food options.

7. Governor. In a letter dated August 30, 2004, I wrote RMA Administrator Ross Davidson expressing concern with, and requesting additional information on, a USDA Federal Crop Insurance Corporation (FCIC) pilot program. This pilot program deals with Nutrient Best

Management Practices and provides coverage to allow producers to reduce fertilizer coverage. I have many questions regarding this program, and I am concerned that I have still not received a response to my inquiry. Will you commit to ensuring that I receive an answer to this inquiry? Also, what will be your general policy in regard to responding to written requests from Members of Congress?

Response: I understand that a response to this letter is now complete and has been mailed to the Senator's office with a copy faxed on January 25, 2004. We will continue to look for ways to streamline the correspondence process and to put measures in place to prevent delays like this from occurring again.

8. Governor. As you may know, increased and improved nutrient management is a priority goal of the NRCS Environmental Quality Incentives Program (EQIP) and other conservation programs.

The Certified Crop Advisor (CCA) program was created so that the private sector could assist NRCS in providing Technical Service Provider (TSP) assistance so that more farmers could practice agronomically sound nutrient management planning faster and more efficiently. I believe that would happen if the more than 14,000 private sector CCA's, which already have strong working relationships with producers, were made a priority for receiving NRCS TSP funding.

Please give me your views on how the 14,000 private sector CCAs can be utilized more effectively by NRCS and how more USDA TSP dollars can reach private sector CCAs and their farmer customers.

Response: I am supportive of the idea of utilizing and leveraging private sector sources of expertise. Specifically, the kind of expertise offered by Certified Crop Advisors (CCA) is valuable to farmers and ranchers and augments USDA's conservation technical assistance. While we don't track funding by trade association, in fiscal year 2003 USDA invested $23.9 million, in fiscal year 2004 we invested $48.6 million and this year we have goaled $45 million. One should note that the most successful contracts with Technical Service Providers have been for the purposes of developing Comprehensive Nutrient Management Plans (CNMPs) and wildlife conservation work.

It is my understanding that the Natural Resources Conservation Service signed a Memorandum of Understanding between the American Society of Agronomy and their CCA program on February 6, 2003, establishing a framework of cooperation. That agreement, coupled with the USDA Internet-based Technical Service Provider Registry, should make it easy for all Technical Service Providers to register and become certified. This registry also helps America's landowners directly locate and choose a certified professional to help them meet their conservation goals. In addition, the Department has contracted directly with Technical Service Provider organizations including CCAs to provide assistance.

I would note that there are currently 2,197 registered Technical Service Providers. Of that number roughly 60 percent are CCAs.

9. Governor. Last June, President Bush signed the Child Nutrition and WIC reauthorization bill into law. It is a significant piece of legislation that seeks to provide children with increased access to food and nutrition assistance and to give children the proper tools for a healthy diet. Over the course of reauthorization, I continually heard from parents and school food service personnel that many families were unable to afford the prices charged in the reduced price category of the school lunch and breakfast programs. To address this problem, the reauthorization bill includes a five state pilot project that gives the secretary the authority to eliminate the reduced price category n the school food programs and instead provide these children with free meals. I am very pleased with this pilot project, as it is a result of legislation Senator Elizabeth Dole and I introduced last year. That legislation would have completely eliminated the reduced price category in the meal programs over a five-year period. Unfortunately, the FY2005 omnibus appropriations bill does not include funding for the project, but I would like to know how we can work together in the future to make this pilot project a success and hopefully someday expand the program to all states.

Response: I very much appreciate the important role school meals play in the nutritional and educational aspects of a child's life. I understand there is strong sentiment that expanding free meal eligibility to include children currently eligible for reduced price meals would have benefits for both children and schools. As you are no doubt aware, though, such an expansion of free meal eligibility would significantly increase program costs. I look forward to working with Congress should funding be made available.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR MAX BAUCUS

1. USDA is a customer service based organization. Its mission is to provide information to producers and implement programs on the ground. The people who work for USDA are great people. They work hard. However, they are not able to do the quality of work they want and unintentional mistakes are made because there is just too much to do and not enough time.

What are your views on the staff workloads and the number of staff of the Farm Service Agency, both temporary and permanent?

Response: I believe, USDA agencies such as FSA need continue to look for ways to adjust to its changing customer base, shifting commodity production patterns, the availability of new technologies, and possible constraints of current and future budgets while still delivering this high level of service. I look forward to working with you and other Members of the Committee on these issues.

2. We in Montana are, unfortunately, all too familiar with natural disasters, particularly drought. I have fought to provide assistance to producers who have suffered from the unrelenting drought. Those efforts have been met with resistance from some arguing that producers receive enough support through the Farm Bill.

We must not and cannot to ignore the impacts of drought and the effect it has on our agricultural producers and our rural communities. Agricultural producers are every bit as deserving of emergency assistance for their losses from the drought as a small business owner from a hurricane. We as a nation have a responsibility to provide emergency assistance to those who have had losses due to natural disasters.

If the drought persists in Montana or other natural disasters across the country, will you work with me and my colleagues to provide emergency funding for the Crop Disaster Program, Quality Loss Program, Livestock Assistance Program, American Indian Livestock Feed Program, and other appropriate programs to provide meaningful assistance to producers who have suffered losses from drought and other natural disasters?

Response: USDA is currently implementing the various disaster assistance programs Congress passed last fall for the 2003 and 2004 crop years. If confirmed, I commit that USDA will continue to use every tool available to provide assistance to producers where appropriate when drought conditions persist.

3. Agricultural producers across the country have become increasingly concerned about concentration in the slaughtering industry. Specifically, producers increasingly tell us about growing inequities in negotiating positions and increasing abuses of market

position. How do you plan to address this issue as Secretary? USDA has oversight responsibility with regard to some of these concentration issues; would you ask for a thorough review of the Department's policies on concentration? Would you consider asking for assistance in reviewing competition policy within USDA by calling upon the expertise of outside agencies such as the Justice Department's Antitrust Division or the Federal Trade Commission?

Response: I was pleased to learn that USDA, the Department of Justice (DOJ), and the Federal Trade Commission (FTC) already have a Memorandum of Understanding in place that provides for the cooperative sharing of information in areas of mutual interest, including concentration and competition. I was told USDA consults frequently with and lends its industry expertise to DOJ on competition issues and with the FTC on market issues. I will work with these agencies on these important issues.

4. In terms of communicating with consumers, is there a role for USDA to engage in consumer awareness, information, and education ahead of issues that could or are affecting the safety of the food supply or animal health?

Response: I have been told that USDA reaches almost 100 million citizens through various media outlets and USDA publications. These efforts foster safe handling of meat, poultry and egg products among the general public and groups who face increased risks from foodborne illness – the very young, the elderly, pregnant women, people with chronic diseases and people with compromised immune systems.

5. Today's agricultural trade issues tend to be more related to non-tariff trade barriers. How do you see USDA's agencies working together and with other Federal Departments, such as the Department of State, Commerce, and the U.S. Trade Representative, to bring down these barriers and open trade?

Response: It is my understanding that the USDA and other relevant Federal agencies cooperate closely on these issues. This cooperative work across agencies is critically important to resolving many ongoing agricultural trade disputes and I will work with my counterparts across the government to see it continues.

6. The National Rural Development Partnership is a highly effective program that promotes rural-friendly policies and develops tools to support rural and community economic development. Does the administration support this program? What do you believe is an adequate funding level that must be provided to sustain state rural development councils?

Response: My experience with the National Rural Development Partnership (NRDP) is primarily through Nebraska's rural development council. I believe other state councils have achieved varying degrees of success depending on their structure, leadership, and accountability. It is my understanding that the NRDP's mission, in conjunction with the state councils, is to act as a facilitator between different levels of local, state and federal government rather than as an implementer or developer of programs for which there are

local, state and federal agencies. To the extent the NRDP is meeting this mission, I believe it can continue to play an effective and important role in rural economic development.

Regarding an adequate funding level, I am told that the Department's current leadership began working on the 2006 budget last summer and the process has been largely completed. If I am confirmed, I will be entering the 2006 President's Budget process late in the game – too late to make an input for this year. However, it will be my responsibility to pick up where Secretary Veneman leaves off and work with the Congress on the budget for 2006. I want to assure you that the Department will be fully engaged to provide whatever assistance the Congress may need as it carries out its responsibility related to the budget.

7. Entrepreneurship plays a central role in diversifying the economic base of rural communities. It is also an effective means of strengthening these communities and ensuring their continued vitality. What strategies will you pursue to ensure the USDA supports entrepreneurs in rural America? How can the USDA partner with other federal agencies to remove barriers to entrepreneurship?

Response: As a Governor, I worked diligently to both establish and maintain partnerships with state, local, and even federal agencies and the private enterprises to spur rural economic development among entrepreneurs in rural Nebraska. As Secretary of Agriculture, I will work to maintain and build strong partnerships at the federal level, as well as with state and private entities, to leverage resources and spur entrepreneurial activity.

8. Since the sale of U.S. agricultural products was authorized by Congress in 2000 and re-initiated in 2002, U.S. farmers, processors, and exporters have invested substantial resources and time to rebuild this historically important market. With sales in 2004 of approximately $400 million, Cuba has become a major buyer of U.S. farm goods, and our 3rd largest market for U.S. rice. Please provide the Committee with a breakdown by year, commodity or product, value, volume, and State of origin of the agricultural commodities and products shipped to Cuba since trade was authorized and re-initiated. Please also provide USDA's forecast of exports to Cuba broken down by commodity volume and value, for the next 5 years.

Response: I have not been briefed on the details of your question. If confirmed, I will review the issue. I have asked FAS to respond in detail to your request.

9. It has been widely reported that the Administration is considering a change in the requirements for the sale and shipment of agricultural commodities to Cuba. Please provide for the Committee the Department's best forecast of how any such change being considered will affect future exports of agriculture goods to Cuba, based on the change in the forecast volume and value of exports, by commodity. If such an administrative change results in reduced agriculture exports, what actions will the Administration take to compensate producers for the income losses associated with these lost sales?

Response: After thinking about your question, I think I would need to know exactly what the changes were, how much advance notice was given and what the impact on producers would be. I have not been involved in the discussions that are the subjects of the reports you mention so it I cannot give you a more concrete answer at this time.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR KENT CONRAD

1. Governor Johanns, the recent string of events concerning our cattle trade with Canada has me deeply concerned. Just as USDA announced a proposed rule providing Canada with a Minimal-Risk Designation for BSE, Canada identified a third case of BSE that originated in that country. The U.S. has found no BSE cases in U.S. origin cattle.

USDA has suggested that the BSE cases in Canada, including the most recent case, resulted from feed produced before the ban on Specified Risk Material (SRM) was imposed.

Furthermore, troubling reports have been raised in the Canadian press, as well as by our own Food and Drug Administration, which has imposed 19 import alerts concerning Canadian feed company products since October, 2003. Eight of these alerts are still in force. I believe this raises serious questions about the level of enforcement and compliance with the feed regulations in Canada that in large part provided the basis of support for relaxing our import ban on Canadian live cattle and other livestock and meat products.

Congressman Waxman and I sent you a letter dated January 5, 2005 that provided the basis for many of our concerns with the proposed USDA action.

1-A. Why the rush to implement the Minimal-Risk Region designation for Canada?

Response: Trade was stopped in May 2003 and work on the rule started in November 2003. The Department spent over a year assessing the situation and writing the rule. If confirmed, I will carefully review your letter prior to the hearing on the subject scheduled for February 3.

1-B. Do you agree that the issues I have raised in the January 5, 2005 letter should be fully examined relative to the USDA position that Canada's surveillance and regulatory systems are effective and equivalent to our own?

Response: I am interested in this issue and if confirmed, look forward to being briefed. I also look forward to answering your questions on this issue during the upcoming hearing.

1-C. Will you suspend the proposed rule designating Canada as a Minimal-Risk Region until such time as a full and complete review and evaluation of the evidence concerning Canadian livestock feed production and consumption practices can be performed?

Response: The Canadian Border Rule was published on January 2, 2005 with an effective date of March 7, 2005. I understand that a team from experts from USDA and FDA are going to Canada to further investigate the current situation. I look forward to hearing about their findings. It is my understanding this rule is going through congressional review.

1-D. Given an apparent record of poor compliance by Canadian livestock feed manufacturers with Canada's feed regulations, as evidenced by the large number of FDA "Import Alerts", what evidence proves that Canadian produced feeds for export or domestic use is, and have been, in full compliance with their ban on Specified Risk Material since it was put in place 1997?

Response: USDA has announced an investigative team will be sent to Canada to evaluate the circumstances surrounding these recent BSE finds. The result of those investigations and analysis will be used to evaluate appropriate next steps in regard to the minimal risk rule published on January 4, 2005.

1-E. If we re-open our border under the conditions contained in the proposed USDA rule what will be the impact on efforts re-gain full market access for our beef exports into markets that are currently restricted or closed as a result of our prior importation of a Canadian cow that was infected with BSE?

Response: As long as we follow sound science in making these decisions, there should be no impact on other countries. As Secretary, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed.

2. Shortly after the 2004 agricultural disaster assistance legislation became law, I, and several of my colleagues, wrote Secretary Veneman to encourage USDA address several of the shortcomings that occurred in the prior disaster package. These include the rules and procedures that define the "cap" on an individual producer's assistance eligibility, the way in which compensation for quality losses is calculated and adjustments to the Livestock Assistance Program to recognize that many producers were forced to liquidate all or a portion of their livestock herds prior to the end of the year as a result of feed shortages. It has now been several months since this legislation was signed into law.

2-A. What is the status of the disaster program in terms of issuing the regulations and beginning the program sign-up so that funds may begin flowing to these producers?

Response: It is my understanding USDA briefed the committee on this issue on January 13, 2005. If confirmed, I will insure regulations are issued in a timely basis and payments follow shortly thereafter.

2-B. As Secretary, will you review the suggestions I, and others have made concerning the use of the "cap" as it relates to market prices and crop insurance, quality loss assistance, and the modifications to the Livestock Assistance Program to ensure this program is implemented in a fashion that address the shortcomings of the previous disaster program?

Response: I am aware that there has been significant interest in the provisions and implementation of the disaster package programs. My intent is to implement these programs as was intended by the legislation and in a timely and efficient manner.

3. Federal crop insurance is a major component of the risk management strategies utilized by producers in North Dakota and across the nation. In my state over 90 percent of the eligible crops are insured and more that 80 percent of those crops are insured at "buy-up" levels of 65 percent or greater.

Congress made substantial improvements to crop insurance with the Agricultural Risk Protection Act of 2000. However, problems still exist concerning yield reductions and premium costs for those who suffered multi-year losses, quality loss adjustment provisions, and changes in policy provisions concerning segregating yields for spring wheat and durum.

