

Future of Agriculture: Young Farmers – Unlimited Opportunities Plenary Panel USDA 2014 Agricultural Outlook Forum

February 20, 2014- Crystal Gateway Marriott Hotel, Arlington, Virginia

DEPUTY SECRETARY KRYSTA HARDEN: I think I can speak for everyone to say that we had a great morning so far. It was just terrific. I thank our panelists, Dr. Glauber, and the Secretary for all the great information, and for the interest from all of you. Thank you. You are going to be very excited about our next panel. I just spent a few minutes with them backstage and seeing their energy, their excitement, it makes thrills for what we have ahead of us in agriculture. We are truly changing the face of agriculture.

They all four said they had never even attended an Outlook Forum. Am I correct in that? So we really are changing the dynamic of who you're hearing from, not only who is attending this session. I'm going to introduce each of them, and they're going to come to the stage, and will be joined by the Secretary as our moderator. Michael O'Gorman is joining us today. He's a leading organic farmer and executive director of the Farmer Veteran Coalition. The Coalition has been at the forefront of efforts to connect military veterans with careers in agriculture. Joanna Carraway is co-owner of the Carraway Farm Families in Murray, Kentucky, and recipient of the 2013 Tomorrow's Top Producer Horizon Award. Greg Wegis, is president of the Kern County Farm Bureau in San Joaquin Valley, and the recipient of National Outstanding Young Farmers of America Award. Emily Oakley is the owner and operator of Three Springs Farm in eastern Oklahoma, and interim director of the National Young Farmers Coalition. Secretary Vilsack.

SECRETARY VILSACK: To echo the comments of the Deputy, this is a terrific opportunity for us to visit with a number of folks who are working very hard to make agricultural opportunities available to new, beginning, and young producers, a very diverse group, with a number of different interests from different parts of the country, different operations, different-sized operations. I'd like to invite the panel, as we did with the first panel, to say just a few words, based on whatever message they'd like to deliver, especially to the young people. Then we'll just go right down the line. Michael, we'll start with you. After that brief period of time, we'll have an opportunity for me to ask a few questions, and then we will open it up to the audience. Michael?

MR. MICHAEL O'GORMAN: Thank you, Secretary. It's an honor to be here. My career was in production agriculture, in vegetable production. I was one of the pioneering farmers interested in organic farming going back to 1970. In 1990, I got hired to run the first organic farm of Salinas Valley, and spent the next 18, 19 years, running some of the largest organic vegetable operations that really grew from that point forward across California, into Arizona, and several states, and Mexico.

About five-six years ago, I left my career in farm management and wanted to do something in my retirement to help beginning farmers. I got involved with several young men who had just come from serving in Iraq. They were interested in vegetable production, and I got to work very closely with them and help them on their farms. That led to what's become my career since then, as the founder and director of the Farmer Veteran Coalition.

Our national headquarters is in Davis, California, but we have staff in five states. We're opening a new office in Des Moines this spring, and we have a network of over 2,000 men and women who have recently or in the past served or are still serving in the armed services and are looking for help entering into the field of agriculture.

SECRETARY VILSACK: So you've established a good facility in Des Moines. That's a good place to have an operation, that's for sure. Joanna?

MS. JOANNA CARRAWAY: Thank you very much for having me here. I'm honored. My name is Joanna Carraway, and I'm originally from a small family farm in southeast Missouri. I didn't think that I ever really wanted to be involved in agriculture for the simple fact that I thought it meant solely riding a tractor for 12 to 14 hours a day. I didn't realize that there was a whole other life out there.

When I went to college I wanted to do something else. Once I got to college, I realized that there is a whole other world that involved agriculture, and that what I was doing on the farm was just a small part of it, and that I could do more. I ended up getting an ag degree in agronomy from Murray State where I met my husband during an internship. We both had the desire to farm, but we never knew that we would actually have the opportunity. That opportunity came through his grandparents. They wanted to leave the farm so we bought them out, and became partners in 2006.

We've had some struggles and had to utilize crop insurance a lot, unfortunately. I've become very well rounded in that program regarding how it works and realizing how important it is, especially for beginning farmers who have so much on the line. You have to have a plan B. I think that in moving forward, it's going to become even more important, as prices fall, margins get tighter, we've got to become better managers, and teach people, especially young people coming in, the dos and don'ts, because we've definitely done the don't. However, we climbed out of it and we became successful because of it, and that's my story.

SECRETARY VILSACK: Greg?

MR. GREG WEGIS: My name is Greg Wegis. I'm from a small town called Buttonwillow, California. [Clapping] All right, one person for Buttonwillow, that's unheard of.

We're a fifth generation family farm. My great-great grandfather came over with three brothers from Germany, and started farming. I always wanted to continue that legacy ever since hearing it at the dinner table when I was young. I always knew I wanted to be a farmer.

I went to Cal Poly, got my crop science degree, came back in around 2000, and dove in feet first, and couldn't get enough of the family farm --- trying to understand and learn. We had, at the time, about 5,000 acres, all row crops, predominantly cotton. We were receiving subsidies at that point in the bad years. We were alfalfa growers, sugar beets, a lot of row crops, and times were tough. We had a lot of friends going into the dotcom era, making a lot of money very quickly, and wondered if this was the right path as far as being profitable and being sustainable.

By the mid-2000s, we realized we had to make a cropping change to almonds, pistachios, and permanent crops. The citrus industry was doing well at the time, and grapes, so saw a future there, but we wanted to focus on almonds, pistachios, and some cherries. We ended up having to sell half the ranch, to three dairies actually, that were upgrading in Kern County; they came from the L.A. area. We now manage half of that acreage for them. The other half we developed into trees of almonds and pistachios. Since 2005, that turned out to be a very good decision but it required a lot of risk.

