

**Statement by Lisa Mensah, Nominee for Under Secretary of the U.S. Department of
Agriculture, Rural Development**

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

September 10, 2014

Madam Chairwoman Stabenow, Ranking Member Cochran, thank you for this opportunity to appear before you today as President Obama's nominee for Under Secretary of Rural Development in the U.S. Department of Agriculture. If confirmed, I look forward to helping President Obama and Secretary Vilsack build on the accomplishments of this Administration, by working to strengthen rural economies and create sustainable growth for generations to come.

First, I want to express my appreciation to the President for nominating me to serve as Under Secretary of USDA's Rural Development programs, which play a key role in investing in rural economies. The three Rural Development agencies—Rural Business-Cooperative Service (RBS), Rural Housing Service (RHS) and Rural Utilities Service (RUS) -- together have a loan portfolio of over \$200 billion in direct and guaranteed loans. Yet, continued investment in key infrastructure is essential to ensuring rural America is a place where families can thrive. Today, rural areas suffer from stalled job growth, declining populations, and the highest rural poverty rates in nearly 30 years. These challenges make growth and prosperity more difficult to achieve, but also require that we do just that. What I understand about poverty in rural America is that this is not the time to give up on Rural America. I am convinced that the potential exists for rural America's economy to continue to grow and compete globally—which bolsters the entire U.S. economy. It is exciting to see the USDA focused on the significant opportunities in energy and the bioeconomy; local and regional food systems; broadband; rural manufacturing and, of

course, agriculture. I am eager to lead a mission area dedicated to helping rural communities find a path from poverty to prosperity.

For most of my career, I have developed tools that improve opportunities for jobs and economic growth in our communities. I strongly believe that by investing in our communities, we create opportunities for our country. From my life and my life's work, I understand poverty; I understand a lack of jobs. Most importantly, I understand what is needed to move up the ladder.

As founder and director of the Aspen Institute Initiative on Financial Security, I know that policies and financial products that enable all Americans to save, invest, and own are foundational to rebuilding our economy. Under Secretary Vilsack's leadership, Rural Development is working to create new partnerships that leverage the strength of rural areas, build new markets to increase regional competitiveness, and continue to expand investment opportunities that create prosperous, sustainable communities.

With my background in investment, banking, and finance, I appreciate the powerful work that Rural Development does to spur growth and support economic opportunities in rural areas through the mission area's suite of programs. USDA research shows that money spent on food produced locally tends to stay and circulate in the community, expanding the potential for job creation and spurring economic growth. USDA estimated the value of local food sales in the U.S. at \$5 billion in 2008, and industry sources put that number at \$7 billion just three years later.

The Business and Industry Loan Guarantee Program, for example, which is administered by RBS, funds critical infrastructure such as cold storage, aggregation, processing, and distribution businesses, including food hubs. There are now over 230 food hubs nationwide, that aggregate

products from local producers for sale to large-volume regional buyers, such as schools and grocers. Each food hub generates an average of 20 jobs and \$4 million in annual sales. That is a significant economic opportunity.

I am also a strong believer in financing home ownership, entrepreneurship, and education. For many Americans, especially those in rural areas, a home is the largest asset they will buy in their lifetime. Homeownership leads to greater economic security for families, who can use the equity in their homes to build credit, finance children's educations, improve the value of their property, or finance other necessities such as health care. Homeownership helps families plant long-term roots in their community. That's why RHS is a community development agency. Last year, RHS helped more than 170,000 families with limited to moderate incomes purchase homes, and helped build hundreds of educational and health care facilities, and over one thousand community facilities.

Rural America also needs strong, stable infrastructure in order to meet demands for food and farm products, as well as the growing demand in areas such as renewable energy, local and regional food, and the bioeconomy. This is why Rural Development invests in rural utility systems that help improve and expand the rural electrical grid, provide clean drinking water to rural communities, and deliver increased Internet service to rural families and to businesses, allowing them to compete in the global economy. In 2013, RUS funded telecommunications projects that will connect over 120,000 rural households, businesses, and community institutions to new or improved broadband. Nearly 9 million rural consumers have new or improved electric service, and 1.8 million residents have cleaner, safer water, as a result of RUS investment.

Infrastructure investment is the foundation of economic development. Despite this investment,

in too many rural places, infrastructure is outdated and cannot support the opportunities found in cities and larger towns.

This is why Rural Development matters. Rural Development's strong record of supporting rural infrastructure, housing, business, and communities with more than \$30 billion in investments in 2013 and the \$200 billion loan portfolio provides many people in many rural areas the opportunity to succeed.

Yet, President Obama and Secretary Vilsack realize that this may not be enough in today's global marketplace. That is why USDA has worked to deliver programs to ensure that taxpayers' dollars make the greatest impact. A focus on community economic development using a regional strategy can develop important sources of growth.

Congress recognized this when it provided authorities in the 2014 Farm Bill to fund projects that are part of a multi-jurisdictional economic development strategy. This strategy is designed to more efficiently leverage resources and coordinate programs that encourage rural economic growth. By providing a set-aside with preference for projects that are part of a regional approach, USDA will be able to more effectively support rural places that are working collaboratively to realize long-term community and economic development goals.

My own expertise in targeting resources to strengthen communities, combined with a thorough understanding of the challenges, can be valuable in implementing this new law, and I am very excited at the opportunity to help develop strategic economic and community development programs.

The Agricultural Act of 2014—the Farm Bill—provided Rural Development with the authority to implement strategies to aggressively leverage broad-based collaboration to develop plans based on a region’s assets, leveraged investment, and measurable success. Strategic investment is particularly important in areas of greater need – missed growth opportunities often trigger social problems, including higher unemployment and poverty. This is why efforts to promote growth in rural communities – especially in persistent poverty areas – is necessary for a stronger economy.

Rural Development’s involvement in USDA's StrikeForce for Rural Growth and Opportunity Initiative has coordinated and leveraged partnerships in rural areas with persistent poverty. This effort promotes economic development and job creation. This, combined with other regional poverty targeting work, such as The Promise Zones initiative and Stronger Economies Together, provide rural families with the support necessary to move out of poverty. The goal is to ensure that all regions across America become sources of growth.

Economic development is a key component of the 2014 Farm Bill, and thus must drive Rural Development’s work. In addition to promoting community and economic development as part of a regional strategy, the Farm Bill also increases investment in community infrastructure through funding for broadband, water systems, and community facilities. It helps expand access to home loans to areas with populations of up to 35,000 that are “rural in character.” It expands the potential for economic growth by investing in the bioeconomy and rural energy programs. It increases economic activity through local and regional food system funding. And it creates ladders of opportunity for small businesses that support economic development and job creation.

The economic strength of our rural communities directly affects the prosperity of regional economies and the success of our nation's economy in the global marketplace. Just as Rural Development's agencies have a long history of commitment to strengthening rural economies, I have a history of improving opportunities for our communities and ultimately, for our country.

The President, the Secretary, and Congress understand the importance of stronger rural economies, and the magnitude of the challenges that we must address to meet the needs of rural America. If confirmed, I will strive to continue the work I have started by rebuilding rural economies with the tools you have provided to Rural Development.

Madam Chairwoman Stabenow, Ranking Member Cochran, thank you very much for this opportunity to appear before you as a nominee to serve as Under Secretary of Rural Development in the U.S. Department of Agriculture. I hope I have provided you with some valuable insight as to how I might contribute to our efforts to build a prosperous rural America. I look forward to answering any questions from the Committee.