Congress directed USDA to review and consider modifications to the quality loss provisions of crop insurance policies to make them more sensitive to local market conditions. The Department commissioned a study of crop quality issues that was completed in June, 2002 and provided several recommendations to improve the program. I have also written the Risk Management Agency on numerous occasions to encourage action on this issue. To date the responses I have received from the Agency suggest the current program is working fine.

This is not the case for North Dakota producers or any others who happen to suffer significant quality damage as North Dakota farmers experienced this year. Many of the market discounts North Dakota producers suffered are not even considered in the loss calculations under crop insurance, others are grossly understated.

3-A. As Secretary will you ensure that the quality loss provisions under the Federal Crop Insurance Program will be reviewed and modifications considered to provide a more realistic and adequate level of coverage for producers?

Response: If confirmed, I will ask for a review on the quality loss provisions. RMA should remain open to ideas that are consistent with program integrity.

3-B. If confirmed, will you initiate a review of the spring wheat/durum wheat APH yield segregation issue and seek a resolution that does not penalize producers because their historical records do not meet newly imposed requirements?

Response: If confirmed, I will ask for a review on the spring wheat/durum wheat APH yield segregation issue. As new information becomes available, RMA should be amenable to considering changes that would serve the growers and maintain an actuarially sound Federal crop insurance program.

3-C. What would be your approach to address the reduced coverage levels and higher insurance costs for producers who suffer multi-year losses?

Response: Multiyear crop loss is a significant problem for many producers. The key is to balance several key objectives: ensuring a fiscally sound program; prevention of fraud; and responsiveness to farmers' needs.

I understand that the Risk Management Agency last Spring initiated a contracting process to obtain the best possible and most creative proposals for dealing with this issue. If confirmed, I will ask to be briefed on these proposals. I will ask that RMA stay in contact with you and other interested groups as that process continues.

3-D. How would you improve crop insurance to reduce the future need for ad hoc disaster assistance programs?

Response: Federal crop insurance covers a large number of agricultural commodities and on a very large proportion of our acreage base. It is a critical component of the overall safety net available to producers.

When disasters strike, crop insurance participation at higher levels of coverage means more assistance to farmers. As a Nebraskan, I know first-hand how natural disasters can impact farmers. My state has been particularly hard-hit by drought in the last few years.

I look forward to working with you and other members of Congress on developing an even stronger risk management portfolio for our farmers and ranchers to reduce the need to request ad hoc disaster assistance.

4. If confirmed as Secretary of Agriculture you will likely be directing USDA during our consideration of the next farm bill.

4-A. What is your view of the current farm bill, particularly as it relates to the commodity safety net, conservation, rural development and renewable energy programs?

Response: The producers and rural residents of my state greatly benefited from the programs authorized by the Farm Bill and quickly and efficiently implemented by USDA. As I said in my opening statement, I was raised on a farm and have a passion for agricultural issues. The 2002 Farm Bill included programs that provide a safety net to producers and promote agriculture both at home and abroad. The working lands conservation programs established and enhance by the 2002 Farm Bill have provided a great opportunity for producers to be even better stewards of the land. The Rural Development programs have provided great opportunities for rural residents to better their communities by adding jobs, infrastructure and greater access to information.

4-B. Given our federal budget deficit, what agricultural programs and/or services will you suggest be modified, reduced or curtailed in order to bring down the federal deficit?

Response: I am told that the Department's current leadership began working on the 2006 budget last summer and the process has been largely completed. If I am confirmed, I will be entering the 2006 President's Budget process late in the game – too late to make an input for this year. However, it will be my responsibility to pick up where Secretary

Veneman leaves off and work with the Congress on the budget for 2006. I want to assure you that the Department will be fully engaged to provide whatever assistance the Congress may need as it carries out its responsibility related to the budget.

4-C. Do you believe that it is important to maintain equity among the safety net provisions for the major program crops?

Response: Traveling around the country, the diverse nature of American agriculture is readily apparent. The farm bill is national in scope, but for it to truly work, it must recognize and respect this diversity. Our rural economy's strength lies in this diversity and I will support farm programs that increase the competitiveness of US agriculture.

4-D. What changes will you suggest concerning these programs when they expire at the end of the 2007 production year?

Response: If confirmed, I look forward to working with you to discuss the aspects of the Farm Bill that have worked well and areas that can be improved. I have not yet had the opportunity to discuss this at the Department and so I will have additional thoughts as work on the 2007 Farm Bill begins.

4-E. Do you concur that it is important that you manage the no-cost U.S. sugar policy as Congress intended and avoid sugar loan forfeitures this year and in the future?

Response: Yes. If I am confirmed, I will insure that USDA will manage the sugar program as Congress mandated in the last farm bill by avoiding, to the maximum extent possible, sugar loan forfeitures. As required by law, USDA will establish the annual level of marketable sugar supply such that sugar loan forfeitures are not expected.

5. In the WTO negotiations, the U.S. has already made commitments to substantially reduce the level of agricultural support we are allowed to provide for both domestic and export programs. Additional reductions in these programs must be expected in the future if this agreement is ratified.

5-A. Do you agree that we have made substantial concessions in terms of both agriculture support and policy flexibility in agriculture without receiving any firm commitments for commensurate action by other trade competitors or trading partners?

Response: The Bush Administration has several critical objectives for the WTO negotiation, to substantially reduce tariffs; to eliminate export subsidies; and to substantially reduce trade-distorting domestic support – all in a manner that reduces disparities between countries.

I believe the Administration's proposal moves us down the road to a more fair and market-oriented agricultural trading environment that will benefit farmers around the world. You have my commitment to support policies to benefit American agriculture in the trade arena.

5-B. Given the level of competition in global agricultural commodity markets by lower cost producers such as Brazil and Argentina, what evidence can you cite that show the economic position of U.S. farmers and ranchers will be improved and more secure if the WTO and the many proposed free trade agreements are ratified?

Response: I know this is a concern for all of American agriculture and that is why I am committed to ensuring that agriculture gets a fair deal in every trade agreement. I believe that our farmers and ranchers are among the most competitive producers in the world. As I said before, I believe that trade is hugely important and will benefit our farm sector. I will work with my colleagues at USTR and other parts of government to make sure that we negotiate agreements that will open market opportunities and provide a secure future for U.S. agriculture.

5-C. Do you believe other countries are engaged in agricultural trade distorting practices that lack transparency and are less likely to be disciplined within a WTO agreement? If not, why?

Response: I believe that the WTO agreement provides the United States greater ability to confront countries engaging in agricultural trade distorting practices. The U.S. can use the WTO process – its meetings and even the dispute resolution process – to remind other Members of their obligations and to consult on matters related to provisions of the Agreement. Sometimes problems are resolved through this process, but if not, we need to consider taking issues to dispute settlement.

5-D. Are you at all concerned that after the negotiation and implementation of agricultural trade rules in the WTO and numerous Free Trade agreements, such as NAFTA, the U.S. agriculture trade surplus has been in a long-term decline and is projected by USDA to be zero this year?

Response: Since 1996, the U.S. agricultural trade surplus has declined and is expected, as you note, to be in balance in 2005. However, it is my understanding that this is due to favorable economic, demographic and marketing factors in the United States relative to the rest of the world, which has resulted in U.S. import demand growing faster than foreign demand for U.S. exports. However, it is worth noting that the Bush Administration's aggressive trade agenda has resulted in record agriculture exports.

U.S. import demand has grown significantly due to a number of factors including strong growth in our consumers' incomes and wealth, our already low market access barriers, consumers increasing demand for year round availability of fresh produce, continuing advances in refrigeration and transportation technologies, and the globalization of the food industry. In addition, U.S. import prices have increased significantly since 2002, which has caused the growth in the value of imports to accelerate, leading to a further reduction in the agricultural trade balance.

5-E. What is your view concerning U.S. agricultural trade with Cuba?

Response: The President's policy on Cuba has been strong and clearly defined. I respected the Administration's position on Cuba as a Governor and I will support the President's policies on Cuba if confirmed as a member of his Cabinet.

5-F. How will you help intervene with the Treasury Department's Office of Financial Asset Control (OFAC) regulations that interfere with agricultural trade provisions and rules approved by Congress?

Response: I have not been involved in these reported discussions and have no first hand knowledge of what, if anything is under consideration. It is my understanding that USDA is an active participant in interagency review processes for matters like this which affect agricultural trade. If confirmed, I will make sure that agriculture's concerns are forcefully raised in interagency discussions of this type.

5-G. What is the farm-gate value, not the often quoted Free Alongside Ship (F.A.S.), value of U.S. agricultural exports?

Response: I have been told that USDA does not compile trade statistics for overall U.S. agricultural exports on a farm-gate basis since much of our agricultural exports are value-added products and the farm-gate concept would be inappropriate for such a broad measure. However, the USDA's Office of the Chief Economist (OCE) did an analysis that computed the farm-gate equivalent export value for a variety of grains, plus soybeans, cotton, and tobacco and compared that to the F.A.S. value that is reported by USDA over a two-year period. The result showed that the farm gate value was roughly 20-25 percent lower than the F.A.S. value, with the difference being attributed to farm-to-port transportation costs and other costs.

5-H. Do you concur that it is dangerous for the U.S. to be forced to open its market to subsidized foreign sugar in bilateral or regional trade agreements that do nothing to address the direct or indirect subsidies in those countries or the practices of other sugar producing nations?

Response: There are benefits for U.S. agriculture from an open trading system. One of our goals is to seek increased market access for all our export commodities. While we open markets through trade agreements, there are sensitive commodities that each country will want to protect. I hear your concerns about the domestic sugar industry and will continue to work with you to address those concerns according to the unique circumstances of each set of trade negotiations.

5-I. How will you deal with import quota circumvention schemes such as stuffed molasses and milk protein concentrate?

Response: If confirmed, I will make sure that the Foreign Agricultural Service continues to track import data pertaining to sugar and sugar containing products, looking for irregularities or surges in imports of products such as molasses. I will ask that this data continue to be sent to Congress.

6. Currently, about 100,000 acres of crop and grazing land are under water due to the overflow of Devils Lake and other close basins in North Dakota over the last 10 years. These landowners have lost both economic use of these lands and risk losing the value of their investment as well through no fault of their own and without any means to control the flooding. Many are no longer eligible for crop insurance coverage and even risk losing other farm program benefits they may have been historically entitled to because the land can no longer be farmed.

Both the State of North Dakota and the Army Corps of Engineers are working on proposals to install a drainage system in Devils Lake to control the flooding in the future. However, project costs and construction time as well as environmental concerns all suggest this solution may be several years down the road. These producers need assistance now.

As Secretary, will you work with me to help these individuals [ND landowners flooded by Devils Lake overflow] overcome a portion of the losses they are suffering by considering making them eligible for existing programs such as CRP or help create a new program?

Response: I will certainly be happy to discuss the particulars of Devils Lake with you and explore what options exist to assist these producers.

7. In recent years, I have increasingly heard from hunters and other outdoor enthusiasts that there is no longer enough land available for hunting, fishing and other outdoor recreation. In response to this growing problem I introduced legislation last year that I call the "Open Fields" proposal.

Under Open Fields, the Department of Agriculture would provide matching funds through the Commodity Credit Corporation to support state programs that offer incentive payment to farmers and ranchers who agree to allow public access to their lands. The program would be completely voluntary: no state of individual landowner would be required to participate.

Since I introduced this bipartisan legislation with Senator Roberts as the primary Republican cosponsor, I have been extremely gratified by the strong support it has received. It has been endorsed by such diverse groups as the Theodore Roosevelt Conservation Partnership, the National Shooting Sports Foundation, the Sierra Club, the National Rifle Association, Pheasants Forever, National Farmers Union and the American Sportfishing Association.

Governor, if confirmed, will you work with me to enact this Open Fields legislation and provide greater opportunities for hunting and other outdoor recreation?

Response: In many parts of the country hunting lease arrangements on lands, including lands enrolled in the Conservation Reserve program, and Wetlands Reserve Program, have been a popular means of developing opportunities for sportsmen, while providing additional conservation incentives for farmers and ranchers. I would have to learn more

about the budget impact and program specifics of your idea but will be happy to discuss this with you further.

8. A goose processing company is relocating to North Dakota. As Secretary will you use the resources of the CCC to assist goose producers for losses associated with West Nile Virus as encouraged by the 2005 Agriculture Appropriations Act?

Response: Although I do not know the specifics of this issue, if confirmed, I will ask APHIS to respond to this concern.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR JAMES TALENT

1-A. Gov. Johanns, last Christmas, the administration quickly responded to the imported dairy cow that tested positive for BSE in Washington State. A very aggressive testing program was established -the last time I checked, USDA/APHIS had tested some 160,000 animals. So far all have tested negative for BSE.

What does this mean, and how much longer will this aggressive testing program be in place? Also, what is the next step of the surveillance program?

Response: On June 1, 2004, USDA kicked off an enhanced BSE surveillance program in an effort to obtain a snapshot of the domestic cattle population to help define whether BSE is present in the United States, and if so help estimate a prevalence. All of these results have been confirmed negative. The APHIS website indicates that as of January 10, over 170,000 cattle have been sampled and all these animals have tested negative for BSE.

While these negative test results are a positive indication that the safeguards USDA has had in place are working, the possibility exists that the enhanced testing program will identify additional cases of BSE. It would be premature to make assumptions about the meaning of the data collected until the entire surveillance program is complete. I understand that an end date for the program has not yet been decided but any decision to bring the program to a close after 12-18 months will be based on the number of samples collected and the geographic range of those samples across the United States. The final analysis of the current sampling effort will help determine how BSE surveillance will be conducted in the United States in the future.

1-B. A lot of producers have had major concerns regarding the announcement of the inconclusive tests and how it impacts the market. I understand that if you don't announce these results, there is a great opportunity for market manipulation. Have you considered waiting until the markets close to announce an inconclusive test? It seems that this might minimize the impact of the announcement.

Response: It is my understanding that the current USDA policy is to announce these tests while markets are not open. While I understand the need to protect the market and be transparent, I too have heard the concerns of producers. If confirmed, I intend to review the overall policy of releasing inconclusive test results including the timing of such releases.

2-A. As Governor, one of your priorities for agriculture was to maintain and expand export opportunities for Nebraska products. To improve our competitive posture in an increasingly competitive international marketplace, I believe U.S. farmers and ranchers need strong and efficient infrastructure. Do you agree?

Response: I agree that U.S. farmers and ranchers do need a strong and efficient infrastructure in order to gain and maintain agricultural export markets for commodities.