We no longer need subsidies to sustain ourselves because the almonds and pistachios predominantly grown in California provide the same cost structure. If crops do very well, the price has always been profitable. If our crop does not so well and our yields are down, the price goes up; it seems to keep us profitable, which is a good model, versus back in row crop days.

We made that change because all of our costs were escalating; water, land values, and we're seeing that continue today. Seven years ago land was \$5,000 an acre. Now we're talking \$15,000 an acre, \$20,000 an acre to expand. Water is on the rise. You've all heard about our drought. We're in the Southern Valley and struggling from that right now.

I was talking with the Secretary about the environmentalists and agriculture fighting over the water supply in the Delta; we're hoping that there's an end to that equation. There's got to be a way to balance the two. We continuously have to work on it. We also have immigration, a major issue that we need to reform. It's been kind of in the closet, really, over the last several years, but we have an illegal immigration issue in California. We need this workforce to help us with our crops. And we don't want them to be illegal. We want them to be legal. We need to fix legal immigration. We need to have a temporary worker program that works in California that's year-round. We can't afford to lose them for three months and then ask them to come back. Citizenship, permanent citizenship, it's not necessary. As you look at our surveys in California, a legal temporary worker is essential, and we want to keep working on that issue as well.

EMILY OAKLEY: Thanks for having me here. I'm excited to be here both as a farmer and as the interim director of the National Young Farmers Coalition. I grew up in an urban setting. Farming was not in my family history for a lot of generations. I'm a first generation farmer, and came to it by seeing opportunity with the intersection of a lot of the issues that were important to me. There are new emerging ways of connecting with consumers. I'm a USDA-certified organic farm with six acres in production, which you might all find somewhat humorous. Half of that is in annual vegetables, and the other half is in perennial fruits. I sell directly to my customers through a farmer's market and a community-supported agriculture program.

I'm on the tail end of beginning, because I just finished my tenth year, but don't look too closely at that. The National Young Farmers Coalition was started four years ago by farmers like myself across the country who realized that we're coming into this industry and wanted to have some representation; to make our voices heard and connect with one another. We are a coalition of 23,000 members across the country in every state. We have 21 chapters, and more

forming. We work on issues of policy and networking so that young farmers feel connected, and can find technical support.

Many of our farmers are people selling to the local and regional food system like myself, connecting directly with the consumers, letting people ask questions about what we grow. The vast majority of us grow fruits and vegetables, though there's an emerging network of young farmers who are doing small scale dairy, meat, livestock production, even some small scale grains of diverse grain crops.

All of us are finding opportunity on this edge of consumers who want to know who grew their food, want to talk to us, get some recipes. When their kids are not so sure about what to eat they can taste it right there, and it's fresh, which is a compelling issue for them. One of our customers -- I don't want to tell you how old I am -- but she started out at the age of three shopping from us at the farmer's market, eating little Sungold cherry tomatoes, they're these orange cherry tomatoes that are very sweet. Now she is a teenager and comes to the market and wants nothing more than to beg her mom to get more vegetables and fruits than the mom actually wants to buy. That's the direction we're hoping to head in as a Young Farmers Coalition. To let people know that we're here. Many of us are first generation and we're finding opportunities in agriculture.

SECRETARY VILSACK: Okay, so here's what I'd like you to do, I'm going to give you an individual description of someone that I want you to essentially pretend that you're speaking directly to. I know that there are hundreds of people here. For the time being, forget about those folks. Michael, I want you to think, and I want you to see yourself talking to a young lady who's just left the military, she has had two tours of duty, one in Afghanistan and one in Iraq, and doesn't really know what to do. She is still trying to deal with what she's experienced in a war zone. I want you, in just a minute, to convince her to get into farming.

Joanna, I want you to envision a young fellow who's at one of the land grant universities who is majoring in business, but he's from a farm family, but he wants to do something different than that. I want you to convince that young man that farming is where he should be.

Greg, I want you to envision someone who has started farming, who didn't make it, had a tough go, has had a career, is doing okay, but you just happen to run across him and you sense he wants a change in life. I want you to convince him to be a farmer.

Emily, I want you to envision an inner-city child, could be African American, could be Hispanic, could be Native American, Asian, whatever, a minority, you're talking to that child, that child doesn't even know what a tomato is, much less what you are talking about. I want you to convince that kid that he ought to think about farming. Who wants to go first?

MR. O'GORMAN: Young lady, coming out of the service and having served in both Iraq and Afghanistan, the two of the three longest wars in American history, and the first that women served in combat, that's pretty historical. The fact that never in history have so few people served in the military service; and never have they served so repeatedly. You're coming out of a really unique situation, but there's a lot of support.

The post-9/11 GI Bill liberally supports education, and there's great both two- and four-year educational opportunities in agriculture. There's also been a liberalizing of that act to cover a lot of certified educational opportunities that can give hands-on training in agriculture. We think agriculture is great because, number one, it cannot be outsourced. The demand for it is only going to go up. People my age are going to age out of it. Our population is going to increase in the lifetime of your career by 40%.

According to the First Lady and everybody that leads and understands nutrition, our need to eat fresh fruit and vegetables needs to increase by at least 50%. The cost of importing foods is going to rise. The supply of water and labor is going down. So there's a tremendous opportunity to enter into this field and almost be assured of a lifelong, successful career.

What you need to do, though, is not think just in terms of not having land or experience in agriculture. You need to see our agricultural industry as larger than one couple, one vertically-integrated farm where you grow, pack, and sell everything yourself on this land that you bought with all your parent's passed-on inheritance or your disability money that you just got from the military because of your injury that you got in Afghanistan.

