

Mike Johanns

Ag Secretary faces the 'tough, complicated stuff.'

Story & photos by Troy Smith

In March, just as he had done for the past several years, Mike Johanns attended the annual Governor's Ag Conference in Nebraska. Instead of taking up his usual duties as conference host, however, Johanns served as its keynote speaker. He came back to Nebraska, no longer as its governor, but as the Secretary of Agriculture.

Previous U.S. Department of Agriculture (USDA) secretaries or their deputies have appeared at the event, invited to share their insights regarding the forging of ag policy and management of their department's piece of the federal budget pie. Johanns did that, speaking more candidly than most. With his easy grin, he admitted how this business of negotiating policy and budget matters is "tough, complicated stuff!"

No kidding. On one hand, the country's farmers and ranchers look to the agriculture secretary as their chief advocate — someone responsible for representing their interests in Washington, D.C. Of course, producers often disagree about what they really want, so they send mixed signals.

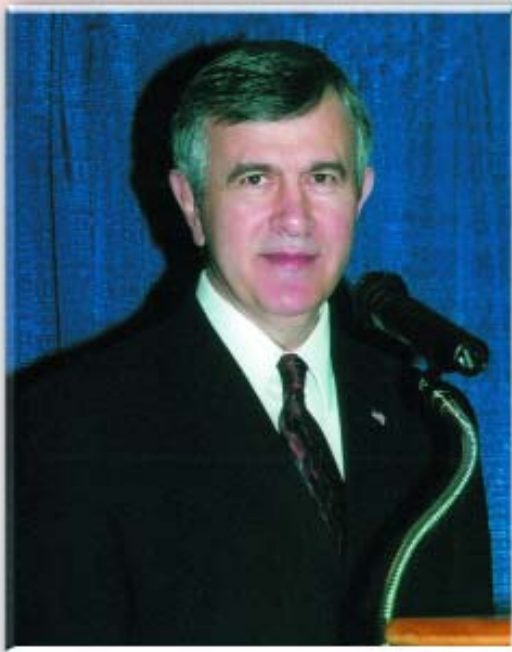
On the other hand, there's Congress and its members' varied want lists. They expect USDA to appease the farmers back home while revving up the regulatory machinery to protect consumer interests in general. Some pretty vocal lawmakers want more regulations to guard food safety.

And there is the matter of the biggest budget deficit ever. That's a major concern for the ag secretary's real boss — President Bush. He is pressuring for cuts in USDA spending in preparation for writing a new and leaner Farm Bill in 2007.

How could anyone hope to satisfy everybody? To a lot of people, it probably looks like a no-win situation — a nightmare. Johanns, however, has called the USDA post his "dream job." He believes his passion for agriculture and his background have prepared him to wrestle with the tough, complicated stuff.

Choosing from the heartland

Apparently, the President thought so, too, but the nomination of Johanns to the



► Mike Johanns attended the annual Governor's Ag Conference in Nebraska in a different role this March, addressing the group as the Secretary of Agriculture.

Cabinet appeared to come out of the blue. No one seemed to know that Johanns' name was on the short list of potential nominees. Still, he fit what some pundits called the President's predisposition to pick someone from the heartland. Historically, most USDA secretaries have come from Midwestern states. Johanns is the fourth to come from Nebraska, following in the footsteps of J. Sterling Morton (1893-1897), Clifford Hardin (1969-1971) and Clayton Yeutter (1989-1991).

Actually, Johanns is a transplant. He was reared near Osage, Iowa, on his parents' dairy farm. Johanns often jokes with audiences, saying that after growing up milking cows, most other jobs seemed easy.

After obtaining a law degree from Creighton University in Omaha, Johanns stayed in Nebraska to practice law. He eventually joined a firm in the capitol city of Lincoln and entered politics as a county commissioner. He later won a seat on the city council, which led to two terms as mayor of Lincoln. Johanns made a successful bid for

governor in 1998 and was easily re-elected in 2002.

Critics claim Johanns' agricultural résumé is thin. After all, they say, he left the farm as a lad to become a lawyer and, eventually, a career politician. But supporters say his rural roots showed from the day he took office as governor. And, it can be argued that in a place like Nebraska — the fourth-largest agricultural state — Johanns could not have survived politically without an understanding of agriculture.

While governor, Johanns pleased many Nebraska corn farmers by championing the cause of ethanol and programs to help develop production of the alternative fuel. Most state agricultural groups also praised his work on behalf of drought aid, rural economic development and increased agricultural trade. Johanns gained a reputation for promoting exports of his state's agricultural products, including beef. As governor, he led numerous trade missions to Japan, Mexico, China and other countries.

Focus on trade

When announcing the nomination, President Bush alluded to Johanns' interest and experience in trade matters. And, certainly trade is important to the U.S. beef industry. Soon after the nomination, Jan Lyons, Kansas Angus producer and immediate past president of the National Cattlemen's Beef Association (NCBA), said normalizing beef trade should be a priority on the new secretary's agenda.

And, since making the move to Washington, the new ag chief has been pressuring Japan to reopen its borders to U.S. beef. Since exports were halted in December 2003 when a single case of bovine spongiform encephalopathy (BSE) was identified in the United States, regaining access to Japan represents a step toward rebuilding what was the largest export market for U.S. beef. Just as other countries around the world followed Japan's lead in banning U.S. beef, resumption of exports to Japan is likely to trigger the unlocking of other markets.