2-B. The locks and dams on the Upper MS and Illinois River are old enough to be collecting Social Security. Sen. Bond, Sen. Harkin, and I introduced legislation last year that struck a balance between habitat and ecosystem development and modernizing the aging infrastructure. I won't put you on the spot and force you to comment on this issue, but I'd just like to make you aware that this issue is very important to agriculture. Farmers need reliable barge traffic to move fertilizer up the river and haul grain down the river in the fall. I'd welcome any comments you had on this topic.

Response: One of the United States' competitive advantages in the international grain and oilseed market is efficient, low-cost transportation. U.S. inland waterways play a central role and the Upper Mississippi River-Illinois Waterway is a vital component of the U.S. grain transportation system as more than half of all corn exports and a third of soybean exports are from barge shipments originating on these two rivers. My visit to Brazil showed me our competitors understand the importance of infrastructure. I will continue the efforts of the Department in working with the Corps of Engineers to make sure our agriculture industry can continue to transport commodities through these waterways.

3. The 2002 Farm Bill Research, Education and Economic Task Force recently submitted its report to the Secretary of Agriculture and the U.S. Congress, The report recommends the formation of a National Institute for Food and Agriculture (NIFA). It would award high quality, competitive peer-reviewed grants for fundamental research to ensure the technological superiority of American agriculture. NIFA would be modeled after the National Institute of Health and National Science Foundation. It would supplement and strengthen, not replace, the existing research programs of the U.S. Department of Agriculture. A group of leading agriculture groups recently sent a letter to the President supporting this proposal. I believe this is long overdue and would be a very effective way to direct research to developing facets of the agriculture industry specifically gene mapping and biotechnology. I look forward to working with you and your department as we examine the task force's recommendations. Is this something that you are willing to pursue as Secretary?

Response: I appreciate your interest in the REE Task Force Report and agree with you that agricultural research deserves more attention. The final draft of the report presented to the Secretary by Dr. William H. Danforth, Chairman of the Task Force, on July 29, 2004, included the following recommendations:

1.) Recommend the establishment of an independent National Institute for Food and Agriculture (NIFA) within USDA.
2.) NIFA will be a separate entity in USDA with the Director reporting directly to the Secretary.
3.) NIFA will be an external granting entity that will supplement and enhance, but not replace, the existing research programs of USDA.

4.) NIFA is to be located in Washington, D.C. with an annual budget of $1 Billion annually.
5.) Funding for NIFA should be the responsibility of an appropriations subcommittee different from the subcommittee that currently handles agriculture appropriations, or through the Agriculture Appropriations Subcommittee if the members wish to embrace a new approach to supporting science.

Implementation of these regulations will require Congressional support. If confirmed I will welcome the opportunity to work with you on this issue.

4. The Value-Added Producer Grant Program is very popular throughout the country. As I'm sure you know, the program funds technical assistance (market feasibility studies, business plans, and legal and engineering assistance) and working capital (salaries, marketing, inventory, etc.). Many wonderful products in Missouri-including a soybean based beer-Pony Express Beer and 1Soy (soyfoods/neutriceuticals venture), for example, have all received major grants through the program; Pony Express received $340,000, and lSoy received $95,000. This program has been a huge help to these businesses. However, while interest in the program-and value-added agriculture-continues to increase, funding for the program continues to decrease. The program was included in the Farm Bill at a level of $40 million per year. The grant program, however, has been funded at the following levels, most of which are significantly below the level authorized by the 2002 Farm Bill:

FYO1: $19.8 million
FYO2: $37.7 million
FYO3: $27.7 million
FYO4: $13.2 million
FYO5: $15 million

This program is extremely important to Missouri producers. This program directly leads to rural economic development and, as such, should be increased, not decreased. As Governor, you often mentioned the importance of value-added agriculture. Is the Value-Added Producer Grant Program something you believe brings benefits to producers?

Response: I am a very strong supporter of value-added agriculture and appreciate the role that the USDA Value-Added Producer Grant (VAPG) program can play in furthering economic development in rural communities. The value-added producer grant program has been an important financing tool to assist producers in developing ventures to add value to the commodities they produce. Value added agriculture benefits agricultural producers as well as nearby rural communities through enhanced opportunities for creating or saving rural jobs, diversification of the local economy, and new and expanded market opportunities.

5. I am co-chair of the Senate Biofuels Caucus, so I have a very strong interest in issues involving biofuels. The CCC Bioenergy Fund is a program funded through USDA to encourage the construction of ethanol and biodiesel facilities. This program is of

increasing importance to Missouri. Two farmer-owned ethanol plants are currently operating in my state (in Craig and Macon, Missouri), and I know of at least two more that intend to be operational within the next 18 months – SEMO Ethanol Cooperative and the Ladonia plant. In addition, the Missouri Soybean Association's farmer-leaders are spearheading an effort that will result in Missouri's first biodiesel production facility. (The fundraising drive will begin this winter; production is expected to commence within 18 to 24 months.)

The CCC Bioenergy Program was limited to only $100 million in the FY 2005 Omnibus Appropriations bill, not the authorized level of $150 million. The program was limited to $115.5 million in 2004.

Does this lower funding level mean the funding renewable energy producers receive will be pro-rated, based on available funds?

Response: I have been advised that this is the case. Rapidly increasing demand for bioenergy (ethanol and biodiesel) is resulting in record increases in production levels and prices for these fuels. The large increase in bioenergy production combined with budgetary constraints is resulting in CCC Bioenergy Program payments being prorated because of the limited funding.

6. One of the pivotal arguments used by opponents of biotechnology in the debate surrounding the local bans on agricultural biotechnology is the notion that biotech improved crop production and certified organic practices cannot coexist. This notion is fueled by misunderstandings of the National Organic Program's (NOP) requirements and functions. Furthermore, there is widespread confusion throughout the country that suggests that certified organic products are in some way superior, healthier for consumers, or better for the environment than biotech improved crops. While there is no scientific basis to support these beliefs, opponents of biotechnology capitalize on such misinformation to help drive local communities toward banning biotech production in their counties.

USDA is charged with supporting and promoting all methods and segments of agriculture and ensuring that U.S. farmers—whether they choose to plant biotech, conventional, or organic crops—are successful in meeting market demand. The continued confusion surrounding biotech crops and the National Organic Program (NOP) unnecessarily pits grower against grower.

As we discussed in our meeting, the organic rule states that it imposes a specific production process for organic food, not a product guarantee. The rule recognizes that the movement of genetic material among plants by means of pollen flow is a natural occurrence. Pollen may move between flowering plants of the same or related species. Knowledgeable farmers are fully aware of this and take specific steps to preserve the identity of their crop when choosing to grow a crop for specific markets, such as white, high oil, or sweet corn. It makes sense that organic plans should also incorporate these identity preservation techniques. In fact, use of such techniques, as a part of a producer's

on-farm work plan—which is approved by an accredited organic certifying agent—is a requirement of the NOP.

Just as it is difficult if not impossible to guarantee that organic products are 100 percent free of pesticides, it would be impractical to guarantee that the products of biotechnology are not present at any level in organic products. By the same token, consumers should not be led to believe that such a level of surety can be guaranteed in any area, either through organic production, the certification of growing methods, laboratory testing, certification of seed production, or any other means.

While the NOP prohibits the use of agricultural biotechnology in organic operations, the mere presence of a detectable amount of biotech crops alone does not necessarily constitute a violation of the regulations. As long as an organic farmer had not knowingly used excluded methods and took reasonable steps to avoid contact with the products of excluded methods as detailed in their approved organic system plan, the unintentional presence of biotech crops does not affect the certified status of an organic product or operation. Ultimately, if unintentional biotech presence is detected, the marketability of the crop is a contractual business matter between the farmer and the buyer. The certification status of the farmer's operation should not be affected.

Gov. Johanns, do you believe that the USDA could clarify this situation, and what actions can you take to remedy this problem with the organic program?

Response: I understand that USDA recently responded to a series of questions on this topic in a letter to the National Association of State Departments of Agriculture (NASDA). I have asked that a copy of this letter be given to your office. I have learned USDA will publish a set of questions and answers on the National Organic Program website addressing this issue for all USDA certifying agents, producers, and consumers to help reduce this confusion and misinformation.

I believe USDA should continue its role in support of a diverse U.S. agricultural sector that provides agriculture with options. It should be our goal to ensure that farmers are successful in meeting market demand, whether they choose to plant biotech, conventional, or organic crops. I look forward to working with you on these important matters.

7. Governor Johanns, despite our aggressive BSE surveillance program and clearly the safest beef system in the world, Japan and other markets remain closed to U.S. beef exports. After reviewing the many and significant steps that USDA and the Administration has taken to address the trade embargo with Japan through existing means, I am of the opinion that the appointment of special envoys by President Bush and Prime Minister Koizumi may be the best way to resolve this matter. As a Governor from a state with a very vibrant beef sector, would you be supportive and willing to work with a special envoy to resolve this matter?

Response: As Secretary, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed. I would be concerned that the designation of a special envoy after the passage of this much time would be viewed in Japan as a signal that the process can go back to square one.

8. For quite some time, soybean producers in Missouri have been concerned about the pirating of Roundup Ready soybeans in South America, particularly Brazil. According to the Missouri Farm Bureau: "Farmers should be allowed to save and replant patented seed by paying a minimal technology fee on saved seed. Companies that sell patented seed should keep the price of U.S. seed competitive with the price of seed sold in other countries. While we recognize that the costs of research and development must be recouped, we believe American fanners are being put at a disadvantage through the high cost of biotech fees, i.e. royalties. We believe South American competition with Roundup Ready products through pirating and unenforceable seed laws in those countries are contributing factors that need to be addressed by private companies and public institutions." Considering this extensive pirating of American technology, do you have any plans to work with the U.S. Trade Representative to address intellectual property rights issues and other international trade issues affecting agricultural producers?

Response: I fully appreciate the importance of protecting intellectual property rights and look forward to coordinating with the U.S. Trade Representative in addressing the problem. We will work to ensure that this issue is highlighted in our future exchanges with the Brazilian government, as well as other South American trading partners.

9. Given that the majority of our country's food supply is generated in the Midwest region of the United States, (1) what are your plans for securing the food animals in this region from agroterrorism, and (2) what role do you see for Midwest universities in meeting the challenge of agroterrorism, especially those such as the University of Missouri, which possess unique research capabilities in the field of agrosecurity?

Response: I think there is a significant role for the research facilities at these universities to pull together their expertise to meet the challenge of agroterrorism.

10. Air emissions enforcement of farming and livestock operations is just over the near horizon. Yet EPA and State regulators have no clear knowledge of what affordable control measures are available to producers. What role will USDA play in identifying and testing the effectiveness of such control measures?

Response: As Secretary, I would like to explore opportunities to test control measures more completely. I believe there are many potential avenues to apply our existing research and scientific resources toward this end.

11. One area of USDA's responsibilities is the management of the National Arboretum. Operated under the Agricultural Research Service, this facility serves important horticultural research, public education and conservation functions. In recent years, Congress has urged USDA to strengthen and expand the scope of public-private partnerships with the Arboretum to enhance public awareness and use of the facility as well as to supplement its financial resources. Will you seek to increase the profile of the National Arboretum?

Response: I have not had an opportunity to visit the National Arboretum but look forward to doing so. It is my understanding that the U.S. Department of Agriculture (USDA) has taken several steps to develop and enact a more open policy to expand access to and use of the U.S. National Arboretum (USNA) by private sector and nonprofit organizations. Such actions would have the benefit of increasing USNA's ability to generate supplemental funds for its programs and facilities.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR BLANCHE LINCOLN

1. Our current agriculture policy was developed over the course of a two-year period of time and, to me, represents a solid compromise between many different interests. As a southern member of the Agriculture committee, I know well the need for our domestic agriculture policy to reflect regional diversities in farming practices. As the Secretary of Agriculture, will you work to protect the support structure embodied in the current farm bill?

Response: Traveling around the country, the diverse nature of American agriculture is readily apparent. The farm bill is national in scope, but for it to truly work, it must recognize and respect this diversity. Our rural economy's strength lies in this diversity and I will support farm programs that increase the competitiveness of US agriculture.

2. Since the sale of U.S. agriculture products was authorized by Congress in 2000 and re-initiated in 2002, U.S. farmers, processors, and exporters have invested substantial resources and time to rebuild this historically important market. With sales in 2004 of approximately $400 million, Cuba has become a major buyer of U.S. farm goods, and our 3rd largest market for U.S. rice. Please provide the Committee with a breakdown by year, commodity or product, value, volume, and State of origin of the agricultural commodities and products shipped to Cuba since trade was authorized and re-initiated. Please also provide USDA's forecast of exports to Cuba broken down by commodity volume and value, for the next five years.

Response: I have not been briefed on the details of your question. If confirmed, I will review the issue. I have asked FAS to respond in detail to your request.

3. It has been widely reported that the Administration is considering a change in the requirements for the sale and shipment of agricultural commodities to Cuba. Please provide for the Committee the Department's best forecast of how any such change being considered will affect future exports of agriculture goods to Cuba, based on the change in the forecast volume and value of exports, by commodity. If such an administrative change results in reduced agriculture exports, what actions will the Administration take to compensate producers for the income losses associated with these lost sales?

Response: After thinking about your question, I think I would need to know exactly what the changes were, how much advance notice was given and what the impact on producers would be. I have not been involved in the discussions that are the subjects of the reports you mention so it I cannot give you a more concrete answer at this time.

4. Late last year, the United States' soybean crops was infected by what is referred to as Asian rust or soybean rust. Immediately after this introduction, I joined a letter circulated by Senator Mark Pryor and cosigned by the other members of the Arkansas

Congressional delegation to Secretary Veneman requesting funding for a program developed by the University of Arkansas to combat this disease. What are your plans to deal with the outbreak of soybean rust and will you consider providing the necessary funds to the University of Arkansas to set up a system of protection?

Response: I can say that USDA will continue to regard the management of soybean rust as a high priority in the coming years. To this end, USDA intends to aggressively support management efforts and provide assistance, as appropriate, to growers and State cooperators.

5. What are your plans for the Department of Agriculture with regards to biofuels and what will you do to support and promote the use of crop residues for energy?

Response: If confirmed, I will make the expansion of biofuels, including those made from crop residues, one of my priorities. Biofuels provide an alternative and growing market for agricultural products. They support farm prices and incomes, while also improving the environment and reducing our dependence on imported oil. USDA can do much to support and promote the use of biofuels and the conversion of crop residues into bioenergy, and I am eager to work with all of the many program areas on this issue.