We want to sit down with you. We have a great group of other women across the country that served in the military that get together on a yearly basis and speak to each other regularly. We want to get together with you and introduce you to these opportunities, to get you, first of all, to see the breadth of what our industry is and that it's not just production and it's not just self-employed production. There's a lot of opportunity employment, and those employments can often lead you to the ability to farm on your own someday. That's the first thing I would do.

SECRETARY VILSACK: Great.

MS. CARRAWAY: I would tell you, young gentleman, that even though you grew up on a farm and you went away thinking that you didn't want to farm because you want to be involved in business and the financial industry, farming isn't what it was, even 20 or 30 years ago. It has become so dynamic financially. Every day is a business decision, every single day. You can take the knowledge that you're learning with business administration and you can apply that to the ag industry and go back to your family farm and make it bigger and better and more productive than what it was, even for your father or your grandfather. And there are so many opportunities, with the average age of a farmer right now being in the upper-50s, it's growing every day, the outlook for the ag industry is enormous. There are many opportunities that you can tackle with a business degree and apply to ag.

SECRETARY VILSACK: Great. Greg?

MR. WEGIS: I would tell the gentleman or the female that had the first go-round and didn't make it that if you have the passion, if you want to get back into farming, the opportunity is there. Farms are getting larger. The average age of a farmer is around 60 years old. So we have a need for managers who want to farm at a young age, or middle age. We'll take anything at this point. I'd say give me your résumé. Let's go have an interview next week, because we

just hired a young man that actually was in the insurance business for five years, but he spoke Spanish and he loved agriculture. His Dad did it when he was younger, and he's doing excellent. He's got a passion for it. So usually somebody that farms loves it. They could either farm, or they could go get their PCA license. I've seen so many people get a PCA license, work for a chemical company.

SECRETARY VILSACK: What's a PCA license?

MR. WEGIS: Pest Control Advisor. Someone could work for a chemical company, for instance, and develop a relationship with the farmer. They see that this guy's got a knack for it, hire him as a manager. That fellow manages for a while, builds up a little nest egg, and buys his own piece of ground. I've seen that happen several times. It's not impossible to start from scratch. I do believe that if you need a passion for agriculture, and somehow agriculture breeds passion. I think because what we do is unique. It's humbling, feeding people. There's no industry that you can be more proud of, I think, than agriculture. To me, at this time and in this day and age, it's very easy for individuals that want to farm to be in California.

MS. EMILY OAKLEY: Well, I think most kids, even older teenagers, like to get their hands in the dirt. I would tell this child or teenager to solicit their school to start a school garden. These are emerging throughout the country. They're really compelling ways for kids to actually see the fruits and vegetables that they're supposed to eat, grow. Once they taste them, they taste "awesome," and they're super excited because they grew it.

I would also tell them to please see if your school can form a Farm to School program and try to get locally sourced or regionally sourced fruits and vegetables in the diet. That's another really amazing way that kids learn about agriculture, something other than just the sort of thing they see in "Old MacDonald Had a Farm" books, or that they don't even think about.

The real issue is, how do you get a kid to know what a tomato is. If they don't even know what a tomato is, getting them in touch with a garden, growing food is a really strong way of making that happen. I think the other issue is that kids sometimes think, "Oh, why would I be a farmer, they don't make that much money, and it's really hard work."

When do presentations to schools, I share my passion with the students. I tell them that you can do something that gives you the opportunity to be self-employed, gives you the opportunity to make your own decisions, use all aspects of your capacity. It's not just about getting your hands in the dirt.

As Joanna said, there are decisions that are being made on complex levels on an everyday basis, and bringing in the multiple skills that kids might have from math, science, English, and connecting these to farming. I write newsletters for my customers so that they care about what I do. I have to think about the science behind the pests that come to my farm. I certainly have to do the back-end accounting side of it.

So there are a lot of ways to find respect in this career, which I think sometimes might draw people away from it as well. But getting someone who has never experienced growing and

eating food themselves to do this themselves, is one of the best ways to get them interested in food and farming. It opens them to thinking that it might be a possibility for them.

SECRETARY VILSACK: All right, you've done a great job convincing your folks that you've talked to. They all have embraced this passion. They are growing something. We reconvene a year from now, and after they've had a year or two experience, what are they going to say to you in terms of a barrier they confronted that you didn't tell them about when you were painting such a rosy picture of farming? Joanna, what is your farmer going to tell you that, why didn't you tell me about?

MR. O'GORMAN: About getting any money to pay for my bills. We're really happy to see the USDA's Microloan Program through FSA get written into the law, giving up to \$50,000 to someone without a traditional three-year experience that was required for the operating loan. That's just a tremendous amount of money. It's not an insurmountable amount of money. It's not a debt burden that would put a borrower at major risk.

I always tell the young farmers that accessing money is not the hard part, paying it back is. So remember that next time you say that. But that financing is a tremendous resource. So just consider that we're still here, it's a year later, but we're still here. You came out of the military, and now we have a multi-year commitment. The problems you face include food safety. For instance, we have a young veterinarian who went in with their DVM to serve in post-9/11 and served in the Army Veterinary Corps. She can help you with food safety. You need a business plan, we have a young man who was injured in Iraq in Fallujah with all his financial planning credentials in Nebraska. He can help you with your business plan. If you have a legal issue, we have several young men who went in and served post-9/11 who have food-law degrees, and they could help you with that. And we have a network; we have partnerships with the Farm Bureau and National Farmer's Union and Farm Credit. And the Land Grant universities in this entire great industry all want to help you. So if you're a veteran going into agriculture you're in a really sweet place because it would be really hard-pressed to feel like this industry was not going to give you the help you needed right now.

MR. VILSACK: What didn't you tell me?

