

TESTIMONY OF JAMES W. MILLER

SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Wednesday, April 1, 2009

Chairman Harkin, Ranking Member Chambliss, and members of the Senate Committee on Agriculture, Nutrition and Forestry, thank you for the opportunity to appear before you today. In particular, I want to thank Senator Kent Conrad for his kind introduction and indicate how much I enjoyed working for him for the 4 years I spent as part of his Senate Budget Committee staff.

I also want to take this opportunity to introduce my family to the Committee. Next week my wife Sandy and I will be celebrating our 35th wedding anniversary. Sandy is my best friend and strongest supporter. To the extent the various activities I have undertaken involve sacrifice, she has been the one to bear that inconvenience and I thank her for her patience and understanding.

In addition, I would like to introduce my oldest son Matt and his wife Alison who are the parents of our two wonderful grandsons Emmett and Oliver. I am also very happy that our other son Adam and his wife Amber were able to travel from their home in Phoenix to be here today. I am extremely grateful that my family could be here today and I thank them all for their love and support.

Mr. Chairman, members of the Committee, it is a great honor and privilege to be nominated by President Obama to serve as Undersecretary for Farm and Foreign Agricultural Services at the Department of Agriculture during this critical period. I am very mindful of the responsibilities of this position and the importance of its mission areas at the Department to our farmers, ranchers and all citizens of our rural communities, the American tax payer, as well as our consumers, both here and abroad.

The mission areas for the Under Secretary position for which I have been nominated include the Farm Service Agency, Foreign Agriculture Service and the Risk Management Agency at the Department of Agriculture. Each of these important agencies is staffed with professionals who work very hard to provide the highest level of service to their customers and stakeholders.

If confirmed, it will be a great honor to work shoulder-to-shoulder with these fine public servants to carry out the policies and responsibilities that Congress and the Obama administration have identified for each of these mission areas.

Today the American people are faced with historic economic challenges. Farmers, ranchers and rural communities are not immune from this crisis. Farm commodity markets have crumbled as a result of the bursting of the speculative bubble in the futures markets and changing market fundamentals, export markets are declining due to the

depth of the global economic recession, and tremendous uncertainty exists throughout production agriculture because of weaker prices, high input costs and increased difficulties when it comes to financing their operations. And, as is always the case, farmers and ranchers must constantly cope with the weather.

The cost/price squeeze faced by producers in each agriculture sector and each region of the country presents a real challenge that is immediate and compounded by what is likely to result in increased credit requirements for many producers this year. In addition, many agriculture lenders are tightening their credit standards while also facing constraints on their own ability to secure adequate capital to finance production agriculture this year.

I am under no illusion about the challenges our producers are facing this year. The risks for producers under these conditions are significant while the rewards are uncertain. Furthermore, I recognize that USDA must quickly make up ground in implementing the 2008 Farm Bill to ensure the safety net that was promised in the legislation as delivered.

I am keenly aware of the extraordinary effort made by this Committee last year to pass this historic farm bill. If confirmed, I will regularly seek to consult with the members of this Committee and your House colleagues to move as quickly as possible to implement the many provisions of the Food, Conservation and Energy Act of 2008 as well as the provisions of the American Recovery and Reinvestment Act that fall within FSA, FAS and RMA mission areas.

If confirmed, I pledge to work with all my energy to implement these programs in a way that is consistent with the intent of Congress and in a way that is fair and equitable to those who participate in these programs. Specifically I will:

- Conclude the Departmental review of the 2008 Farm Bill regulations promulgated by the previous administration and press to issue the regulations pertaining to the 2009 commodity programs as well as other important provisions such as the Conservation Reserve Program (CRP) and the Biomass Crop Assistance Program (BCAP) as soon as is practical.
- Ascertain the status and expedite the process of developing the regulations pertaining to the implementation of the disaster provisions of the 2008 Farm Bill as amended by subsequent legislation.
- Examine the tools available to the Department to help alleviate the crisis conditions that exist within specific sectors of production agriculture such as dairy.
- Review the public comments and initiate the process to promulgate the rules pertaining to the payment limitation provisions for the 2010 commodity program year.

- Work to ensure the agriculture export programs supported by the Foreign Agriculture Service continue to meet the needs of the cooperator groups and stakeholders in their efforts to expand U.S. agriculture sales abroad and help alleviate hunger overseas.
- Implement the modifications to the federal crop insurance program as prescribed by the 2008 Farm Bill.
- Initiate preparations for the upcoming round of negotiations of the Standard Reinsurance Agreement between USDA and its private sector insurance partners.
- Work within the Department and with Congress to develop a realistic and workable plan to modernize the information technology at USDA necessary to ensure the efficient delivery of its programs.

In addition, I want to emphasize my commitment to a statement Secretary Vilsack made during his confirmation hearing. The Secretary stated he would work hard to resolve outstanding civil rights claims in program and employment practices and would not tolerate discrimination in any form at USDA. I, too, am committed to turning this page at USDA. Discrimination in any form will not be tolerated in the agencies over which I have responsibility.

Let me conclude by once again expressing my gratitude to President Obama for the faith and confidence he has placed in me to take on this important responsibility and to you, Mr. Chairman, Senator Chambliss and the members of the Committee for the opportunity to appear before you today.