6. Last year in our child nutrition reauthorization legislation we expanded the number of Lugar Summer Food pilot states from the original 13 and Puerto Rico (of which I note Nebraska was one), to an additional six states and permitted all sponsors, both private and non-profits, to participate. The pilot permits sponsors to operate under simplified cost accounting and paperwork reduction, while providing modestly higher meal reimbursement rates. Participation in Summer Nutrition Programs (Summer Food and the National School Lunch Program) in 2003 increased by 13.1 percent in Lugar pilot states, while participation in the rest of the country decreased by 2.5 percent. Under your leadership can we continue to count on the Administration to work to expand summer food participation to eligible, low-income children throughout the country?

Response: The Bush Administration has been committed throughout its tenure to increasing access to programs that feed children during the summer months, when school meals are not available. As Governor, I worked closely with USDA and the Professional Rodeo Cowboys Association to promote the Summer Food Service Program in Nebraska. I recognize the need to ensure that food is available to children year-round, not just when school is in session, and I intend to maintain this commitment if confirmed.

7. I'm very proud that my colleagues in the Senate have come together to form a bipartisan Senate Hunger Caucus. In addition to bringing attention to the issue of hunger in this country, we will also work together to promote and protect our vital nutrition safety net programs, so that they continue to serve hungry eligible families. We look forward to working collaboratively with the Department to ensure that hungry families in this country continue to have access to nutritious foods and that the issue of hunger remains center stage for this Congress and Administration. Can we count on your support?

Response: The nutrition assistance programs that USDA administers are an important safety net for those in need. I understand that USDA, the Congress, State and local governments, and faith-based and community organizations across the country have done much in recent years to improve program access, promote better eating habits, and strengthen stewardship of the taxpayer's investment. If confirmed, I look forward to working with you, the Senate Hunger Caucus, and other members of Congress to build on these accomplishments.

8. It appears that after more than a year of earnest discussions with Japanese government officials, our government has still not received a commitment from the Japanese government to resume imports of U.S. beef. Being from Nebraska, I'm sure you are fully aware of the economic damage this prolonged Japanese embargo has caused the U.S. beef industry. Earlier today, Tyson Foods, the nation's largest beef packer and one of my state's oldest and most respected corporate citizens, announced that they will temporarily suspend operations in five of their beef plants for a period of three to five weeks, beginning Monday. They estimate some 25,000 and 30,000 cattle will not be processed each week the plants are closed. I believe this shows how serious this and other trade issues have become. My constituents have recently briefed me on meetings with both U.S. and Japanese officials that took place in December. Their strong recommendation, which I endorse and hope you do, too, is to elevate negotiations above cabinet level all the way to the President and Prime Minister level. They believe special envoys, representing President Bush and Prime Minister Koizumi, are needed immediately to negotiate a clear and final resolution. Of course, USDA would work in close consultation with the U.S. envoy. My question then, Governor Johanns, is whether you would endorse and support such an envoy to end the Japanese embargo on U.S. beef?

Response: As Secretary, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed. I would be concerned that the designation of a special envoy after the passage of this much time would be viewed in Japan as a signal that the process can go back to square one.

9. As the Ranking Member of the Senate Agriculture's Subcommittee on Forestry, Conservation, and Rural Revitalization I have the opportunity to work closely on conservation issues which drastically impact my constituents back in Arkansas. President Bush reiterated his support for agricultural conservation programs during his announcement of your nomination for Secretary of Agriculture. He specifically mentioned his desire to expand conservation programs benefiting soil, water, and wildlife. As you prepare to enter your new post, I would like for you to share your plans to implement President Bush's commitment to ensure that wildlife benefits continue to be enhanced through USDA programs.

Response: This administration already has a strong track record on conservation, which has been recognized by the sportsmen organizations. Last year, under the Conservation

Reserve Program new measures were announced to enhance wildlife habitat and restore wetlands. If confirmed, I will continue to make conservation a priority and will reach out and engage with the conservation and sporting community.

10. Within my state of Arkansas lies the city of Stuttgart, which is commonly known as the rice and duck capital of the world. Both rice and ducks are near and dear to my heart, and the Arkansas way of life, and need to be protected to maintain America's rural economy. Given that 75% of our nation's remaining waterfowl habitat exists on private lands, it is vitally important that USDA continues to work with landowners to secure a base of wetland and grassland habitats that supports healthy waterfowl populations for future generations to enjoy. If you are confirmed as the next Secretary of Agriculture how do you plan to honor President Bush's Earth Day 2004 promise of net wetlands gain, which is to be accomplished through the Wetland Reserve Program and other USDA programs? As you know many of these programs have faced drastic cuts in funding.

Response: If confirmed, I will ensure that USDA continues its efforts to fully implement the President's Wetlands Initiative, to create, improve, and protect overall wetland acres.

11. The Conservation Reserve Program (CRP) is valuable for agricultural producers and wildlife; it is critical for CRP to remain a major component of the conservation title in 2007 when the Farm Bill is reauthorized. President Bush demonstrated his strong support for CRP by his announcement last summer that USDA would offer early re-enrollments and contract extensions for CRP acres that begin expiring in 2007. What type of commitment are you willing to make to conservation and sportsmen's organizations who are looking for support and leadership from the Department of Agriculture to ensure that the strongest possible conservation title is contained in the next reauthorization efforts?

Response: It is my understanding that USDA has already announced its commitment to full implementation of President Bush's directive to sustain the environmental benefits of the CRP by offering early re-enrollments and contract extensions for acres that begin expiring in 2007. I support that commitment and look forward to working with this Committee on the conservation programs in the next Farm Bill.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR CRAIG THOMAS

1. Mandatory country of origin labeling (COOL) is set to take effect September 30, 2006. Can you assure me that rules and regulations will be in place to properly implement COOL?

Response: Yes, if confirmed I will work to implement this law by the deadlines established by Congress.

2. Do you think it is a good idea to expand Canadian beef imports given the known presence of BSE in Canadian cattle and the recently discovered BSE-positive cow? I am particularly concerned about consumer confidence in the U.S. beef supply and potential damage the U.S. beef industry.

Response: The U.S. has implemented numerous safeguards to protect the public from risks associated with BSE. The issue continues to be taken very seriously as evidenced by USDA's recent announcement to send a team to Canada to investigate recent BSE finds. If confirmed, I will continue efforts to maintain consumer confidence.

3. Do you think it is a good idea for USDA to expand Canadian beef imports even though most foreign markets remain closed to our beef?

Response: USDA has worked closely with the U.S. industry to re-open our export markets. In addition, USDA has been engaged with government officials in numerous countries, emphasizing the integrity of the U.S. regulatory system and the safety of U.S. meat. As a result, $1.7 billion, or 36 percent of the original banned amount, has been recovered. Mexico and Canada, our second and fourth-largest markets, are over 90 percent open to U.S. exports. The U.S. is acting as a leader, basing trade policy decisions regarding BSE on sound science. Getting other countries such as Japan to recognize this sound science will be my top priority if confirmed.

4. Is it good policy for the USDA to announce inconclusive results from its BSE testing program before verification has taken place?

Response: If confirmed, I will review this policy. While I understand the need to protect the market and be transparent, I too have heard the concerns of producers.

5. Beef producers face many barriers in the world markets, including restrictions related to BSE. What role can USDA play in opening world markets to U.S. agricultural products?

Response: As Secretary, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products,

none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed.

6. Recently, a USDA-inspected laboratory in South Dakota falsely concluded that cattle from an eastern Wyoming ranch were infected with brucellosis. It appears the lab contaminated tissue samples. This false diagnosis caused considerable harm and expense to both the rancher and the state. What steps would you take as Secretary of Agriculture to make sure this situation does not happen again?

Response: I agree that accuracy is of paramount importance in testing for such serious animal diseases. I recognize the serious impact recent detections of brucellosis have had on the cattle industry. With this in mind, if confirmed, I will look into what the USDA may need to do to continue working closely with participating State and Federal diagnostic laboratories to ensure on the issue of brucellosis testing and the accuracy of the test results. I will review this situation and see what recommendations can be worked out for future handling of lab tests.

7. The University of Wyoming has recently had trouble researching brucellosis because of restrictions put on handling the bacteria by USDA and HHS due to homeland security concerns. I hope USDA will work with our research institutions to allow necessary open-air research into brucellosis transmission.

Response: If confirmed, I will look into ways that USDA can work with the Department of Health and Human Services' Centers for Disease Control and Prevention (CDC) to deal with the process of how to control brucellosis transmission. I believe through our joint efforts we can develop a protocol that will allow the necessary open-air research while addressing homeland security concerns.

8. Do you believe in multiple-use sustained yield principles for public lands? What will you do to ensure multiple-use for USDA administered lands?

Response: While I look forward to learning more about this issue and various other forest management issues, my philosophy is such that I believe successful implementation of national laws and national policy includes the productive collaboration between forest managers, local and national communities of interest and the Congress. I would ask the Forest Service to continue building strong constituencies across these varied interests, nurturing successful relationships and increasing efforts where needed.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR NORM COLEMAN

1. First, the farm economy is important to farm families, rural communities and cities like Lincoln and Saint Paul, as evidenced by articles like the December 17, 2003 piece in the Wall Street Journal, which I would ask unanimous consent, Mr. Chairman, to be included in the record. This article, entitled AFarm Belt Becomes Driver For the Overall Economy, noted that the present boom is proving that agriculture still matters in the U.S. [as] rising farm incomes are helping to ease the blow of the loss of manufacturing jobs in Midwest states. Wells Fargo's Chief Economist was quoted as saying, "The farm sector is a significant source of strength for the U.S. economy." And the article went on to say that, "Although farmers themselves are a tiny part of the population, they have an outsize impact on the economy." All of us here know that our national economy is in fact boosted by a strong farm economy. But we also know from experience that, like in the1980's, the nation also suffers when times on the farm are tough. So the farm bill is a critical safety net for our entire economy, not just farmers and rural communities.

The farm bill is also a competitiveness bill, just like the $136 billion JOBS bill we passed last Congress, in part, as a response to the job losses we experienced in the manufacturing sector due to off-shoring. If you ever visited the new World War II Memorial, you would notice all the wreaths on the monument which represent the two American pillars of industry and agriculture. It speaks to the importance of both. So at a time when we are taking steps to stop the off-shoring of one sector, we should not do anything that would jeopardize the world competitiveness of the other. Mr. Chairman, the farm bill helps an important economic sector stay competitive in a world market where foreign subsidies and tariffs are 5 and 6 times higher than the help we provide to our own farmers.

While helping sustain an industry that creates 25 million American jobs, $3.5 trillion a year in economic activity, and 17% of our Gross Domestic Product, the farm bill also helps ensure that Americans enjoy the safest, most abundant, most affordable food supply in the world B all at a cost to the taxpayer of about one-half of one percent of the total federal budget. In fact, the safety net provided under the 2002 Farm Bill has cost over $17 billion less than was projected by CBO back in March of 2002 and has actually cost nearly $1 billion less than what would have been spent had the 2002 Farm Bill not been enacted and had we remained under the old budget baseline. These savings do not even take into account an estimated $1.6 billion saved from the farm bill budget during the appropriations process over the last two years. My understanding is that this picture will not change much when the actual FY2005 budget numbers are reported. So the bottom line is that the 2002 farm safety net is important to our national economy, it is a competitiveness bill for agriculture just as the JOBS bill is for manufacturing, and it has proven to be fiscally sound despite the misrepresentations we hear and read from the big city press and others.

I hope, as Secretary of Agriculture, that you will join me and others in working to protect this important federal policy.

What are your thoughts on the farm bill budget as we head into this year's budget debate?

Response: Agriculture is vital to our nation's economy and, as Governor, I have devoted a substantial amount of my time promoting rural economic development and agricultural issues, not only in our state, but across our country and overseas. If confirmed, I will work with all of you on budget challenges that lie ahead.

Follow up: My point is that agriculture has contributed to deficit reduction. For example, from 1999 through 2001, we spent an average of $19 billion per year on the safety net, much of which was unbudgeted. But, from 2002 to 2004, we spent an average of $12 billion. That's not to mention cuts during the appropriations process over the last couple years. So I would hope that folks over at OMB are looking at this and, if they are not, you might point them in the right direction.

Response: I am aware that farm spending has declined in recent years. The decline in spending is a result of a strong farm economy and increased exports. I will be glad to work with the Committee in the upcoming budget debates to secure a strong future for the farm economy.

2. Sugar beets are a $3 billion a year industry in my state creating a lot of jobs in the Red River Valley and down into the Renville area in southwest Minnesota. And this industry is not just a part of that region's economy, it is an economic hub. My sugar beet farmers are efficient, helping place U.S. sugar producers in the top 1/3rd in overall efficiency in world production. Part of this, as you can imagine, is natural refrigeration where in the winter months we stockpile beets in section corners, called Minnesota Mountains. I am very proud to represent the largest sugar producing and processing state in the nation. And like my corn and soybean farmers and others, my sugar beet farmers face a very unlevel world playing field. I only need to point out that while the world dump price for sugar is about 6 to 8 cents per pound, the average world cost of production is around 16 cents. This is a global problem. Every country in the world that produces sugar subsidizes or protects their producers. In our case, we have a no net cost program to the federal treasury that simply helps shield our producers from heavily protected and subsidized dumped foreign sugar. This world problem cannot be fixed in a bilateral or regional trade agreement. It can only be fixed in the WTO. The Administration rightly recognized this in the case of other crops when they excluded domestic support for these crops from bilateral and regional agreements, and they also recognized this in the trade agreement with Australia when they excluded sugar. These were good decisions and they ought to be the template for all our regional and bilateral agreements. I hope that, if confirmed, you will join me and others in making this the policy of the Administration as it relates to trade. Governor, you want to break the good news to the folks at USTR or should I?

Response: I believe the Bush Administration is fully committed to achieving trade liberalization through the WTO multilateral negotiations. However, implementation of

key bilateral and regional trade agreements also is a cornerstone of the overall trade strategy.

If the U.S. exempts or excludes products and sectors from free trade agreements, then our trading partners want to do the same. This will reduce opportunities for agricultural producers to gain new markets.

At the same time, it is clear we do have sensitive products. And, it is my understanding that the U.S. negotiators are instructed to treat these with great sensitivity. Sugar clearly is one of these sensitive products.

If confirmed, I will be working closely with my colleagues at USTR to continue our aggressive pursuit of the Administration's trade strategy. I will make sure they are aware of the concerns you raise.

Follow up: Governor, I'd like to extend an invitation for you to come and see first hand the importance of this industry to my state some time soon although you might want to wait until summer! I know our 3 farmer owned cooperatives would be glad to have you as would I. In closing on sugar, I would also just add that we've had problems in the past with circumvention around the tariff rate quota for sugar, most recently involving stuffed molasses. I'd appreciate it, Governor, if you as the Secretary of Agriculture would coordinate with other agencies to track and report to Congress as provided by the Breaux Law any circumvention that may be going on today.