MS. CARRAWAY: I think I'm sorry I didn't tell you how tight the margins really are and how much you would really need that financial background, because it is. Every day is a financial decision and you have to make the best decision that you can. Even on the down day, if you have a good background in business and a good financial background, then you can make it profitable even when it looks like it can't be. I would tell you that in the end, it's not about money. I would ask you did you pay your house payment? Did you pay your car payment? Did you put food on the table for your kids? Do you have clothes to wear? Then you were successful. It's not about how much money you have sitting in the bank or how big your equity grows. It's about did you make it from year to year and are you going to continue to grow and make those basic provisions for you and your family.

SECRETARY VILSACK: What didn't you tell me, Greg?

MR. WEGIS: We didn't tell you that we don't have any water on the farm. Sorry, but that's a huge issue for us. We're drilling wells, and we don't want to drill our way out of this problem. A young gentleman that's working for me now is realizing that. We're trying to rehab nine wells and at the same time we are drilling three. We have to have them running by May 1st, or we're going to short our trees and water-stress our crop or cause damage for future production. We have struggles with the pump companies because they can't even drill for you for eight months out because everybody's calling on them; there's a lot of stress involved with trying to find a water supply in this environment this year.

We've gotten 50% of our water for the last four or five years, and we paid for 100%. And it's just been dwindling with this environmental drought as well and the battle over the sustainability of the Delta. He'd probably ask me where's our workers? Saying you asked me to pick this crop and I don't have the workers to pick it. We've seen that over the last couple years, and it's getting increasingly tighter as border security has been in place. The lack of workforce has caused some in California to go elsewhere where there's less pressure for labor. That's why we need reform --- to find the workforce so this young man can do his job.

MS. OAKLEY: Well, if this person were to come to me and say that they decided after this awesome garden and eating experience that they wanted to become a farmer, I would admit that there were three things that all young farmers, especially first-generation farmers, experience, which is access to land, capital, and training. I think we all experience the capital side, but if you're coming to farming and you don't have the benefit of tapping into some existing family land, then land is the single biggest challenge to getting beginning farmers into farming.

There are some urban farming opportunities, but capacity is limited there, so ways that we can get young people transitioning into land is through other's retiring. Or ways that we can get young people started is by taking on conservation easement lands. The Farm and Ranch Land Protection Program offers some opportunities along that line for making farmland more affordable. It's a daunting task if you're trying to find land, especially around an urban edge, which is where you're most likely going to be selling your food if you're doing it in a local and regional food system. Then you're competing with developers and with people who have nine-to-five jobs and have regular paychecks and can afford to pay more for the land than you can.

So ways that we can make that land more affordable and conserved for ag land is definitely an aspect that I would tell this young person they need to start thinking about. Access to credit is also a pretty big one. Thankfully, the FSA Microloan Program has made that significantly more affordable and accessible for young farmers. But also just learning to save and learning to think about farming in creative ways.

In terms of training, if you don't grow up on a farm and don't have the benefit of Joanna of getting riding that 12-, 14-hour day in the Cabella's tractor, which is the kind I have (and drive where it's hot in Oklahoma), then you need to learn how to farm. Access to opportunity for training is the single most important thing you will face. You can go to college and study agriculture, but unless you go do it on someone else's farm, you will not be successful. So the Beginning Farmers and Ranchers Development Program is a really an excellent example of

funding that does provide for training. Doing an internship or an apprenticeship sounds like an old-school way of learning how to farm but it's also the most effective. I would definitely encourage someone who might be thinking they might be actually be willing to jump into agriculture to give it a try and learn from somebody who's been doing this for years. Who knows how it's done. They can help you avoid mistakes before you make them on your own.

SECRETARY VILSACK: Emily, let me continue the dialogue with you. What would you encourage a young person who's interested in farming do in terms of exploring ways in which they might be able to find land? How would they go about finding a mentor or someone who might be interested in giving them a shot to learn?

MS. OAKLEY: Well I can tell you what I did first, I moved back to Oklahoma. I did not think when I was in high school that I would go back there to live, but I did, mainly because there weren't a whole lot of young farmers like myself there. I saw a market opportunity. I was fortunate to be from that city, so I could use that network.

It wasn't long after I'd returned from college when spread the word, asking people if there anybody who out of the goodness of their heart wanted to lease land to someone wanting to get into this business. That's actually extremely common for beginning farmers to access, in a very informal way, a leasing or renting arrangements with landowners. Sometimes equipment is included, which I was lucky to get as well. This gives you a chance to try farming on someone else's land without a mortgage.

Once you gain experience, you are much more eligible for the loan through the FSA. It takes those years of experience of your own operation and this gives you the time to look for that prime piece of property that you can afford. Maybe you want to farm 20, 40, or 100 acres. But this provides a slow transition into the process of looking for land. When you begin looking, find a land trust organization in your area and ask them to help you to find a farmer who might be retiring who would either sell it to you at the ag value or provide you with a 99-year lease. This gives you the opportunity to make that equity investment in the land, even though you may not own it, that can be a really affordable and accessible way to get into the business. There's nothing wrong with leasing and renting, even beyond that initial startup phase. There are a lot of opportunities there. The better the lease terms you get, the better the results.

I definitely think it's a challenge that our country needs to realize because many of these young farmers that National Young Farmers Coalition represents are selling to urban areas. You need to farm close to those urban areas if you're going to access your market in a comfortable way. We need land around the peripheries of cities to not be beyond the realm of farmers. You don't want to have to travel hours and hours in order to find something you can afford. Working with municipal areas to see conservation of farmland is as important as conservation of watershed resources. This is something that our organization is going to be working on over the next coming years.

SECRETARY VILSACK: Great. Greg, so where would you look for solutions to technologies or information that might help that young farmer better manage water resources?

