

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.