Response: Thank you, Senator Coleman for the invitation to visit Minnesota to learn more about the sugar industry. I always enjoy spending time in your state, no matter what time of year it is. If confirmed, I will make sure that the Foreign Agricultural Service continues to track import data pertaining to sugar and sugar containing products, looking for irregularities or surges in imports of products such as molasses. I will ask that this data continue to be sent to Congress.

3. Third, I was very pleased when President Bush endorsed extension of the Milk Income Loss Compensation program, or MILC, last year. As you may know, I introduced a bill last Congress to extend this important program for my dairy farm families. MILC is a good program because it provides a safety net that is fair and equitable to farmers from every region of the country, unlike, at least from my point of view, federal dairy policy in the past. It is also a market-oriented program that does not fix prices but simply provides a counter-cyclical safety net when prices are depressed. In fact, according to USDA, MILC has had very little impact on milk prices. For these reasons, Democrat and Republican senators from across the country have endorsed my bill to extend this program through the life of the 2002 Farm Bill. It seems only fair to me that my dairy farmers continue to have this safety net, just as my other farmers do. I hope that, as Secretary of Agriculture, you will work with me to pass my bill and this important program, which President Bush has endorsed, starting with its inclusion in the President's budget. Governor, are you ready to work with me on extending MILC?

Response: Yes. The President and I are ready to work with Congress to extend the Milk Income Loss Contract (MILC) program. MILC is important to many dairy farmers because it provides direct counter-cyclical payments to milk producers. Dairy producers have received about $2 billion in direct payments under the MILC program.

Follow up: I would make just one other observation on dairy and that is that Congress has instructed USDA to use the Dairy Export Incentive Program or "DEIP" to the maximum extent allowable under the rules of the WTO but USDA has not done this. I'd like you to revisit this issue and ramp-up the use of the DEIP so we can use this program like our competitors in the world use theirs.

Response: The value of U.S. dairy exports during the past year has grown at a phenomenal pace, increasing by over one-third through October in comparison to the same period in 2003. The performance of the U.S. industry has been particularly notable since substantial portions of these gains were due to the export of milk powders without the use of Dairy Export Incentive Program (DEIP).

If confirmed, I will insure that USDA continues to monitor the dairy product markets closely and uses the DEIP when appropriate.

4. Now, I want to talk about an issue that is near and dear to my heart and that is rural economic development. When I travel around rural Minnesota, the theme is consistent: we can't survive unless we have the basic infrastructure that any community needs to survive and to grow.

My favorite story is the one about a small town of around 500 people in southwest Minnesota called Brewster. Not long ago, about 2,000 plus farm families banded together to build a $50 million soybean-processing facility in that town. The problem was that Brewster simply could not handle the increased waste water from the plant and had no money or tax base to make the needed improvements. This story is a good one because it underscores the very real problem communities across rural America have when they try to grow and create jobs so they can keep their kids at home when they graduate from high school or college. I also happen to like the story because it has a good ending: I was ultimately able to help Brewster find the money to get the job done.

But, the problem persists and it is looming large. Over the next 20 years, Minnesota alone will need $7 billion for infrastructure improvements just to meet current water quality standards. Estimates nationally are anywhere from $150 billion according to EPA and $268 billion according to a Minnesota group with expertise in this area. Bringing high-speed internet access to rural communities is also extremely important if rural America is to fully participate in the economic recovery. The Rural Utilities Service Administrator was quoted as saying it is absolutely essential, if communities of 20,000 people are to even remain viable -- much less grow. Yet, the cost of making this happen is estimated to be about $10.9 billion. Same thing is true with rural housing. 1.8 million rural homes and apartments are moderately or severely substandard. Last Congress, Senators Mark Pryor, Lindsey Graham, and Mike DeWine joined me in introducing the Rural Renaissance Act

to help meet these critical infrastructure needs through federal bonding. I also worked with OMB to get regulations published for the Rural Development Loan and Grant program, known as Red Leg, so some of these needs can be met right now.

I hope you will join me in working both legislatively and administratively in meeting these very basic infrastructure needs that must be met if our rural communities are to grow and provide the kind of jobs people in places like Brewster need to support their families. Governor, we are going to take another stab at Rural Renaissance in some form or fashion this Congress and I'd appreciate you working with me. Any comments or thoughts on rural development?

Response: Senator Coleman, I agree with your observation regarding the many benefits of USDA's Rural Development programs. The challenges we face are very real. Rural economic development in Nebraska has been a major part of my experience and I know first hand the difference it makes in the lives of Rural Americans. Quality infrastructure, high-speed telecommunications, affordable housing and quality jobs are essential to the economic vitality of rural communities. I look forward to working with you and others to address these challenges and improve the quality of life in rural America.

5. Another issue that is extremely important to Minnesota and me is renewable fuels. Minnesota and Nebraska are both leaders in this area. Every gallon of gasoline is blended with ethanol in my state and soon every gallon of diesel will be blended with biodiesel derived from virgin soybean oil and even recycled oils. In fact, Governor Pawlenty has proposed that Minnesota increase our ethanol blend requirement from 10% to 20% in the future. How can we in Congress work together with you as Secretary of Agriculture to spread this kind of progressive policy throughout the country in order to advance renewable fuels and the environmental, energy independence, and economic development dividends renewable fuels can provide our country, especially our rural communities?

Response: Minnesota is to be commended for it's leadership in developing state policies to expand the use of ethanol and biodiesel. The best way to spread such policies throughout the country is through a renewable fuels standard that includes ethanol and biodiesel. The Bush Administration supports a renewable fuels standard as part of comprehensive energy legislation that will expand the use of ethanol and biodiesel and reduce our dependence on imported oil while improving the environment and supporting our farmers and rural communities. If confirmed, I pledge I will work with you and the other members of Congress to advance the production and use of renewable fuels, by means of USDA's current programs and by promoting passage of comprehensive energy legislation.

6. Governor, a while back Japan agreed in principle to open up its borders to U.S. beef saying it would work out the details of implementation later. The problem is the foot dragging by Japan. And since South Korea seems to be waiting to see what Japan does, this has a cascading effect on some big U.S. markets. So, the obvious question is, how are

you going to get these markets open in reality rather than principle and when is that going to happen?

Response: If confirmed, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed. I hope to have more information on this question at the Committee hearing to be held on February 3.

7. Soybean farmers in Minnesota have been asking USDA to place a scientist at the University of Minnesota to carry out genomics research that would benefit farmers in the entire northern tier of soybean-producing states. By using our knowledge of the soybean genome to improve protein content in northern soybeans, we could increase export sales to Asia and potentially add 25 cents a bushel to Minnesota and other midwestern farmers' income from soybeans. Will you work with me to find a way to place an USDA-ARS scientist at Minnesota, where the State and the private sector have already invested $10 million of non-federal money to create a state-of-the-art genomics research facility?

Response: If I am confirmed, I will look into the matter and be glad to discuss it with you after I am fully informed of the needs for additional scientific resources on research relating to genomic research on soybeans in your state.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR KEN SALAZAR

1. Governor Johanns, as outgoing Health and Human Services Secretary Tommy Thompson left office, he said he can't understand why terrorists haven't attacked the U.S. food supply, because it's so easy to do. This is an extremely disconcerting statement coming from the head of the Food and Drug Administration. The threat of bioterrorism, contamination through disease, and flawed food safety standards are all timely and realistic concerns. One of the greatest challenges to addressing these threats will be working with other agencies including the Food and Drug Administration and the Department of Homeland Security. How do you plan on working with other agencies to address these very important food safety issues?

Response: I have full confidence in the safety of the nation's food supply. If confirmed, I will continue USDA's commitment to work with the Department of Homeland Security (DHS), the Department of Health and Human Services/Food and Drug Administration (DHHS/FDA) and other federal and state partners to ensure the safety and security of the food supply and to protect public health. For instance, USDA's Food Safety and Inspection Service (FSIS), HHS/FDA and DHS are partnering with the National Association of State Departments of Agriculture (NASDA) to develop integrated federal-state response plans, in support of the National Response Plan, for food and agriculture emergencies. USDA/FSIS has also partnered with other food safety agencies to develop the Food Emergency Response Network (FERN) to integrate the nation's laboratory infrastructure for the detection and identification of threat agents in food at the local, State and Federal levels.

2. Governor Johanns, the past few years have been extremely difficult for small farmers and ranchers in Colorado, Nebraska and across the country. It seems that many agricultural policies and initiatives have reduced our sources of food production and favored corporate farms and large agri-businesses over our smaller, family-run operations. How do you plan to support family farms and ranches across the country and not be one-sided in your initiatives and implementation of agriculture policies?

Response: Traveling around the country, the diverse nature of American agriculture is readily apparent. As President Bush has said, farming families represent the backbone of this country. The U.S. has family farms of all sizes and I will be pleased to work with you and our agricultural sector to discuss how federal policies will continue to respect and encourage the well being of all American farmers and ranchers.

3. Governor Johanns, there is an important issue in Colorado relating to the Forest Service and a potential development. The issue has to do with the proposed development of the base of the ski area at Wolf Creek Pass and it has very significant ramifications for Colorado, so I appreciate you taking a look at it.

3A. As you would expect, this proposed development will have serious and long-term impacts on the environment and the economies of several Colorado counties. Would you please tell me what steps you will instruct your regional forester to take to ensure that the comments and concerns of the local elected officials have been and will be fully considered before a special use permit is approved?

Response: If confirmed, I will ask the Chief of the Forest Service to respond to you in detail on this specific matter. Moreover, as Secretary, I will make certain that public comments, including those of elected officials, will be fully considered.

3B. Have you had an opportunity to study the application for a special use permit for this purpose? Given the controversy surrounding the proposed development, what role will you play in reviewing the permit application and the public comments that have been submitted in response to it?

Response: I have not personally studied this application, however, I am informed that the Department of Agriculture has been kept apprised of this project and I will work to make sure the Department works with you and your staff on this matter.

3C. Although there is some support for the proposed base development, there is also considerable local opposition to the proposal. In particular, the disparate economic impacts of the proposed development (e.g., tax benefits in one county, but the need for housing, schools and other social services – where employees are likely to live – will fall largely in an adjacent county) have not been addressed in the proposed permit conditions. Will those be addressed in further permit conditions, and if so how?

Response: As this is a very detailed but important issue, if I am Confirmed, I will ask the Chief of the Forest Service to respond to your inquiry.

3D. What mitigation efforts will the Forest Service require to address additional storm water runoff, additional sediment loading in nearby streams and rivers?

Response: As this is a very detailed but important issue, if I am Confirmed, I will ask the Chief of the Forest Service to respond to your inquiry.

3E. More generally, what are your views on the Forest Service's mandate to promote multiple use?

Response: As a member of the Western Governors Association I have heard a great deal about this mandate. I support a mandate to develop and administer the renewable surface resources of the National Forests and Grasslands for multiple use and sustained yield of the several products and services they can provide.

4. The Forest Service recently issued new regulations for implementing the National Forest Management Act, that is, for revising and updating national forest management plans. Since forest plans are the most basic and most comprehensive documents that

guide and control both long range and day-to-day decisions about our national forests, and since the public has a strong interest in giving those forests the best management possible, I would appreciate your answers to several important questions.

4A. First, the proposed regulations, among other things, reduce requirements for environmental review of proposed forest management plans. Specifically the proposed regulations would remove the requirement that the Forest Service prepare Environmental Impact Statements or provide a range of plan alternatives on which citizens can comment. In your view, how will citizens be able effectively to comment on proposed plans or otherwise influence the plans' final content if those draft alternatives are not provided? What will you do to ensure that citizens can effectively express their views on these plans?

Response: If confirmed, I will insure that the Forest Service uses a collaborative and participatory approach for revising or amending forest plans, engaging interested individuals and organizations, state and local governments and Federal agencies, and tribal governments. And I am informed that USDA's regulations provide several safeguards to do just that.

4B. Second, the regulations would reduce the level of scientific review of proposed forest management plans. Since national forests contain many significant watersheds for urban areas and generally enjoy a high level of air quality, how will that change affect public health?

Response: I am informed that the 2004 planning rule requires the Forest Service to take into account the best available science when revising or amending forest plans, and to document this within the context of the planning issues being considered, and I fully support the use of sound science in federal regulations.

4C. Third, the regulations provide for use of the relatively untested Environmental Management System, which in some cases employs environmental standards lower than those found in federal law. In your judgment is it wise to apply such a system to our national forests?

Response: While I look forward to learning more about the EMS, I do know that one of the strong points about EMS is the bipartisan support. For example, President Clinton signed the original executive order, 13148, requiring EMS for all federal agencies. Jim Connaughton, the head of the Council on Environmental Quality in the Bush administration has put a great deal of energy into implementing the E.O. I look forward to continuing bipartisan policies founded on sound science.

4D. Finally, what effect will these new regulations have on national forest plan revision processes that are almost completed? Will it be necessary to begin those plans again under the new rules, or will they be completed under the old rules?

Response: It is my understanding that the 2004 planning rule has a transition provision that allows for plan revisions that have already begun to continue under the provisions they were initiated under or to be completed using the new planning rule. There is no requirement to halt an ongoing planning process and start over.

5. Colorado residents and tourists love their National Forests. Although we all recognize the importance of energy production from both public and private lands, many forest visitors -- both those who live near the forest, and those who sustain our tourism economy -- are concerned about how drill rigs and well pads will affect their favorite hiking trail, picnic spot or fly-fishing stream. How closely will you listen to the concerns of citizens and elected officials regarding proposals to issue oil and gas leases or drilling approvals on National Forests in the Rockies?

Response: If confirmed, I will certainly include the public in any proposed activity on the National Forest and encourage full involvement by local citizens and governments in the management of the affected Forest(s).

6. Many local governments in Colorado are calling for caution and careful deliberation in the face of the new natural gas boom. From Pitkin County and the Town of Carbondale on the White River National Forest, to La Plata County, Durango and other small towns on the San Juan National Forest – local elected officials have expressed their concern that oil and gas development not trump other Forest uses or values. How will the Forest Service under your leadership act on the concerns of these elected officials, who live the idea of multiple use but who sometimes see energy development trumping other uses of our public lands?

Response: I have been informed that where Forest Plans allow for leasing of National Forest System lands for oil and gas development, the development is subject to additional environmental analysis and full public involvement. Energy development that is authorized subsequent to environmental analysis is subject to requirements that are consistent and compatible with other Forest uses. Such development will not occur if it excludes other uses.