What are the resources that you would encourage him to take advantage of to find the answer to the problem that he's now confronting you with?

MR. WEGIS: It's all around us anymore. For example, the young man that I hired is helping us on that very issue. We have a lot of technology. I can access every field on my farm right now and see the moisture content from zero to 60 inches deep, tell him exactly how much water we put on. So the information, the tools we have are new, and it takes management. It takes time, and some computer skills.

SECRETARY VILSACK: Where would I find that application? Where would I -- do I just go online and type in "Farm water?"

MR. WEGIS: Yes, at UC, there's water irrigation technology conferences all the time in California. You can go to the UC Extension Office. We have a great Extension Office in Bakersfield that has an irrigation specialist. Go talk with Blake Sanden. He can tell you there are many different tools available for our benefit. We've worked with him constantly on new projects and are always doing experiments with him. It's just a tremendous amount of technology. Pressure-bombing, learning how to use a pressure bomb to check the water tension in the leaf tissues is used for our almonds. We use deficit irrigation, or technology, to avoid hurting our crop and to maximize every drop of water without reducing the crop yields.

SECRETARY VILSACK: So Extension's a resource. Joanna, is that where you would you tell this person who's complaining about how slim the margins to go. What if he says to you, "Well, how do I protect the slim margin that I have, what kind of advice would you give, what tools are available to reduce that risk that the margin gets cut by weather or dropping prices?"

MS. CARRAWAY: I would tell him first, you have to have a good basis that you use on a daily basis, such as QuickBooks or a spreadsheet of some sort. I went to a conference about a month ago of young farmers, and my advice to them was --- you don't have to do anything complicated. It can be something very simple as an Excel spreadsheet that serves as a basic cash flow, income in, income out. Start with that, and you'll learn what you want to know. You'll continue to add until you grow into something bigger. You don't have to start with something elaborate in the beginning. It can be simple. Much of what I have learned was in college, of course, but in college I didn't learn how to apply it directly to what we were doing. It has taken going to seminars and different conferences and listening to industry experts and taking the recommendations and applying these to our own individual situation.

SECRETARY VILSACK: So what if he would say to you something along the lines, "If I'm driving my automobile and I get in an accident, my car insurance covers it. If I have an illness or whatever, my health insurance has got it covered." Is there something like that in farming?" Where would he go to find that information about how would he manage risk through an insurance project?

MS. CARRAWAY: That was also a learning process for us. When we became partners in the farm in 2006, we had a record crop. It was great. Everything was lovely. My in-laws had purchased crop insurance for years, so we did also, just because it was something they had

always done, and it have never been utilized. In 2007 with one year under our belt, we had an absolute devastating crop. All the way across the board, every crop was a total failure due to lack of rain. I went online and I researched. It took me a week, but I researched everything that I could find about crop insurance from every ag extension agent all the way from Iowa down to North Carolina. I put together my own spreadsheet based on all the information that I had and developed a spreadsheet that could tell me to the dollar what we would get if our yield was this. If our price goes to this, this is what we'll get. With a few clicks of the mouse, I would know exactly how many dollars we were going to be short. Basically, I wanted to know where that mark was going to be and what I could count on and what I couldn't. It takes diligent research. There's no specific way at this point. I think it's something that would be good for the USDA and the FSA office to work toward --- having a tool that's easy to use to find out those numbers.

SECRETARY VILSACK: As I listen to you talk, I'm beginning to wonder what the other person in your operation actually does. It seems like you do it all. Michael, let me ask you a question about a veteran. I think the image that many people in this audience may have had when you described your work with these returning veterans is of a person who's got no outward physical disability. But we do know that war has seriously impacted and affected young people both mentally and physically. Talk to us about whether or not there's actually any opportunity for someone who has a disability. Say they lost a leg or an arm or two legs, can they still get into farming.

MR. O'GORMAN: We helped a double amputee. He lost the right leg and right arm. He and his wife both served in the Marines during Operation Iraqi Freedom. He says she had the tough job because her job was notifying next of kin. She did that for a number of years. So that actually was a traumatic experience. They got 20 acres of land, as they were medically discharged, in upstate New York. We helped set them up maple syrup production. They have been selling maple syrup for three years, and are successful. We have a small grants program. We bought \$350,000 worth of equipment for mostly injured farmers and the support of several foundations we were able to get them started.

SECRETARY VILSACK: Let me stop you there for a second. Now, when you say "equipment," is this equipment specifically and specially designed for people with disabilities or is it just that you bought equipment and they can use it in their business?

MR. O'GORMAN: Well, John Deere was nice enough to come out and, at no cost, re-fit his tractor so that all the controls were moved from the right side to the left side, and he's able to drive his tractor. We bought him a maple syrup evaporator that he can use. It's a type of farming that he can do despite this physical injury. On March 21st, we're launching a national label that was developed last year with the Kentucky Department of Agriculture called "Homegrown by Heroes." They're going to be among the inaugural people that will be selling their syrup with this as a secondary label. So there's a lot of opportunities.

The more challenging issues we often deal with are the large number of soldiers who leave the military because of the IEDs and the explosives that caused concussions. There are 300,000-something cases of diagnosed traumatic brain injury, some are severe and some vary in that

they may get better or worse with time. There are actually a lot of equipment and applications and technology that can help farmers with that. We also work closely with AgrAbility, which is a USDA-funded program that's been around, I think, since the early '80s, funded through NIFA to help farmers and farm workers with disabilities. Usually the injuries have occurred once they've begun farming. There's been a new emphasis in that organization to work with us and to reach out to veterans with disabilities and help them enter our industry.

