

Remarks before the World Trade Center's

Consular Corps Luncheon

May 18, 2010

- Good afternoon everyone. I'd like to thank Steve for that kind introduction and also the World Trade Center of the Sacramento Metro Chamber for hosting us this afternoon. Thanks, too, to my good friend, Michael Faust for the invitation to be with you here today.
- I also want to join the Provost in welcoming you to this beautiful campus. UC Davis can take real pride in its many accomplishments over the last 100 plus years and as both a Californian and a native of Davis, I appreciate their hospitality today.
- Last but not least, I want to extend the greetings of the Secretary of Agriculture, Tom Vilsack, to all of the guests here today, particularly the consular officials. We place great value in the trading relationships our farmers and ranchers enjoy with countries in every corner of the globe so I'm pleased to extend his greetings and his thanks.
- So, what's the first thing you think of when someone mentions California? Maybe it's Hollywood (155 million Google hits) Apple computers (91 million hits), or San Francisco's cable cars (42 million hits)? For some, it could be our spectacular coastline or the rugged Sierra Nevada or even Death Valley? And for still others, it might be earthquakes, redwood trees, or world-class universities like this one.
- What rarely makes the Top 10 list though is the incredible cornucopia that is California agriculture (4.8 million hits). For over 50 years, California's farmers and ranchers, along with the men and women who labor in the fields, have been among the most productive, most innovative, and most

creative in the nation when it comes to producing food, fiber, and fuel for the rest of the world.

- All told, California's 81,000 farms and ranches generated over \$36 billion in total cash receipts in 2008 -- \$12 billion more than the next closest state (Iowa).
- We produce over 400 different commodities and California is the sole producer of a large number of specialty crops including almonds, figs, clingstone peaches, sweet rice, artichokes, olives, walnuts, and dried plums to name but a few.
- Chances are, if it's for breakfast, lunch, or dinner, it was grown right here in California!
- While the most important market for California agricultural production is the US domestic market, fully 30% of California's farm cash receipts are generated through the export market.
- In 2008, the value of California's agricultural exports reached an all time high of \$12.9 billion, a 16% increase over the previous year. This is the largest one year increase in the last 13 years and it represents an impressive accomplishment to be sure.
- Here in California, I am responsible for the management of 30 USDA Service Centers – from the Oregon border south to Mexico -- which provide California's farmers and ranchers with direct financial assistance ranging from federal farm program payments, operating loans for farmers and ranchers, and grants for improving their on-farm environmental practices. My number one goal is to create a stronger safety net for California's farmers and ranchers and to strengthen the state's agricultural economy.

- **In Washington, USDA is focused on promoting increased exports of American agricultural products to help American farmers, ranchers, and workers succeed. Every billion dollars in agricultural exports supports over 9,000 jobs and generates an additional \$1.4 billion in economic activity.**
- **The United States exported \$96 billion in agricultural goods in 2009 – and we enjoyed a trade surplus of a substantial \$22.5 billion. In fact the agricultural trade surplus is the highest of all American exports**
- **And those numbers are no fluke. Even with the sharp global economic downturn, we expect agricultural exports in 2010 to reach \$100 billion, the second highest level ever.**
- **But it was not always this way. Just 10 years ago, the annual value of U.S. agricultural exports was under \$50 billion. The robust export numbers we are enjoying today would not have been possible without sustained efforts to reopen markets through trade negotiations, the unparalleled productivity and ingenuity of the U.S. agricultural sector, and the effective global marketing efforts of our producer groups.**
- **In the past year, we have continued on this path. American farmers and ranchers have new access to markets around the globe, because the Administration was able to negotiate an end to long-standing trade disputes over beef and other agricultural products. And American pork producers can continue to sell their products around the world because the Administration fought aggressively to keep global markets open to American pork in the aftermath of the H1N1 influenza outbreak, which was shown to have no connection to food safety.**

- **California's farmers and ranchers, like their counterparts across the Nation, have also enjoyed the benefits of these successes.**
- **In 2008, California agricultural products were shipped to 194 individual countries worldwide. The top three export destinations were Canada, the European Union, and Japan and the top five export commodities were almonds, dairy products, wine, table grapes, and pistachios. I'd venture to say that nearly all of the countries represented here today have received agricultural exports from California.**
- **Ultimately, the international competitiveness of U.S and California farm products depends on the quality, price, and the sustainability of their production. Strong national research and extension programs have helped the United States to capture an 18% share of total global trade in agricultural products. But it will take a partnership with industry – and continued hard work on the part of the nation's farmers and ranchers – to keep U.S. agriculture competitive in 21st century.**
- **Under a new trade strategy, USDA is looking at countries based on their position on an agricultural market continuum. We need a different approach depending on which country we're talking to, and tailored strategies to increase exports to each individual market, such as efforts to remove trade barriers in markets with restricted access. We also need a full range of programs to take advantage of rapid growth markets.**
- **As we pursue this new approach, we will maintain our commitment to an open rules-based international trading system that will benefit both consumers and suppliers of agricultural products around the world. We will continue to work through negotiations to remove barriers that prevent U.S. agricultural producers from getting open and fair access to foreign markets. And because we have full confidence in their quality and**

competitiveness, we will continue to push U.S. products to foreign markets.

- **At this moment in our history, one American farmer now feeds 155 people. Over the next 5 years, as we work to open markets through trade negotiations and global marketing efforts, we will once again take advantage of the unparalleled productivity and ingenuity of the U.S. agricultural sector to expand our exports, create jobs in rural America and strengthen America's rural communities, both here in California, and across the Nation.**
- **Thank you.**