7. Still on oil and gas, existing Forest plans typically allocate millions of acres as "open" to leasing; hundreds of leases covering broad expanses of our forest are currently in effect. But based on my own experience with forest planning, it seems unlikely that the Forest Service officials who made those leasing decisions expected the kind of high-density drilling we see in some places in Colorado. Recent drilling activity highlights potential conflicts with other uses and threatens surface water quality in our headwaters streams and watersheds, which in turn affects agriculture and population centers alike. In Colorado and across the Rockies, our forests are in the mountains – characterized by steep slopes, short growing seasons, thin soil and the potential for erosion that can also affect water quality. Will you support "no surface occupancy" lease stipulations and other heightened protections in those places, to limit the impacts of oil and gas development on water quality, air quality, wildlife habitat, and migration corridors?

Response: If confirmed, I will work to balance developmental pressures with environmental concerns. It is my understanding the Forest Plans have requirements that assure protection of the resources mentioned above.

8. The National Forests are lands of many uses, but when all uses are allowed everywhere, one visitor's preferred activity can infringe on another visitor's experience. From the Chief on down to local experts, the Forest Service has recognized that increasing use of dirt bikes and other off-road vehicles are one of the top challenges facing the agency – and that population growth and increased use is turning this issue into a crisis.

8A. Are you committed to the agency's efforts to restrict Off-Road-Vehicles to designated routes and trails only? This longstanding policy began in the Nixon administration, but it has become increasingly important in recent years with exploding use and growing user conflicts.

Response: I believe that off-highway vehicles, when used responsibly and in the right places, are a great way to enjoy public lands. Yet the growth in this activity also demands better management tools and better policy direction for land managers. Therefore, I look forward to working with the Forest Service and all interested parties to balance Off-Highway Vehicle use and sound forest management.

8B. Are you committed adequately to funding travel planning, implementation and enforcement activities – so that the agency can properly manage this issue? Do you agree that new plans and designations are effective only if the agency can notify the public through signs and maps and get adequate law enforcement officials in the field to make sure its decisions are followed?

Response: As in all agency programs, success will depend on the resources provided to the hard-working folks on the ground. This issue is important because it impacts the Forest Service's ability to care for the land and serve people. I am committed to using whatever funds are appropriated by Congress to maximum effect. In addition, partnerships with State and local governments, user groups, volunteers, and others are a critical component of travel planning and have proven effective in supplementing federal efforts in trail inventory, construction, and maintenance. I support these partnerships.

9. I know the roadless rule has inspired significant controversy across the West and within the agency. I support the basic goal of protecting those roadless tracts, especially in wilderness areas, but I also recognize the administration's efforts to involve states and local communities in making decisions about Forest Service roads and management. The Healthy Forests initiative -- much of which I support -- has also been controversial. I hope that going forward, you and the Chief Forester will search for opportunities to build consensus among stakeholders about management of our national forests and grasslands, as well as create opportunities for local communities to collaborate with the Forest Service in improving forest health and sustaining local communities. Toward that end, would you be willing to consider an initiative that would accelerate forest management

that is needed to prevent catastrophic fire and restore ecosystem health while simultaneously putting roadless lands -- at least those in the lower 48 states -- off limits to development?

Response: I strongly support taking necessary management actions to prevent catastrophic fires and restore ecosystem health, and working closely with the public and local communities in seeking consensus for designing and taking these actions. President Bush's HFI is likely the most significant and needed forest management reform in a generation and I look forward to working with the Forest Service to implement it. I also welcome any ideas you can offers.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR DEBBIE STABENOW

1. Michigan has struggled with the presence of bovine TB in our cattle as well as our wildlife, namely free roaming deer. Today, we are learning that a human case of bovine TB has been discovered in Northern Michigan. While there is no immediate concern about the human spread of the disease, Michigan farmers and hunters are continuing to face the devastating impact of this disease. Last year, Michigan was designated with "split-state" status, requiring farmers in Northeast Michigan to undergo additional compliance testing which has further harmed them financially. Last year, I submitted a request for $5 million to assist farmers complying with this additional testing, and my request was denied. As Secretary of Agriculture are you committed to funding bovine TB eradication efforts? Will USDA financially commit to assisting farmers struggling to comply with additional testing requirements?

Response: If confirmed, I will insure that USDA continues to work with producers and State officials toward the eradication of bovine TB from Michigan and U.S. cattle. While I believe that USDA testing requirements advance that goal, I also understand the financial burden that this places on the producers. To the extent possible, USDA and State authorities conduct tests at reduced or no cost to producers, although it is recognized that this does not cover more than two TB tests per year. I understand that approximately one third of APHIS' bovine TB funding may be earmarked for use in Michigan in fiscal year 2005.

2. As mentioned, USDA has failed to recognize that Congress intended to provide additional funding for specialty crop purchase in the 2002 Farm Bill. The Conference Report was very clear, and states, "[t]he Managers intend that the funds made available under this section are to be used for additional purchases of fruits and vegetables, over and above the purchases made under current law or that might otherwise be made without this authority." As Secretary of Agriculture, will you adhere to Congressional intent and implement the additional $200 million in new spending for the purchases of fruits and vegetables?

Response: If confirmed as Secretary, I will make sure that USDA consistently implements farm bill provisions according to the statute.

3-A. As mentioned, the emerald ash borer has devastated our tree population, already killing more than 8 million Michigan ash trees. Last month, a new non-native beetle, was discovered in my home state. Any new invasive pests could potentially destroy our tree, landscape, and nursery industries. In lieu of these nonnative pests, what is your position on current inspection measures? As we face additional invasive disease, such as soybean rust, do you have any plans to improve inspection measures?

Response: The strongest measure to protect our nation's agriculture and environmental resources is to prevent the entry of exotic pests and diseases. I understand that USDA's Animal and Plant Health Inspection Service (APHIS) continues with efforts to address exotic pests in their country of origin – well before these pests can spread to the United States. I understand that APHIS is also working with the Department of Homeland Security's Customs and Border Protection to implement risk-based agricultural inspection programs that specifically target those exotic pests that pose the greatest threat to U.S. agriculture and the environment.

3-B. As you know, APHIS has been relocated from USDA to the Department of Homeland Security (DHS), and many argue that animal and pest inspections are not receiving the same focus – nor should they be the primary focus of DHS. What is your position on the place of APHIS?

Response: As you correctly point out, APHIS' port of entry inspection personnel, along with a limited number of headquarters staff who supported what had been the Agency's Agricultural Quarantine Inspection (AQI) program, transferred to the Department of Homeland Security's (DHS) Customs and Border Protection in March 2002.

I have been advised that over the last 3 years, officials with APHIS have worked diligently to establish a good relationship and solid partnership with DHS' Customs and Border Protection. A number of transition issues remain, but these are being addressed through ongoing discussions between USDA and DHS. I believe progress is being made, and I look forward to continuing that progress if confirmed.

4. The specialty crop industry is critical to the Michigan economy and farming communities. Do you believe that specialty crop producers deserve the same USDA treatment as program crop producers? Are you willing to support legislation that would provide grant moneys and programs for the specialty crop community?

Response: I look forward to working with all interested constituents and Congress to provide information requested on H.R. 3242, the Specialty Crops Competitiveness Act of 2004, and subject to the appropriation of funds, implement programs authorized by the legislation.

5. In addition to Section 32, USDA has also misinterpreted the Tree Assistance Program or TAP. Unlike other Farm Bill programs, producers participating in TAP are being limited to a maximum compensation of $75,000 in tree losses for the life of the Farm Bill. All other Farm Bill programs are available on an annual basis. On December 2, 2004, a bipartisan group of Senators sent a letter to USDA regarding this matter, and as of today we have not received a response. Will you uphold Congressional intent and implement TAP eligibility annually, rather than as a one-time-per Farm Bill program?

Response: I have not been briefed on this issue. If confirmed, I will review the letter and expedite a response. I will make sure that USDA consistently implements provisions according to the statute.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR PATRICK LEAHY

1. Gov. Johanns, the Bush Administration has repeatedly cited the Conservation Title of the 2002 Farm Bill as one of its most significant environmental accomplishments. Yet since signing the Farm Bill in May 2002, the Administration has requested cuts to the annual levels of conservation funding mandated by the Farm Bill in each of the budgets it has submitted to Congress. In his FY05 budget, the President requested cuts to the Farm Bill's FY05 conservation funding levels totaling almost $400 million. Will you be a strong advocate within the Administration for maintaining and increasing funding for USDA's voluntary, incentive-based conservation programs? And will you oppose cuts in mandatory conservation farm bill programs?

Response: I appreciate the question and your concern over this topic. It is my understanding that, the long-standing problem of conservation program technical assistance funding, has weighed heavily into some of the figures cited in your question. That is to say, the President's Budget requests for conservation programs included a Farm Bill Technical Assistance Account to help overcome programmatic barriers to providing farmers and ranchers with assistance in implementing conservation projects. As a result, Farm Bill authorizations and the contents of the Administration's Budget submissions are not analogous. I understand there has been an 80% increase in conservation funding since President Bush took office and I look forward to continuing his strong commitment to conservation programs.

2. Last year, on Earth Day, President Bush announced a goal of restoring, improving, and protecting at least 3 million acres of wetlands through voluntary incentive programs, particularly the Wetlands Reserve Program. However in each of the President's budgets since enactment of the 2002 Farm Bill, he has requested cuts to the number of acres that can be enrolled annually in WRP. Specifically, the President requested a reduction in the number of acres that could be enrolled in WRP from 250,000 (the Farm Bill level per year) to 200,000 acres in his FY05 budget, and to 178,000 acres in his FY04 budget. What steps do you intend to take to ensure the Administration restores the maximum number of acres through the Wetlands Reserve Program allowed by the 2002 Farm Bill?

Response: I understand the public support and interest in the Wetlands Reserve Program (WRP) remains strong. My role as Governor in creating the first Wetlands Reserve Enhancement Program, including State contributions, toward landowner payments for easement and restoration goals, is an example of my commitment to wetlands. I look forward to promoting these efforts on a national scale. I share the President's interest in protecting, restoring, and enhancing wetlands and support of the concept of voluntary natural resource conservation.

3. The Farm and Ranch Lands Protection Program has quickly become very popular as it helps save productive farmland from urban sprawl in Vermont and nearly every other

state. This program has been a true partnership with the states by successfully leveraging local and private funding at two or three dollars to every federal dollar. However, it could be working more efficiently if USDA would provide states with more flexibility instead of the current "one size fits all" implementation rules. Will you commit working with the state to provide more flexibility to continue to improve this crucial program?

Response: I commit to taking steps as Secretary to gain a full understanding of the issues that led to this question. As a Governor, I fully appreciate that need for flexibility and allowing programs to function well within a State. However, I also know that the Federal statute for the FRPP is at odds with some provisions of State statutes. To the degree these two factors can be reconciled; I will seek to do so.

4. The USDA administers conservation programs through the NRCS that have provided important environmental benefits in Vermont. I am sure that your experiences in Nebraska have been similar. One of the comments I have heard from my constituents is that many of the decisions concerning the implementation of the programs are not made in an open manner and that information and data is difficult to obtain. As Secretary, how would you ensure that the NRCS both operates programs in a transparent fashion and provides equal opportunity for all farmers and the public to gain information they request in a timely and useful manner?

Response: If confirmed, I will continue a strong outreach program at all levels to assure potential clients receive current information in order to access programs and benefits. I will continue to rely on local input from farmers and ranchers and the conservation community in implementing conservation programs. As Secretary I will also promote the continued availability of program information in a web-based format.

5. I understand you were in Japan when the first case of mad cow was discovered in the United States and you have been a strong proponent of reopening Japan's market to American beef. Although Japan has agreed in principle to accept beef from cattle 20 months and younger, without an animal identification system it is impossible to determine the age of the cow. U.S. negotiators have stated dentition and a meat grading system could verify the age of the cattle. The Japanese prefer a verifiable animal identification system and would be more amenable to resuming trade if such a system was in place.

Since 1998 I have been proud to work with the Department and the Holstein Association in Brattleboro, Vermont in creating a national animal identification pilot program. The Holstein Association's pilot program, partially funded with assistance from USDA, is a precursor to a national animal identification program that will electronically identify individual animals and track their movements from birth to slaughter within 48 hours. To date Holstein's pilot program has proven its electronic animal tracking capabilities with over one million animals enrolled from over 7000 farms in 42 states.

Do you support a national, uniform animal identification system and, if so, how do you propose to speed progress on implementing such a system? Furthermore, do you believe this system should be mandatory or voluntary and why?

Response: I support the establishment of an effective, uniform, consistent, and efficient national animal identification system. Animal disease outbreaks around the world, the threat of intentional introductions of foreign animal diseases, and the single detection of BSE in the United States in December 2003 have made the development of an animal identification system a top USDA priority. I support this effort and look forward to working with you to ensure that the plan for an animal identification continues to move forward expeditiously.

Participation in NAIS continues to be voluntary, and USDA is examining when participation should move from voluntary to mandatory. USDA continues to review comments received through an advance notice of proposed rulemaking published in July 2004, as well as the comments received through the listening sessions held throughout the country. If USDA does decide to make all or parts of the NAIS mandatory, the normal rulemaking process will be followed. The public will have the opportunity to comment upon any proposed regulations.

6. The finding last week in Canada of another "downer" cow with BSE highlighted the special risk that animals too sick or injured to walk pose to the food supply. Under Secretary Veneman, USDA imposed a comprehensive ban on use of any downed cattle for human food. This was a sound public policy move, in my view. Downed animals are known to be at higher risk for mad cow disease, and keeping their products off American dinner plates is common sense.

Yet we still hear rumblings that some want to weaken the USDA ban. They claim that animals unable to walk because of injury pose no health risk. But injury and illness are often interrelated – an animal may stumble and break a leg because of disease that causes weakness and disorientation. And USDA inspectors would have a difficult – if not impossible – task trying to sort out the reason an animal became non-ambulatory. Will you maintain your predecessor's comprehensive ban on use of any downed cattle in the human food supply?

Response: As Governor, I supported Secretary Veneman's decision to take the emergency measure to ban non-ambulatory disabled cattle from the human food supply after finding the BSE-infected cow in Washington State. From the European experience with BSE, we have learned that certain high-risk cattle, such as those that are non-ambulatory disabled, have a higher probability of testing positive for BSE than other cattle.

I am told that Public comments about the ban and the other interim final rules are currently being reviewed. In addition, once the Department completes the BSE surveillance program later this year, there should be a much clearer picture of BSE in this

country, and at that time it would be possible to make fully informed regulatory decisions.