SECRETARY VILSACK: We've got just a couple more minutes left in this segment. And I've timed this in such a way that you can't be overly critical of USDA because you won't have enough time. But I'm assuming that all of you are somewhat versed with the fact that we have recently gotten a Farm Bill after a number of years of work. I suspect that you probably have familiarity with some of the provisions of the Farm Bill. Now I want you to help me and the Deputy prioritize what we ought to be focused on instituting, and what we should be doing more rapidly in order to help these farmers that you've been talking about this morning. Emily, let me start with you, and we'll just go right down the line.

MS. OAKLEY: I'll talk about three things. Farm and ranch land protection, I think you already know is a big one. There's language in this year's Farm Bill about farm viability. So a lot of the conservation easements that are out there don't necessarily mean that land is going to be transferred to a farmer, or that it's going to be continued to be farmed. We'd like to see that become part of the criteria, not making it onerous on land trusts, but recognizing that if we want to use these federal dollars in a productive way to keep land in agriculture, then we'd like to see that become part of the ranking criteria.

We're really excited about the FSA Microloan program becoming permanent. It was just a trial program during its first year. I think encouraging that program along with more understanding throughout the FSA offices on beginning farmer issues. For example, how you can become an experienced farmer through apprenticeships and internships. I definitely had some personal experience with that while looking for FSA loans as a young farmer myself. What we're really excited about is the IDA program, the Individual Development Account. It's in the bill, but it's not quite funded yet, so we're hoping to work on that. That's a program that basically matches beginning farmer savings, and it's been really successful. In fact, it was very successful in Oklahoma with a nonprofit organization not working with farmers, but it's been shown to be a really effective way of getting people to save, which is really helpful for transitioning from renting land to having money to put down for a down payment. Or if you need working capital or you want to expand into, let's say, perennial crops from an annual vegetable system, having some of that savings to help you diversify your operation. So we'd really love to see that program become a nationwide effort because it has been really effective.

SECRETARY VILSACK: Great.

MR. WEGIS: Well, as we wished, there was more in the bill to help California and our water issues, that's a regional deal because it's not really a national issue. However, it is in a way, because we provide a lot of fruits and vegetables for the nation and the world. Other than water, air quality is a huge issue in California. We've been asked to clean up our air by upgrading engines, going to tier four. We started at tier zero, 14 years ago, and have been

working our way up to tier four and having to purchase new equipment. Our trucking costs are going to probably skyrocket because of mom and pop truckers that own their own trucks can no longer afford it; they will go by the wayside. Only the bigger companies can afford the new trucks, which are extremely expensive, 30% to 40% more for a tier-four engine to clean up our air. Part of the bill has money to assist, and that is definitely needed because we just can't pay straight out of our pocket to upgrade. I think it's also coming to the ranches and tractors very soon. We did it in a couple two-for-one swaps of 30-, 40-year-old tractors, and still had to come up with money out-of-pocket. We'd want to continue funding those programs.

I'd like to see continued funding with our Extension and research for specialty crops in California, which is a huge deal. We currently have not had an almond extension specialist for almost six years now. We've got 250,000 almond acres in Kern County. The gentleman retired and there wasn't enough money to replace him so there's a huge need for it. I would like to see continued support for our Extension of viable services, which doesn't cost the smaller grower a lot of money because they need that help.

SECRETARY VILSACK: Great. Joanna.

MS. CARRAWAY: Well, obviously, as I spoke about crop insurance, I've always been an advocate because of what we've been through. We've had more droughts than not, unfortunately, in our short time as partners. Whenever everybody was arguing the Farm Bill between the direct payment and the other programs that were offered, the crop insurance program is essential, and it is helping us help ourselves. Unless there is a disaster, there's not the need for the necessary payouts, so it's a good thing. When times are good, we don't necessarily need it, but when times aren't good, it sustains agriculture today. Without it, there would have been many people in 2012, when we had such a widespread drought, wouldn't have been able to go on without the crop insurance.

My understanding is that the Farm Bill offers a program where we can enter at higher levels, because that is also a problem with beginning farmers. As you saw on the screen earlier, we carry a higher debt load, obviously, because we're starting out. Carrying a higher debt load, when the subsidies fall at 80%, there's a big jump; we needed to be insuring at a higher level because we were so new and had so many things going on. I think those kind of programs can help farmers get started and stay in business, even in a down time. Also, the Guaranteed Loan Program has been essential for us. We couldn't have gotten started without USDA and the FSA office. Using our financial institution, we went through that program and that's how we got our line of credit. If it hadn't been for that, even getting the land, we couldn't have produced such a large crop. I think, going forward, that's essential for beginning farmers.

SECRETARY VILSACK: Well, one thing that might be of interest is that the Farm Bill does contain some provisions to make initial crop insurance a little bit less expensive for beginning farmers, which I think is important. And obviously there's a continued commitment to the Guaranteed Program, and maybe some changes to provide that guarantee for a little longer period of time. Michael, we'll finish with you and then we'll take questions from the audience.

MR. O'GORMAN: Yes, I'd just like to tell the USDA that the breadth of the programs that were there to help all beginning farmers, and for the first time in history addressing veteran farmers and defining veteran farmers and creating a liaison to the veteran farming community is historical and exciting. I think the thing that we would like to see help with is the ability to introduce these programs to the veterans themselves and help interpret and explain them. We would like to be able to organize meetings of veterans in some of the key states, and particularly areas where a lot of them are resettling and looking into agriculture. As you know, through many states, we get help in explaining and walking them through each of these opportunities, as well as other information about going into agriculture and updating our resource guide so we can include some of these programs and get it into the hands of the Transitional Assistance Program, which is the package of information that the military gives to a young man/woman as they transition out of military service into civilian life.

SECRETARY VILSACK: Great, great conversations. Barriers, challenges, opportunities, passion, great discussions. Now it's your turn for questions. I don't know if we've got roving mics again.

