

{ As prepared for delivery }

Farm Bill Outreach Meeting

Remarks by Thomas C. Dorr

Under Secretary for Rural Development

Victoria, Texas

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Opening

- **Good Afternoon**
- **Thank you Bryan for the kind introduction.**
- **President Bush made a fine choice in selecting Bryan Daniel to lead our Rural Development efforts here in Texas.**
- **Bryan's leadership and strong economic and community development experience, both in the private sector, and in his work for Congressman Combest and the House Agriculture Committee, are tremendous assets.**

- **I also will to commend Bryan and the Rural Development staff here in Texas, along with other USDA staff for their efforts in bringing together this Farm Bill meeting today.**

Acknowledge all leaders attending

Assistant Secretary Lou Gallegos

Congressional --

State Leaders –

- **Joining me here today is fellow Texan who has been working with me in Washington on Rural Development issues. Gilbert Gonzalez, is the Deputy Under Secretary for Rural Development who hails from San Antonio. Gil, too has a real empathic sense of how to address development issues.**

- **Our goal today has been to provide you with information on an array of programs created by the 2002 Farm Bill. I hope that these programs will give you access to both new ideas and resources for pursuing greater economic opportunity and a higher quality of life for you, your families, and communities.**

President's Economic Agenda

- **Many of you may remember last August, when President Bush held a national economic summit north of here in Waco. President Bush highlighted several key areas of his economic agenda: renewable energy, job creation, housing, education, and business.**
- **Now given that he has announced his new economic stimulus package, Keith Collins our chief economist at USDA has developed some very interesting and supportive facts that I wish to share them with you.**

His preliminary analysis suggest that by:

- **Elimination of tax on dividends;**
- **Acceleration of reductions in marginal tax rates;**
- **Marriage penalty relief;**
- **Increases in the Child Care credit; and**
- **Increase in the amount of Capital Investments that can be expensed by small businesses.**

We could expect about \$4.0 Billion in tax relief in calendar year 2003.

Why Is This Important?

- **This President believes in the citizens of this country – that’s why he is so committed to returning your money to you. He believes it is important to let each of you decide how best to allocate your hard earned resources for you and your families.**

Overall Efforts by President Bush

- **So -- although the President is very committed to stimulating our economy, and increasing your opportunities, this Administration has been working over the past two years to address several key areas that are important for a safe and prosperous America:**

1) Homeland Security

- **The President's primary focus particularly since September 11th is Homeland Security. When he created the new department, he recognized the critical importance of agriculture to America's homeland security. This new agency will bring together federal resources, including USDA's border inspection and protection services, to ensure the safety and security of food, livestock and agricultural production, and we at USDA will continue to be an active partner with this new department.**

- **The net result is that the Department of Homeland Security will give us a much stronger line of defense against very real threats to U.S. agriculture and our homeland.**

2) Renewable Energy –The First Major Initiative

- **In May of 2001, President Bush unveiled his energy plan. He understands the important role agriculture can play in providing greater energy independence for our country.**
- **Renewable energy development is also a key provision within the 2002 Farm Bill and one that we are working to implement.**
- **This is an excellent opportunity for rural America. It is a time when the country and President Bush are turning to you -- our farmers, ranchers, and rural businesses for your knowledge and resources in order to help America become more energy independent and more economically strong.**

- **In the last two years, Rural Development has financed 73 loans and grants in 25 states totaling \$45 million to fund biobased and bioenergy related businesses. This is a significant step toward fulfilling the objectives of President Bush's energy plan.**

3) Homeownership

- **Another key component of President Bush's agenda is to hasten the flow of capital into rural America through one of the oldest forms of building capital known to mankind—that is homeownership!**
- **An economically and socially strong rural America is central to President Bush's economic agenda. Homeownership is a key component in this effort. Not because it sounds good politically, but because he believes passionately in the strength of families—just as all of you do. And central to strong families—is a solid, safe and secure home. The kind of home all families wish to come home to.**

- **Let me add that we are working to assist the families in the Colonias and the FUTURO Empowerment Zone as they work to secure a better quality of life. As many of you may know, Texas was one of only two states last year to receive a federal designation as a rural Empowerment Zone. This designation will bring new resources --- government and private sector – to an area of Texas in critical need of assistance. I can assure you our staff is going to work very hard to assist residents in fulfilling their dream for a brighter future.**

4) Distance Learning and Telemedicine

- **For rural America to participate in the President’s economic and energy agenda we must continue to expand the rural technology. Why is this important? Because it provides our rural citizens with greater opportunity to enhance their education, to improve local services, increase the competitive edge in the marketplace, and provide an overall higher quality of life.**

- **Rural Development has made nearly \$30 million Distance Learning and Telemedicine grants in 33 states since October.**
- **These grants will help bring rural communities access to better, health care, better education, and more effective learning tools, as well access to courses that would otherwise be unavailable.**
- **Within the next couple of weeks Rural Development will be announcing new funding for the expansion of Broadband in rural areas.**

5) Farm Bill

President Bush's effort to stimulate our economy and create new jobs in rural America wasn't a single-handed effort – it was supported by the efforts of Congress and the passage of the 2002 Farm Bill.