7. With an annual rate of growth of 20 percent per year in organic retail sales, organic agriculture is clearly a bright spot in our agricultural economy. Yet the strength of the organic market is highly dependent on consumer confidence in the integrity of the USDA organic label. Therefore, it is critical that USDA take its role as the administrator of the National Organic Program seriously. This commitment needs to start at the top, with the Secretary of Agriculture, as well as with those who administer the organic programs directly. Please describe your commitment to organic agriculture, and provide your views on the role of the U.S. Department of Agriculture in preserving the integrity of the USDA organic label.

Response: I believe USDA should fully support organic agriculture as an excellent marketing opportunity for producers to succeed in today's competitive global market. Support for organic agriculture should include a full commitment to the integrity of the USDA organic label.

8. In April of 2004, USDA's National Organic Program issued a series of controversial "guidance" and "directive" documents regarding interpretations of Organic Foods Production Act and its implementing rule. These documents caused a great deal of consternation to me and within the organic community, because they threatened to undermine the integrity of the USDA organic label in several key areas. As a result of widespread public concern about these documents and the lack of consultation with the oversight Committees or the organic community prior to their issuance, Secretary Veneman announced that these documents would be rescinded. While this decision by Secretary Veneman was much applauded by me and by the organic community, no action was taken by USDA to clarify the status of these documents with the organic certifiers in the field. The documents simply vanished from the National Organic Program website, but the uncertainty created by the documents with regard to certain organic standards has remained. At the October meeting of the National Organic Standards Board, USDA staff concurred with the Board's recommendations for clarifying the troublesome documents, and committed to posting those clarifications on the National Organic Program website within two weeks. However, several months later, those clarifications have still not been made. Will you provide your commitment to make it a priority to proceed with the clarifications of these April 2004 organic standards documents, in keeping with the commitments made by the AMS Deputy Administrator for Transportation and Materials during the October meeting of the National Organic Standards Board? And if so, I would appreciate it if you could provide me with a commitment about when those clarifications will be made, given that they have already been significantly delayed.

Response: I will make it a priority to work with the Agency to assure that clarifications are issued and published on the National Organic website for all interested parties.

9. The Organic Foods Production Act of 1990 created the National Organic Standards Board "to assist in the development of standards for substances to be used in organic

production and to advise the Secretary on any other aspects of the implementation" of the Act. In recognition of the significant responsibilities of the Board, Congress has repeatedly directed USDA to hire an Executive Director for the Board, and provided increased funds to the National Organic Program for that purpose. Yet no formal action has been taken to fill this position. Please comment on the status of the NOSB Executive Director position. Will you provide your commitment that the position will be announced at a GS 12-14, or higher? If there are budget constraints in meeting this requirement, please specify the additional budget needs in this regard.

Response: It is my understanding that USDA has received input from the National Organic Standards Board and is currently developing a position description for an Executive Director. The Executive Director position will be established at a grade level consistent with its responsibilities. Adequate funds are available to support this position.

10. In the Organic Foods Production Act of 1990 (OFPA), Congress directed the USDA to create a Peer Review Panel to assist the Secretary in evaluating and approving organic certifier applications for accreditation. Congress' intent for the creation of the Peer Review Panel has been reiterated in both the Fiscal Year 2004 and 2005 Agricultural Appropriations processes. Because the role of the organic certifying agents is so critical to assuring the integrity of the USDA organic label, it is crucial that USDA accredit only those certifiers who are fully qualified and are capable of assuring adherence to the strict standards that consumers expect. In OFPA, Congress envisioned the Peer Review Panel to be comprised of "not less than three persons who have expertise in organic farming and handling methods" to assist the Secretary in evaluation of applications of certifying agents seeking accreditation, to ensure that the accreditation process is consistent with existing norms and the intent of the law. To date, the USDA has failed to create such a panel. Can I have your commitment that you will move forward as expeditiously as possible in the creation of the Peer Review Panel?

Response: Yes, I will work with the Agency to consult with the National Organic Standards Board to formalize a peer review panel on an on-going basis.

11. To its credit, USDA commissioned the American National Standards Institute (ANSI) to undertake an audit review of the National Organic Program. While this audit in no way constitutes an outgoing Peer Review Panel as envisioned under OFPA, it is nevertheless a welcome step. However, even though the ANSI audit report has been completed for months, USDA has failed to make the report available to Congress and to the public. I am seeking your commitment to make the ANSI report available to the taxpayers who paid for it as soon as you take office.

Response: I will work with the Agency to make the ANSI audit findings and USDA's response to those findings available on the National Organic Program website.

12. USDA organic standards for livestock and poultry production require access to the outdoors and to pasture. Consumers of organic livestock products rightfully assume and expect that livestock and poultry products that carry the USDA organic label come from

animals that been provided with such outdoor access. Will you comment on your commitment to uphold the outdoor access and pasture requirements of the USDA organic standards for livestock and poultry?

Response: I believe USDA should continue its commitment to upholding the regulations describing the requirements for access to the outdoors and pasture.

13. In creating the National Organic Standards Board, Congress intended the Board to be a citizen panel of experts representing a broad array of stakeholders from the organic community. Currently, there are five vacancies on the Board awaiting replacement by the Secretary. As you seek to fill these crucial positions, will you commit to filling them with candidates with demonstrated organic experience, representing a broad array of stakeholders, including those representing the interests of small-and-medium-scaled organic producers and processors?

Response: I believe USDA should continue reaching out to every organic producer, processor, and certifying agent in the United States in order to obtain a diverse pool of qualified candidates for filling the five vacancies on the National Organic Standards Board. Further, I believe that the candidates submitted for selection should represent a broad spectrum of interests within the U.S. organic community.

14. In addition, if confirmed do you support Department efforts to coordinate organic production and handling data collection and analysis between various agencies, such as NASS, ERS, CSREES, ARS, and NOP? Will you work to increase US exports of organic products by working with the International Trade Commission to facilitate the creation of voluntary export codes? Will you support a budget that includes funding the inexpensive, unfunded authorizations for organic in the 2002 Farm Bill?

Response: I will fully support efforts to coordinate organic production and handling data collection and analysis among all USDA agencies, and will work to promote U.S. organic products, including exports.

15. On March 19, 2003, U.S. Secretary of Agriculture Ann Veneman delivered remarks at the food industry's annual Food Safety Summit and Expo in Washington, DC in which she called for an overhaul of the current meat and poultry inspection laws, some of which date back to 1906. Secretary Veneman's speech came soon after USDA's Food Safety and Inspection Service (FSIS) was prevented by a federal district court judge from withdrawing inspection at Nebraska Beef after USDA inspectors found sanitation violations in the firm's meat processing plant in Omaha, Nebraska. This means that USDA cannot halt shipments of contaminated meat in some circumstances. Do you share Secretary Veneman's views that FSIS needs additional congressional authority to do its job properly?

Response: Protecting public health through a safe meat, poultry and eggs supply is of the utmost importance. I believe we have a strong system in place to ensure the safety of food and protect public health. If confirmed, I will work to further strengthen that system

and will not hesitate to work with this Committee if I identify areas, which need additional legislative action on this topic or any other.

Follow up: Given how much the food industry has changed in the last 100 years, do you think that the food laws should be modernized to address new issues and potential hazards, such as food borne pathogens?

Response: It is my understanding that, USDA regulations and directives are continually being reviewed, revised and updated through the regulatory process to address new issues and potential hazards, such as food borne pathogens, consistent with the best available scientific information.

16. Previous USDA Secretaries have found public forums to be very useful venues for discussing issues critical to the safety of the U.S. food supply. In light of the key food safety issues that this nation faces, which were recently highlighted by Secretary Thompson's comments regarding the real potential of bioterrorism; will you hold public forums, inclusive of all stakeholders, to discuss these issues on a regular basis?

Response: I am fully committed to maintaining an open process for the exchange of ideas, suggestions and comments on how best to maintain the safety of the food supply.

17. The Child Nutrition and WIC Reauthorization Act enacted by Congress and signed by the President last year was an important bipartisan achievement in improving many of our nation's food assistance programs. One initiative that I am particularly interested in having the USDA's cooperation and assistance in implementing is the new farm-to-cafeteria grant program. This program, established under section 122 of the law, would provide competitive grants of not more than $100,000 for schools and non-profits to set up relationships with local farmers to bring farm-fresh foods into the school cafeteria. Can we in Congress count on your support at the Department to promptly create implementing regulations and to work with this Committee to identify funding for this important initiative to benefit school children and farmers across the nation?

Response: As you know, I have not been briefed on the President's 2006 budget request, so I am not in a position to comment on funding for this program. However, should Congress appropriate funds for the farm-to-cafeteria grant program, you can be assured that USDA will work aggressively to ensure rapid and effective implementation.

18. In taking over the helm at the Department of Agriculture you will have the opportunity to not only serve and assist our nation's agricultural community but to serve and assist some of our nation's most vulnerable citizens through administration of the Food Stamp, child nutrition and WIC programs. The Child Nutrition and WIC Reauthorization Act enacted by Congress and signed by the President last year was an important bipartisan achievement in improving the child nutrition and WIC programs specifically. Can we in Congress count on your support to faithfully implement the many program improvements and expansions contained in that law?

Response: It is my understanding that the Child Nutrition and WIC Reauthorization Act of 2004 provides a tremendous opportunity to strengthen federal nutrition assistance programs and improve their effectiveness for low-income families and children. Congress, and this Committee specifically, can count on my support to faithfully implement the provisions of this Act.

19. Hunger does not stop at our nation's borders. The USDA works in concert with the Agency for International Development and with international hunger relief organizations to share our nation's agricultural bounty with those most in need throughout the world. The McGovern-Dole International Food for Education and Child Nutrition Program is a particularly important effort of the USDA. Through this program children in poor countries are able to receive nutritious meals at school. This program has a proven track record of increasing school enrollment, particularly among girls who are too often mistreated and marginalized in their societies, as well as increasing literacy, overall academic achievement, and health of children in countries devastated by war, poverty, hunger and disease. Increased resources are essential for the expansion of this program throughout the world in order to combat terrorism, poverty and hunger in areas critical to US national security as well as to spread democracy and goodwill toward America. Can we count on your support of this important international initiative and will you work with this Committee to identify and secure increased funding for the McGovern-Dole program in Fiscal Year 2006 and beyond?

Response: I fully agree with you on the importance of helping children in the U.S and around the world improve both their education and nutrition. I also believe that programs like the McGovern-Dole International Food for Education and Child Nutrition program have been an important tool in this effort. I look forward to working with you and your colleagues to ensure appropriate funding for these types of programs.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR MIKE CRAPO

1. Many agricultural trade issues tend to be related to non-tariff trade barriers. How do you see the USDA's agencies working together and with other Federal Departments such as the Department of State, Commerce, and the U.S. Trade Representative, to eliminate these barriers?

Response: It is my understanding that the USDA and other relevant Federal agencies cooperate closely on these issues. This cooperative work across agencies is critically important to resolving many ongoing agricultural trade disputes and I will work with my counterparts across the government to see it continues.

2. Since the adoption of the WTO sanitary and phytosanitary rule in the Uruguay Round, the number of fruit and vegetable import petitions received by the U.S. has increased tremendously. Many of these import petitions have been successful. In contrast, I understand that U.S. growers have had difficulty getting phytosanitary export petitions processed by the USDA. What changes should be made in order to ensure that fruit and vegetable export petitions are processed in a timely manner?

Response: I know that in order for U.S. producers to be successful, they must have access to international markets. In today's world, and under prevailing international trade agreements, this also means the United States must accept imports of foreign agricultural commodities, but only after finding that these products do not pose a risk to U.S. agriculture. I intend to work very hard to support the processing of phytosanitary export petitions and other activities by USDA to open new markets for U.S. producers.

3. The USDA has put substantial safeguards and surveillance measures in place to address BSE. Unfortunately, there are still those that are unaware of the significant achievements that have been made. What are your plans for leading the agency to ensure that foreign markets and U.S. producers are aware of these achievements and increase the faith in the department?

Response: Trade will be a significant priority for me as Secretary. Part of this is educating our trading partners about our achievements in BSE surveillance and our safeguarding measures. I believe as Secretary that I can play a key role in making our trade partners aware of these achievements, offering input and the scientific information at my level that is necessary to make good trade decisions.

4. I'm sure you are aware of the many questions being raised regarding the reopening of the U.S. market to Canadian cattle and beef products. Idaho cattle producers are among those questioning how age verification will occur. Their questions include: Will the cattle be unloaded at the border for age verification? Who will determine the age at

slaughter and who will be responsible for the liability of age verification? Do you foresee these questions getting resolved prior to the rule implementation in March?

Response: I have been informed, under this rule, cattle imported from a BSE minimal-risk region must be accompanied by certification by an authorized veterinary representative of the region of origin that the animals entering the United States are less than 30 months of age. As with the importation of all livestock into the United States, Animal Plant Health Inspection Service (APHIS) port veterinarians will be responsible for assuring that shipments of animals presented for import fulfill all necessary import requirements before their release from the border port. Verification of the animals' age can be made based on review of the certificate. In addition, animals will undergo visual inspection by U.S. inspectors at the port of entry while they are in the means of conveyance.

Regarding determination of the animal's age at slaughter, it is my understanding that the Food Safety Inspection Service will confirm the age of cattle, both of U.S. and foreign origin, by means of documentation that identifies the age of the animal and, where necessary, by examination of the dentition of the animal to determine whether at least one of the second set of permanent incisors has erupted.

I intend to work with the agencies to be sure outstanding issues are resolved prior to implementation of the rule.

5. What is your perspective on the role of science and risk assessments in enabling USDA to continue to ensure the safety of food and the health of livestock in the United States?

Response: Science and risk assessments play a vital role in USDA's efforts to improve food safety and public health. Under my leadership USDA's use of risk assessments and sound science, food safety and public health will continue.

6. What is your perspective on the role of USDA in responding promptly and decisively to issues that could affect consumer confidence and international trade?

Response: I fully recognize the integral role that USDA plays in maintaining consumer confidence in the safety of U.S. products, both domestically and abroad, when issues arise. The interrelationship between consumer confidence and market maintenance is evident. The essence of consumer confidence is transparency and effective communication. Therefore, basing decisions on sound science having a coordinated response plan and demonstrating the effectiveness of that plan are important parts of opening new markets and keeping exiting markets open.

7. Fruits, vegetables, nuts and other specialty crops make up about 50% of the farm-gate value of all agricultural (plant) crops in the U.S. However, federal agricultural policies have historically been focused primarily on the major "program crops." Given the many challenges that our specialty crop growers face to remain competitive in global markets, I

believe that U.S. agriculture policies need to take into account the competitive needs that these growers face. As we begin the process of crafting a new Farm Bill, can I count on you to work to fully meet the needs of specialty crop growers?