MAGGIE HOLMES: Hi, my name is Maggie Holmes. I'm a second-year graduate student at Texas State University-San Marcos. And I had a reference in regards to our young generation coming up. Because the average middle school student is not likely to be informed of where their nearest local farm is or where their fruits and vegetables are grown, let alone the difference between a GMO and a non-GMO crop, how do you think we can ensure these local resources mentioned previously are made accessible to young students in the public school system in order to advocate for such an interdisciplinary career such as agriculture?

SECRETARY VILSACK: Any panel member want to take a crack at that? I could probably answer it, but go ahead.

MS. OAKLEY: Could you actually reiterate the question for her?

SECRETARY VILSACK: Sure. I think the question that you have is that a lot of young people may not understand the opportunities in agriculture because, as they're growing up, part of their education used to include discussion of agricultural opportunities, and today it does not or it does not do it in very great detail. And how is it that young people are going to learn about these opportunities that you all are talking about here, unless they've been raised on a farm?

If any panel member wants to weigh in on this, feel free. But as a way of responding to this, we have actually talked to Secretary Duncan, the Secretary of Education, and we have FFA students here who are working with Secretary Duncan. That organization is working with Secretary Duncan and the Department of Education to do a better job of explaining the need for ag education in schools across the United States for the very reasons that we talked about today. So that is happening. We also have this Farm to School program that was mentioned earlier, and that is an opportunity not just to learn what's grown in and around the area so that the local school district can purchase that item for consumption in the School Breakfast or School Lunch Program, it is also an opportunity for expanding curriculum where these things are discussed, and the gardening program is also a part of that.

MR. WEGIS: Yes, and in Kern County we have a "Farm Day in the City." So we're trying to start with these fourth-, fifth-graders. There's going to be 4,200 children that come through the fairgrounds, and we put on a display of all the products grown in Kern County. A lot of industry comes and talks about what they do. We're going to actually, for the first time, show a music video by the Peterson Family. I don't know if you've seen it, but they take a Katy Perry parody and call it "Chore," and it's extremely funny. It connects with the kids, or, "I'm Sexy and I Grow It." They've got that one out on YouTube. It's got several million hits, and we're going to show it to these young kids. I've also seen it myself in a different group, I know that will get through to them. It shows them what they can do and what farming is about in a music video, and it gets through to them that way. But this thing has grown from 2,000 students three years ago, and to 4,200 this year who've already signed up. The event will happen in a month from now. So Kern County farm growers are going to continue to do things like that in order to start young and plant that seed.

MS. OAKLEY: Well, there are some direct ways that students can get in touch with agriculture. My state's Farm to School program has a directory of farms that are willing to host students on their farm, which can be cost prohibitive for some schools districts. Also there are farmers who are willing to go speak to students, which is something that I do in my slow season, because there's never an offseason, so it's in my slow season.

Kids love to see my pictures of fruits and vegetables growing, to talk about, "What's this green leafy thing on top of the soil, can you imagine what's growing under it?" They'll never guess it's a potato. Giving kids a direct link to farmers and having them come into the classroom is a really effective way, especially when young kids see us coming in, they're not likely to raise their hand, like, "Yeah, I really want to be a farmer when I grow up." When they see somebody doing it and actually get to touch you and feel you and hear you speak, then they realize that it's not just an abstract concept, it is a viable profession.

SECRETARY VILSACK: Great. Questions? Yes?

FEMALE SPEAKER: Mr. Secretary, I want to thank you. We represent a group, we had a meeting last night, we are your Research and Promotion Board, and we represent about two million producers and about, in our assessments, \$870 million. One of our big discussions, well, I guess the overview was on diversity. One of those things was how to get the young people involved. I believe your panel was very good in different groups of how to do that. We're finding that in our boards, in getting people to run on our boards, that is huge. But I'd like to kind of direct a question to Joanna, and she talks about the crop insurance. We talk about getting young farmers involved. And I'm with the United Sorghum Checkoff Program, and I am a producer in Texas. And one of the things that we are facing is we've got young kids wanting to farm, and you talk crop insurance. Well, we've been in a drought. We're a lot like California, and we're feeling it. But what has happened is NASS has come in and lowered our yields. So what's happening with our young farmers is they're not getting the safety net that would help them move on. You know, we have these older farmers who have, in the non-drought years, brought up their yields and have a good safety net. But what we're finding is

those young farmers are at a very, very disadvantage. What can we do to help them and get them started in this great operation?

SECRETARY VILSACK: You want to take a stab at that?

MS. CARRAWAY: Well, that is a good question, because we ran into that ourselves with having -- we didn't have total failures, but we had drought enough, and 2007, of course, was a total failure, 8, 10, 11, and 12. So what was an established yield for us -- or for my in-laws, for years and years, all of a sudden started ticking down, down, down, and it wasn't anything we were doing other than it wasn't raining and we're not set up to irrigate. So that has been a problem. There are some values. There's a point, within a couple of years, they'll plug in an overall average year, but there's a point that you hit that they stop doing that, I think it's three years and then your yields start ticking down, and that is a problem.

SECRETARY VILSACK: And this has been an issue that we've had in a number of parts of the country, the fine balance between situations where people can't even plant a crop because the converse, it's too wet, and that happens year after year after year. And eventually, to have a crop insurance program, you actually have to have land that actually produces from time to time, otherwise it would break the bank, right. So it is a balance. And the folks at the Risk Management Agency try to maintain that balance and do the best they can. I think one of the keys to your question, and one of the things I would encourage young producers to do is to continue to inform us of the unique challenges that younger producers and beginning producers face, because it is a significant difference between starting an operation and having a drought or a flood or a natural disaster in your first or second year, versus you've been farming for 20 years and a bad year comes around. I mean, you've got equity that's built off of over 20 years, you can withstand a year or two that's tough. If you're a beginning farmer, that might be just enough. And that was one of the biggest frustrations for me for the last couple years is we had livestock producers who were suffering terribly because of the drought and because of snowstorms that hit, and we had no disaster assistance program, and there wasn't a crop insurance model at that point for them, so they were really stuck. And I think we lost a lot of folks in the farming business because we didn't have that vehicle to get them to a better day.

