

Thank you Mr. Chairman.

Chairman Chambliss, Senator Harkin and members of the Committee, thank you for this opportunity to come before you. Senator Grassley, I am most appreciative of your kind and gracious introduction.

I am deeply honored by the nomination of the President to serve as the Under Secretary for Rural Development. I have tremendous respect for the mission of Rural Development and deep admiration for its employees. So it is with a great deal of humility that I appear before you today in this confirmation process.

I would like to introduce my wife of nearly 34 years, Ann. Our daughter Allison Kleis, her husband Karlton, and our granddaughter Emerson, as well as our son Andrew, all of Des Moines, were unable to be with us. My father is deceased, and although my 83-year-old mother, Margaret Dorr, would like to have been here, her health precludes that. However, my parents' guidance, support and love has been instrumental in my desire to serve rural America and to be with you here today.

Since May of 2001, I have been honored to serve as a consultant and Senior Advisor to Secretary Veneman and now Secretary Johanns. President Bush appointed me to serve as Under Secretary for Rural Development from August 2002 through early December of 2003, and I deeply appreciate his decision to nominate me once again for this important position. I take the confidence he has shown in me with the utmost seriousness. Prior to serving at the Department of Agriculture, I was a full time farmer and businessman from Marcus, located in northwest Iowa.

My great grandfather, a German immigrant, was the first homesteader in Amherst Township in Cherokee, County. A single large tree marks the spot near the creek where he built his first sod home. When I visit that tree, I'm reminded of how much agriculture has changed. Farming is the first and noblest of professions, but one that is constantly changing. You are constantly reminded that many forces in farming are outside of your control. This uncertainty has made it necessary for farmers to develop relationships with their families and neighbors in order to weather these challenges.

My father was an early innovator who tried to find new ways to manage risk through diversification. He was interested in value-added concepts before they were described as such. He and my uncle owned and operated grain elevators and feed mills. They also had hatcheries, grow-out facilities, and even a poultry processing plant that allowed them to slaughter and ship frozen turkeys throughout the country. Yet, because of the ever-changing economic landscape they sold these businesses during the early 1960's.

I am the eldest son in a family of nine children. My father and I were especially close. Upon my return to the farm in 1971, my dad and uncle entrusted me to oversee the farming operation. They placed some of their land in trusts in order to provide for my mother and aunt, as well as pay college expenses for the children of both families. This was a tremendous responsibility, and one that has not been without challenges. It has not been easy to fulfill the parents' wishes,

while also trying to respond to the needs of eight brothers and sisters and five cousins.

In my statement to this committee three years ago, I took the time to outline my background in farming and involvement in a variety of public service venues. Today, I'd like to share with you more about my passion for rural America and what I have learned during my tenure at USDA.

First, during the period in which I served as Under Secretary, I was blessed to lead a talented and dedicated staff of professionals at USDA Rural Development; here in D.C., in our Service Center in St. Louis, in our 47 state offices and in more than 800 local offices across the country.

It was gratifying to watch as these energetic and committed people worked together as a team. We made great progress in expanding our outreach to qualified individuals and communities, making them aware of, and assisting them with, our many USDA Rural Development programs. We put a special emphasis on minority outreach.

Our overriding goal during my time leading USDA Rural Development was to be the ADVOCATE for rural America, and we took that objective very seriously. I witnessed many examples of leadership and creativity from our team in working with communities, often bringing multiple funding sources together such as Federal, state, non profit and private.

I would like to share some examples that I have witnessed in person.

First is the Guadalupe Garcia family who were part of a self-help housing program in Anthony, NM, a Colonias community. Mr. Garcia is a machine operator with Tyson Foods. I was fortunate to be there when they moved into their new home for the first time. A home with running water and central air and heating. This was a very emotional event.

But the unique aspect of this program is that it is a collaborative effort between the community, USDA Rural Development, the financial institution, and the homeowner. A minimum of Federal investment was required, but plenty of sweat equity on the part of the new homeowner. The result is a safe, secure house and a stronger family unit that becomes part of a viable rural community.

The second example was the Grand Opening of Meadow Brook Farms, a producer-owned, value-added cooperative in Rantoul, IL. This uniquely organized cooperative worked with local government, bankers and the state and national USDA Rural Development staff to put the project together. This effort has resulted in a facility that processed nearly 690,000 hogs in 2004, utilizing a state of the art animal ID and tracking system. The 200 producer members have a better market for their quality hogs, are building equity in their new venture and have created over 300 new jobs in the rural community.

These examples demonstrate the great work this agency can accomplish with support from the Administration and Congress, plus a motivated and well-trained staff.

We are entering an exciting time in rural America. In many areas, the out migration trends are being reversed. We are seeing more young people staying in their hometowns to raise their

families and care for aging parents. Baby Boomers are moving back to smaller towns for the quality of life.

We are also seeing significant gains in value-added agriculture, allowing smaller operations and co-ops to successfully compete in niche and emerging markets. This development has raised incomes for area farmers and for many local investors. At the same time, it has created new jobs in these communities and provided additional incentives for young people to stay in rural America

There are plenty of other exciting developments on the horizon for rural America. The list is virtually endless, limited only by our creativity and dedication to develop significant new income sources for America's farmers and ranchers and local businesses, while providing jobs and a better quality of life for those who choose to live in our rural communities.

I understand fully how important USDA Rural Development programs are to the citizens in your states. This wonderful agency has the tools to impact so many lives in a positive way at a very low cost to the taxpayer.

If confirmed, I pledge to work tirelessly with you to make the vision of rural rejuvenation a reality, and in that I will be, second only to Secretary Johanns, the most energetic champion at USDA for the future of rural communities. Thank you for holding this hearing and your consideration of my nomination.

I look forward to answering any questions you may have.