- **The new bill is very complex in nature and as you are learning here USDA employees throughout the country are working to implement the provisions in a timely, efficient and effective manner.**

- **Overall, USDA has met the timetables laid out in the Farm Bill and as a result, nearly \$13 billion has flowed to our farm sector from all sources at USDA in the final quarter of last year.**

FOCUS OF RURAL DEVELOPMENT

- **Now, for just a few minutes I would like to focus more directly on my thoughts relating to Rural Development.**
- **As I have discussed, President Bush has a number of major initiatives underway which directly impact rural America.**
- **As Under Secretary for Rural Development I share the President's strong recognition of the need to address these and other critical rural issues...in large part because I have deep roots in rural America. For all but nine years of my life I have lived, worked and enjoyed the fruits of life on a farm in rural Northwest Iowa.**

- **The one thing I've known from the start of my transition from being a farmer and businessman to someone assigned to administer an agency within USDA was that Rural Development is well positioned to facilitate the delivery of needed services and programs to rural America.**
- **Rural Development is not the lender of last resort. We are instead rural America's venture capital firm.**
- **When a venture capitalist invest in an entrepreneur what does he get in return? -- Equity – If the entrepreneur is successful – the venture capitalist is much better off. So why is Rural Development the venture capitalist of rural America? Because we, the President, and Congress believe in rural America. The return on equity for rural America is a stronger rural economy and a higher quality of life.**

- **While Rural Development may be well positioned with a stable of traditional programs and very capable associates, I do believe a regular renewal and clarity of vision is required to renew the energy and belief in ourselves and in all of rural America. By so doing it will enable us to continuously refocus our outreach efforts. This new sensitivity and belief in ourselves – not Rural Development – but our belief in rural America should drive all our efforts in rural development.**
- **I'm compelled to make one observation, Folks ----- We must learn how to celebrate success in rural America -- --- as we justly reflect on the traditions and values which rural Americans have so ably bestowed on this great land ----- we must likewise encourage those who step out and try new opportunities. We must learn how to celebrate success.**

Vision

- **So implementing the Bush Administration's vision for rural America means that at the outset we must accept the reality of changing economic conditions.**

- **Let me put this in perspective. There are approximately 3200 counties in the U.S. Approximately 80% of the land mass is considered rural and 75% of all the governing bodies are rural. At the completion of the 1980 census over 960 counties nation wide derived at least 20% or more of their gross income from production agriculture. The newly released data from the 2000 census indicates that only 262 counties retain that distinction.**
- **Local and regional economies are much less dependent on agriculture. Thus they now require new and innovative approaches to create the needed economic and employment opportunities for rural Americans.**
- **Let me reframe the challenge of rural economic development in this manner.**
- **There are approximately 58 – 60 million rural Americans. Of these only about 2 – 3 million directly benefit from Title I & Title II payments from the Farm Bill.**

- **So what specifically is our vision?**

- **Simply put it is**
 - 1. To increase economic opportunity throughout rural America**

 - 2. To improve the quality of life for all rural Americans**

- **Although these two goals sound simple enough, as most of you who live in rural Texas know, this is easier said than done.**

Outreach

- **The question is how do we propose to do this? We do this with:**

Economic Opportunities:

- **Capital Investments**
- **Infrastructure**
- **Technology**
- **Energy**

Quality of Life:

Basic

- **Housing**
- **Food and Water**

Essential

- **Education**
- **Health Care**

Necessary

- **Recreational; and**
- **Cultural**

- **If we begin to succeed at these initiatives, that of increasing economic opportunities and improved quality of life, many of which are already in play, then opportunities will move into these rural areas.**

- **Many of you may recall the movie “Field of Dreams”, where the Iowa farmer was compelled to turn his cornfield into a baseball diamond. The famous line from the movie was – “If you build it, he will come”. I believe that holds true for all of you and for your community. If you build the environment -- improved social and economic conditions – families and businesses will be attracted to your community or to your region.**
- **The result will be an improvement in the quality of life for all the 60 + million Americans presently living in rural communities.....and.....the likelihood is that we may well attract new families to these areas.**
- **To help make this vision a reality we, all of us, will need to be more imaginative in our marketing strategies and the use of our human capital as well.**

Conclusion

- **In conclusion Rural Development is one of the core agencies affecting development in Rural America. We have the delivery mechanism and technology to make things happen.**
- **We have 850 offices across the nation staffed with outstanding personnel who are capable of innovation and problem solving.**
- **We are working to help improve the flow of capital, strengthen technology, rebuild infrastructure and increase opportunities of all types.**
- **Together we will all continue to play a significant role in creating new opportunities in Rural America.**
- **Thank you for your time.**