CONTINUED ON PAGE 58

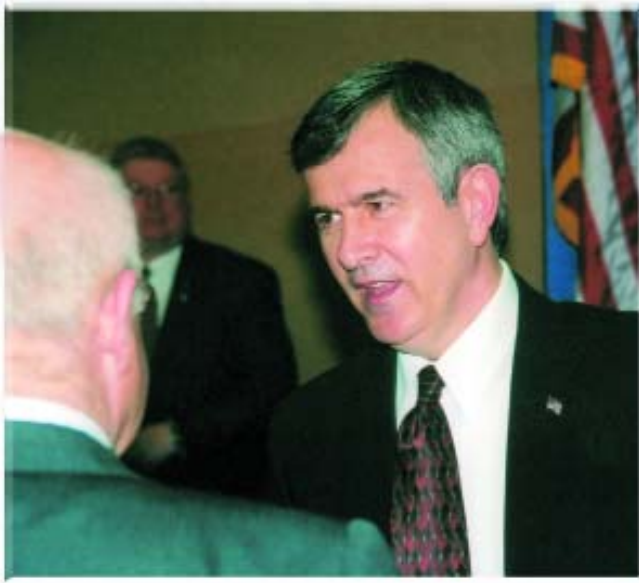
“Everyone wants to know why Japan has been so recalcitrant in reopening its border. It is time,” Johanns says. “We have answered the scientific questions. U.S. beef is safe. There is no science-based reason for Japan’s border to remain closed to our beef. But we can’t expect Japan to open [its] border if we keep ours closed to Canada.”

He refers to the fact that members of Ranchers-Cattlemen Action Legal Fund United Stockgrowers of America (R-CALF USA) were successful in seeking a court injunction to halt USDA’s plans for easing restrictions on imports of Canadian cattle and beef to the United States. Only certain boneless beef products from Canada have been allowed since BSE was detected there. After an assessment of Canada’s BSE management strategies, USDA had determined that there existed minimal risk of spreading BSE. Johanns’ predecessor, Ann Veneman, had set March 7 as the date for opening the gate to certain additional beef and cattle from Canada.

Noting that Canada has had three cases of BSE, and the U.S. case involved a cow of Canadian origin, R-CALF argued that USDA’s assurances weren’t good enough. A Montana judge agreed and ordered a delay of the scheduled border opening. Proponents of normalized trade with Canada called the move protectionist and market-driven.

“I have no doubt that their (Canada’s) beef is safe. Our risk analysis was thorough, and Canada has been cooperative during the process,” says Johanns, who favors allowing the entry of live cattle less than 30 months of age, as well as beef from animals less than 30 months of age.

“What motivated the judge’s decision?”



► Johanns often jokes with audiences, saying that after growing up milking cows, most other jobs seemed easy.

Was it political? I don’t know. It’s in the hands of the Department of Justice now. But I believe we can show that science is on our side,” he adds.

Johanns wonders if, in a year or so, people may be asking why the United States let a significant share of its beef harvesting capacity move north. Keeping Canadian cattle out has contributed to tight fed-cattle supplies. That’s been supportive of domestic cattle markets, at least for the short term. However, Johanns points to worrisome ripple effects of disrupted trade with Canada.

Because of tight cattle supplies, he says, U.S. meatpackers have shortened production schedules and laid off workers. Because they can’t send their cattle to U.S. packers, the Canadians have been expanding their own harvest capacity. It has grown by about 20% in the last year, and

further expansion is under way.

“The Canadian beef industry will fight to survive. They are being forced to build their own slaughter capacity, and they’re already more advanced in animal ID (identification) than we are. They could become stronger competitors for international markets,” Johanns adds.

Balancing the budget

While fixing old bridges and building new roads to increased trade rank high on Johanns’ agenda, budget matters are becoming increasingly important. After all the trouble it has caused, BSE is getting its share of attention. Johanns says nearly \$2

million has been redirected by order of USDA’s Agricultural Research Service (ARS) toward BSE research projects and facilities. The allocation enhances the Bush Administration’s fiscal year (FY) 2006 budget proposal, which would increase BSE research by \$7.3 million, or 155% more than 2005 levels.

About \$5 million has been awarded to 17 colleges and universities to establish the Food Safety Research and Response Network. Spearheaded by North Carolina State University, the network’s team of food safety experts will pursue in-depth studies of foodborne pathogens, including *E. coli* and salmonella bacteria.

But, the President’s budget is probably more about cutting spending to reduce a still-growing deficit.

“The budget does fund key priorities, but nothing good comes for agriculture if we continue with a \$400-billion deficit. I believe the President is right in his goal to cut that by half in the next five years,” Johanns states. “A lower deficit means lower interest rates, higher incomes and increased ability to buy farmers’ products.”

Going into the Cabinet-level position, Johanns said he expected to enjoy a good working relationship with members of Congress. Not worried about partisan politics, he claimed to have as many friends on one side of the aisle as the other. Time will tell if he can convince enough of them to go along with the President’s plan for reducing the deficit and if he is truly successful at promoting fair trade and expanding markets for U.S. agriculture. Time will tell if Johanns can handle the tough, complicated stuff.

AT