Response: On December 21, 2004, President Bush signed H.R. 3242, the Specialty Crops Competitiveness Act of 2004. The legislation seeks to improve numerous areas of Federal public policy to promote increased consumption of U.S. specialty crops and enhance the competitiveness of producers. If confirmed, I will work with the U.S. specialty crop industry and Congress to implement the bill subject to the appropriation of funds. In addition USDA will fully implement any other programs that may be mandated by Congress in the future.

8. The planting flexibility requirements for fruits and vegetables that were maintained in the 2002 Farm Bill have been of significant importance to Idaho specialty crop producers. This provision of the Farm Bill was intended to prevent producers of program crops who receive government payments from unfairly competing with producers of crops who are not receiving government support. This requirement is of importance to Idaho potato producers. While potatoes can be grown in a variety of regions of the United States, it is vital that potato producers in Idaho are not forced to compete with producers that are harvesting potatoes on acres for which they are also receiving a federal program commodity payment. Are you committed to maintaining this provision?

Response: If confirmed, I will make sure USDA continues to enforce the fruit and vegetable provisions of the 2002 Farm Bill unless Congress changes the law.

9. As we continue to work to address the issue of obesity and improve the nutrition of all Americans I have been impressed with the success of the Fresh Fruit and Vegetable Program in decreasing the risk of obesity, increasing attention in class, reducing consumption of less healthy food, increasing student awareness of a variety of fruits and vegetables and helping feed hungry children. Unfortunately, we do not yet have the Fresh Fruit and Vegetable Program in Idaho schools and the majority of other schools across the nation. Through the Child Nutrition Reauthorization Act, enacted last year, this program was extended and expanded from its original authorization as a pilot program in the 2002 Farm Bill. I continue to support expanding the program, and will continue to work to have this program offered to Idaho students. Do you support expanding the Fresh Fruit and Vegetable Program to a greater number of students across the United States?

Response: Promoting fruit and vegetable consumption is important for the health and well being of our children. As Secretary, I intend to look for the most cost effective and efficient ways to do this through the Child Nutrition Programs, and the very popular Fresh Fruit and Vegetable Program will be considered in this context.

10. As you know, we have a long-standing dairy federal order system and expensive price support scheme that is structured to increase the price of milk through marketing controls, and the 2002 Farm Bill included an additional costly subsidy program Milk

Income Loss Contract (MILC) payments that is intended to lower the price of milk through direct payments to farmers. The USDA recently released a report concluding that these approaches are at odds with each other. The MILC program is set to expire this year. What approach do you think the USDA should take in the face of the expiration of the MILC program?

Response: To date, dairy producers have received about $2 billion in direct payments under the MILC program. On behalf of the President, I am ready to work with Congress on dairy programs, including the reauthorization of MILC.

11. I understand that during your service as Governor, the Nebraska legislature debated forming a state dairy compact. A regional pricing compact has been tried and failed in the U.S. As we prepare for the next Farm Bill, please give your perspective on dairy compacts?

Response: This is a controversial issue among dairy producers, the dairy industry, consumers, food assistance program operators and recipients and Members of this committee. The President last fall indicated that he does not support regional dairy compacts and I support his position. If confirmed, I hope to work with Congress to find ways of supporting dairy producers that help all producers and at the same time protect the purchasing power of low-income households.

12. Idaho is a leading dairy state and our processors and producers are most concerned about creating an environment for price stability. We have a national track record of adding even more programs aimed to help but all they seem to bring is more price volatility for farmers. In the past year to 18 months, for example, we have had all-time record high milk prices compared to world prices. Even with this we have had tremendous market instability so instead of a safety net for producers, we seem to have created an economic trampoline. What policies do you see as essential to ensuring competitiveness of U.S. dairy in the world marketplace?

Response: I greatly appreciate your question. At times, we can become overly concerned about whether current dairy policy is favoring one area of the country over another. While important, that focus can divert us from addressing the essential question you raise about the competitiveness of the U.S. dairy industry in the world marketplace. This issue is especially important as new and existing trade agreements reduce export subsidies and increase market access.

Over the past two decades, the U.S. dairy industry has continued to grow while marketing a small percentage of its dairy products in world markets. In contrast, Australia and New Zealand have made great strides in marketing substantial portions of their production and have become major competitors in world dairy markets. The European Union (EU) also remains a major exporter of dairy products, primarily through the use of export subsidies. Thus, a key to ensuring the competitiveness of the U.S. dairy industry in world markets is the elimination of export subsidies and increased market access. Elimination of export subsidies and increased market access will open up new markets and reduce exportable

supplies of dairy products from the EU, raising world prices and making the U.S. more competitive in world dairy markets. Another important key is assuring that our dairy producers and processors have access to the newest technology and research, which will enable our producers and processors to compete in world markets as opportunities unfold.

13. I hope you will agree with me that the conservation programs administered by USDA are some of the most environmentally significant programs the federal government administers. One of my goals with the conservation programs is to help producers comply with regulations—regulations often intended to help us meet the public's goal of cleaner air and water, and more wildlife habitat. Of particular interest to me is the Endangered Species Act. Do you agree that the conservation programs should help producers meet the burdens of regulations? Do you believe we can use USDA's conservation programs to help producers meet the demands of the ESA?

Response: Conservation programs can and do help reduce the burden of regulation. It is my understanding that in the case of the Endangered Species Act (ESA), USDA is working proactively to help producers address the habitat needs of Threatened and Endangered Species, and at-risk species.

In a broader sense, the Administration's commitment toward Cooperative Conservation will mean greater emphasis on assisting producers identify opportunities for improved and increased habitat.

RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY DESIGNATE MIKE JOHANNS BY SENATOR RICK SANTORUM

1. Our existing federal order program bases milk pricing on use classification and region of production from a 70-year-old model that no longer reflects today's market. Please give me your perspective on the successes and failures of the current federal regulation of the dairy industry?

Response: I understand that Federal Milk Marketing Orders have changed over time, but may not have changed as much or as fast as some would like.

Nevertheless, the Federal Milk Marketing Orders with its system of regional pricing for milk for beverage use has been controversial. Rightly or wrongly, producers and processors in some regions believe they are being disadvantaged by this system. This creates divisiveness rather than cohesiveness within the dairy industry. More unity within the dairy industry is a must if the dairy industry is to take full advantage of future domestic and international marketing opportunities. If confirmed as Secretary of Agriculture, I will work with Congress and the dairy industry to address regional concerns and to promote a more unified dairy industry.

2. USDA released a report in October that concluded this patchwork dairy policy based on region and classification is not working. The study concludes that comprehensive structural reform is needed for dairy policy. How will you direct your agency to pursue dairy policy reform that is effective and fair to all regions of the country and that provides a true safety net to all dairy producers?

Response: I have not yet had an opportunity to review this report in detail. However, I would note that the study's conclusion says "[F]uture policies should include clearly defined goals to devise targeted measures that take into account underlying forces driving the transformation of the U.S. dairy sector." I believe this is very sound advice and let me assure that if I am confirmed I will work with Congress to ensure that dairy policy is fair to all regions and is effective in providing a true safety net to all dairy producers.

3. Dairy issues are often seen differently depending on the size of the producer and the regional location of the producer. Congress attempted to balance the sometimes disparate needs of the nation's producers by creating the Milk Income Loss Contract program (MILC). How would you rate the success of the MILC program in its now more than two years of existence? Do you support extension of the MILC program beyond its current expiration date?

Response: The President and I know the importance of the MILC program because it provides direct counter-cyclical payments to small dairy producers. To date, dairy producers have received about $2 billion in direct payments under the MILC program.

On behalf of the President, I am ready to work with Congress on dairy programs, including the reauthorization of MILC.

4. Federal marketing orders were created, in some cases decades ago, to allow producers, processors, and consumers to benefit from the initiatives and rules carried out by the various marketing boards. In some cases, it is obvious that these marketing boards are acting in a way that is inconsistent with the interests of these same producers, processors, and consumers. In these cases, will you exercise your power to correct these marketing boards?

Response: I will ensure that all federal marketing orders, and the actions of their administrative committees, remain consistent with the current law and that USDA will continue its oversight of the activities of these committees, review all actions taken by them and assess their impact on producers, handlers, processors and consumers.

5. I was pleased last year when Secretary Veneman secured the Administration's endorsement of legislation to stiffen penalties for violations of the Federal animal fighting law regarding dog fighting and cockfighting. Staged animal fights are undeniably cruel. Cockfighting has even contributed to the spread of costly and dangerous illnesses, such as exotic Newcastle disease. Are you committed to working with Congress to stiffen penalties for violations of federal animal fighting laws?

Response: I understand that last year USDA supported S. 736 that would have, among other things, made the penalty for animal fighting a felony. This makes sense from an animal welfare standpoint, and would also help to deter cockfighting which, as you note, could play a role in the introduction and spread of exotic poultry diseases. I have not been briefed on further changes to this act, but will work with you and other Members on these issues.

6. The reopening of Japan and other export markets is a top priority for U.S. beef industry. What is your plan to reopen these markets?

Response: If confirmed, I will do everything I can to move this process aggressively. There will be no let-up, no slow-down in our efforts to reopen Japan to our beef products, none whatsoever. Japan is our number one beef market and our second largest customer overall. This has been a top priority for the Department over the past year and will continue to be until trade is fully resumed.

7. As you know farm commodity support provisions in the current farm bill expire at the end of the 2007 crop year. Budget constraints and trade agreements may cause Congress to reduce spending. How do you plan to manage spending needs of conservation and commodity programs?

Response: There are certainly challenges facing us in the coming year in both the budget and trade arenas. I am committed to maintaining effective programs that serve both our farmers and ranchers and the conservation needs of the country. I look forward to

engaging with the Congress and other stakeholders as we seek solutions to these challenges.

8. The Farmland Protection Program presents tremendous economic benefits to the agricultural industry by ensuring that the most productive farmland in our nation will be maintained for future generations. Recently there has been some concern that the program has become inflexible. This past year Pennsylvania could participate only after it was granted a waiver. Do you agree that the Farmland Protection Program should remain flexible, so as to allow maximum participation?

Response: I am hearing this concern from other States as well. I commit to taking steps as Secretary to gain a full understanding of these issues. As a Governor, I fully appreciate that need for flexibility and allowing programs to function well within a State.

9. The mandatory Country of Origin Labeling law passed by Congress in the 2002 Farm Bill is widely seen as unworkable. What are your thoughts on the current mandatory labeling law? Are you committed to working with Congress to replace the mandatory labeling program with a voluntary program?

Response: Congress passed Country of Origin labeling legislation that will be effective for the meat and produce industry in 2006. It is important to keep in mind that this is a marketing program, not a food safety program and the legislation specifically precludes it from being used as an animal-tracking program. As you know, the Administration has been clear that it prefers a voluntary program, and if confirmed, I will continue the Administration's support for a voluntary approach. However, if the current law requiring mandatory labeling is not changed, I will, if confirmed, faithfully implement the law.

10. Sugar growers often urge that sugar be left out of trade agreements. In fact, they are opposing the Central American Free Trade Agreement because sugar is included. As Secretary, will you keep in mind that if we exclude sugar, our trading partners will probably exclude other commodities that are equally sensitive to them?

Response: I understand the concerns of some producer groups that if we start exempting or excluding products and sectors, then our trading partners want to do the same. However, it is clear that there will be sensitivities from both parties in the negotiations that must be addressed. The challenge is to take into account these sensitivities and come up with creative approaches that facilitate trade to the fullest extent possible.

11. It is becoming increasingly clear that impediments to increasing exports of U.S. fruit and vegetables can be traced to the proliferation of sanitary and phytosanitary (SPS) barriers being erected by key importing countries for this important agricultural sector. First, do you think SPS protocols should have a higher priority during the ongoing WTO negotiations and second, will you work to ensure that APHIS is strongly focused on export petitions and remove this serious backlog?

Response: It is my understanding that the Administration recognizes that addressing unjustified sanitary and phytosanitary (SPS) barriers for U.S. exports must be a top priority in our agricultural trading relationships.

It is my intention to fully engage in, and support, these and other efforts to open new markets for U.S. producers.

12. Fruits, vegetables, nuts and other specialty crops make up about 50% of the farm-gate value of all agricultural (plant) crops in the U.S. However, federal agricultural policies have historically been focused primarily on the major "program crops." Given the many challenges that our specialty crop growers face to remain competitive in global markets, I believe that U.S. agriculture policies need to take into account the competitive needs that these growers face. As we begin the process of crafting a new Farm Bill, can I count on you to work to fully meet the needs of specialty crop growers?

Response: On December 21, 2004, President Bush signed H.R. 3242, the Specialty Crops Competitiveness Act of 2004. The legislation seeks to improve numerous areas of Federal public policy to promote increased consumption of U.S. specialty crops and enhance the competitiveness of producers. If confirmed, I will work with the U.S. specialty crop industry and Congress to implement the bill subject to the appropriation of funds. In addition USDA will fully implement any other programs that may be mandated by Congress in the future.

13. One area of USDA's responsibilities is the management of the National Arboretum. Operated under the Agricultural Research Service, this facility serves important horticultural research, public education and conservation functions. In recent years, Congress has urged USDA to strengthen and expand the scope of public-private partnerships with the Arboretum to enhance public awareness and use of the facility as well as to supplement its financial resources. Will you seek to increase the profile of the National Arboretum?

Response: I have not had an opportunity to visit the National Arboretum but look forward to doing so. It is my understanding that the U.S. Department of Agriculture (USDA) has taken several steps to develop and enact a more open policy to expand access to and use of the U.S. National Arboretum (USNA) by private sector and nonprofit organizations. Such actions would have the benefit of increasing USNA's ability to generate supplemental funds for its programs and facilities.

14. I believe that providing a robust risk management program for producers is preferable to ad hoc disaster payments. What is your assessment of the current crop insurance program? As Secretary what policy changes, if any, will you suggest?

Response: Federal crop insurance covers a large number of agricultural commodities and on a very large proportion of our acreage base. It is a critical component of the overall safety net available to producers.

When disasters strike, crop insurance participation at higher levels of coverage means more assistance to farmers. As a Nebraskan, I know first-hand how natural disasters can impact farmers. My state has been particularly hard-hit by drought in the last few years.

The cost and frequency of ad hoc disaster assistance has been and continues to be a topic of concern. The greater the amount of disaster assistance, and the more consistently it is offered, the less incentive producers have to purchase crop insurance. I look forward to working with you and other members of Congress on developing an even stronger risk management portfolio for our farmers and ranchers to reduce the need to request ad hoc disaster assistance.

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