Now, because of the Farm Bill, we have it. And we're going to try to. We announced that because of the California drought and because of what's happened in the livestock industry, we're going to try to accelerate significantly the rule-making for restoring those disaster programs so we can get relief to those producers as quickly as we possibly can. Normally it takes six to eight months to get that done, but we're going to get it done in 60 days. So we're sensitive to this issue. We've got time for one more. Is there a question over here or over there? There's way in the -- yeah, one of those folks is waving their hands.

MARK ROSENSTEIN: Hi, my name is Mark Rosenstein, and it's an honor for our group from the National Defense University to be here. We look at strategic issues, and it's already been touched on a little bit, and I'm just kind of looking forward to the panel to share some ideas. When we look at immigration, we know immigration is changing, and we understand that the cost inputs in terms of labor and why it's important for immigrant labor to come into the country, but are there any programs or has the Department looked at opportunities that

could mitigate losses in employment as a result of changing immigration laws that would somehow bring together the youth of our country in a way that works. For instance, my mother used to go out in the corn fields and detassle many, many years ago. It seems that we could accomplish quite a few things that would help our country in terms of taking some of our youth, who don't really know what to do, especially during the summer months, and bring them into areas where labor could maybe be a little less, maybe a little bit more, than what you pay immigrant labor. And it would also introduce young people to agriculture so that when they graduated high school they would feel more comfortable and better prepared to go into that line of work. So I'm just wondering if there's anything that's being done to mitigate the issues with immigration by concentrating on the youth of our country to help them with employment and opportunities to learn the business of agriculture.

SECRETARY VILSACK: Anything going on in your locale that would be responsive to that? I've got a couple points, but go ahead.

MR. WEGIS: I could take that. Nothing that I know of. But there's an H-2A program that administers a temporary work program. That never really worked in California all that well. When you go to the local high schools, there's some FFA programs that offer a Day With a Farmer where young kids, sophomores, juniors, and seniors come with us, and tour around. I've been doing it for ten years. There was one kid I hired that seemed to get it. He got the hard work. He came from a single family, a mother raised him. And he just had it. He was hungry, and he worked like an immigrant, like somebody that was making ten dollars a day now making a hundred. To get that on a mass scale I think is going to be very, very difficult. I feel like -- I don't know exactly how to put it, but I feel like a lot of the younger generation knows that they could make more money outside of the field work.

In order to keep our products competitive with the rest of the world, we're going to have to be around that minimum wage, and a little bit higher range. We can't afford to pay the \$15, \$20 an hour for harvesting our crops, it will just take us out of competition. So appealing to our younger generation and having them be our workforce would be very difficult. It is the immigrant who is bettering their lives, going from ten dollars a day to making a hundred dollars a day, who have that drive to want to better themselves. I feel like that's always going to be our baseline workforce. So let's figure out a way to do it legally. That is my opinion and what I've seen on the farm.

SECRETARY VILSACK: We have a program within our Forest Service in the Department of the Interior, the 21st Century Conservation Corps. The goal is to try to engage 100,000 young people in opportunities to do not so much on the farm, but in the forested areas of this country and on public lands to encourage them, and particularly from inner city areas, to come outdoors, to work outdoors, to learn a skill associated with forestry. We are affiliating with over 100 organizations to have them certify young people so that they're appropriately trained, because a lot of this work involves equipment and, to a certain extent, some risk. So you want to make sure kids are well-prepared to do the work. These 100 organizations have agreed to essentially work with us to try to create this cadre of young people who will be the next generation of folks to work in the outdoors and to work with our natural resources. That may be a forerunner.

We're also working with a number of groups to try to identify in schools young people who actually do want to work on the farm. The Deputy has been working with AGree, which is an organization that's looking at the future of agriculture. They're looking at ways in which they might be able to attract non-farm kids to be engaged and involved, something akin to a VISTA or Peace Corps experience, at a domestic level on the farms. So there are some programs working in this space.

I think Greg's has got a point, that massive up-scaling is probably not going to meet the need that we have. We need about 700,000 or so workers on a fairly regular basis, a stable basis. We have probably 300,000 to 400,000 folks who have been in this country for an extended period of time. There does need to be a process to get them out of the shadows and get them to a point where they're comfortable being part of this country. And if we do, frankly, it not only shores up agriculture, it will reduce the deficit, it will shore up social security. There's just so many benefits to immigration reform. And then we'd have to have a guest worker system so we could calibrate and adjust workforce needs, because sometimes Greg needs a lot of workers and sometimes he may not need quite as many. We need to be able to calibrate that right so that we don't have too many or too few workers so the wage levels and working conditions that are what they need to be. I see that the little clock tells me that I've got to wrap it up. I really want to thank the panel for a very informative discussion about the challenges but the great opportunities and passions and the diverse opportunities that are in agriculture today. Hopefully this panel discussion will inspire young people across the country to take a look at agriculture, because it's an exciting field and it's really going to be the place to be in the future.

So thank you panel. Good job. Thank you very much.

MALE SPEAKER: Would everyone please remain seated while we watch two films. The first is produced by the National Farmers & Ranchers Alliance, and the second is a climate change film produced by USDA. [Film shown.]