

The New Ag Secretary

Meet Secretary of Agriculture Ed Schafer.

Story & photo by **Troy Smith**

Historically, states in the Midwest and Plains areas have been fertile fields from which presidents have plucked men to head the U.S. Department of Agriculture (USDA). President George W. Bush looked to the nation's breadbasket again when tapping his latest nominee for ag secretary. Chosen to serve in the cabinet post for the remainder of this administration's tenure is former North Dakota Governor Edward Schafer.

Upon his nominee's confirmation, President Bush recounted Schafer's "proven record of results" as a two-term governor. He called Schafer an advocate for rural economic development, a champion for value-added agriculture and a tireless promoter of his state's homegrown products. The President also praised Schafer's action in the wake of natural disasters — particularly the response to severe flooding that struck Grand Forks and the Red River Valley in 1997. Generally, Bush's comments had a familiar ring, sounding a lot like the accolades offered for Schafer's predecessor, Mike Johanns.

There are similarities between their records at the helm of state government.

Efforts at the state level

Johanns came to USDA following a six-year hitch as governor of Nebraska. He, too, had paid close attention to agricultural issues, promoted value-added programs, and worked to open new markets for farmers and ranchers. Both men are notably

personable, too, exhibiting a relaxed style, ready wit and easy grin. When introduced, Johanns would often say, "I'm Mike." Schafer tells folks, "Just call me Ed."

However, while Johanns was a



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lawyer turned public servant, Schafer has a background in business and entrepreneurship.

The grandson of a Danish immigrant and homesteader, Schafer was born and raised in Bismarck, N.D. He studied business administration at the University of North Dakota, earned his master's in business administration at the University of Denver and went to work for the company founded by his father. Gold Seal Co. marketed a number of regional products and national brands like "Mr. Bubble" and "Snowy Bleach."

Assuming the presidency of Gold Seal in 1978, Schafer guided its growth to \$50 million in annual sales. After selling the company, in 1986, he launched several new businesses, including a real estate firm, a classic-car dealership and a fish farm. He won the governor's office in 1992 and was re-elected in 1996. After leaving state

government, Schafer founded "Extend America," a company that now provides wireless voice and high-speed data services to rural areas in five Midwestern states.

As governor, Schafer had pushed for upgrades in communications infrastructure. He encouraged development of North Dakota's biofuels industry and targeted export markets for the state's agricultural products. Citing great market potential, Schafer worked particularly hard for normalized trade relations with China.

Schafer chaired the Republican Governor's Association in 2000 — the same year he founded the Governor's Biotechnical Partnership to increase public understanding and support for the benefits of agricultural technology. He also chaired the Western Governor's Association, leading regional efforts to show how technology could improve efficiency and lower costs of delivering government services.

A fast start

Following his nomination as ag secretary, Schafer received rapid ratification by the Senate and was sworn to the oath of office on Jan. 28. In early February, he delivered his first major public address before the 2008 Cattle Industry Annual Convention and NCBA Trade Show in Reno, Nev. And while the

current administration's time is winding down, Schafer said there is still much to be done. He referred specifically to international trade issues and passage of a new federal Farm Bill.

With regard to trade, Schafer is quick to praise trade negotiators for the work already accomplished. Important markets that were closed to the United States, due to bovine spongiform encephalopathy (BSE) issues, have been reopened, and trade with new markets has begun. With the help of its "controlled risk" designation by the World Organization for Animal Health (OIE), Schafer says, U.S. beef is regaining its share of the global beef market. He credits the OIE designation with hastening the resumption of trade with countries including Russia, the Philippines, Barbados and Indonesia.

"Exports are growing. The trend is in the right direction, and momentum is on our side," Schafer says. "We'll see our exports grow rapidly as [foreign] consumers respond to the quality of American beef. In fact, we expect our exports of American beef for 2007 to total more than \$2.6 billion — up over 30%."

Schafer also expresses optimism for resumed beef sales to South Korea and Japan. All indications suggest South Korea's new president is committed to free trade. And Schafer says USDA will continue to press Japan for acceptance of all U.S. beef, regardless of age, in accordance with OIE guidelines. He plans to be personally involved in that process.

Asked if a stair-step approach to full OIE compliance would be acceptable, Schafer's one-word response is, "No."

While passage of a new Farm Bill is critical, Schafer says the Administration has concerns about legislation proposed by each house of Congress. Any measures calling for programs funded through new taxes will meet with the President's veto. On the positive side, Schafer says both the House and Senate versions would increase funding for conservation programs.

"Programs that help farmers and ranchers, in non-trade-distorting ways, while bringing environmental benefits to the broader community, are important," Schafer says.

Recognizing the livestock industry's frustration with the government's energy policy and its effect on feedgrain prices, Schafer says popular opinion in Washington, D.C., calls for increased development of biofuels to reduce U.S. dependence on foreign oil. In his opinion, relaxation of renewable fuel standards is not likely. However, Schafer predicts a shift to cellulosic sources of ethanol production, utilizing

crops like switchgrass, as that technology develops.

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Questioned about the possibility of releasing acreage enrolled in the Conservation Reserve Program (CRP), Schafer calls it a thorny issue. Early release would allow more acres to be devoted to corn production. However, Schafer says some CRP acres simply should not be farmed, and, for this year at least, no CRP acres will be released without penalty.

Schafer says he is not one to look back and fret over past policy decisions. He prefers to look ahead, try to see the broad picture, and make decisions that are honest and fair. He likes to reference Theodore Roosevelt, who as a young man, lived and worked in North Dakota. According to Schafer, Roosevelt credited that experience for instilling values that carried him on to the U.S. presidency. Schafer likes to think his own North Dakota values will serve him well as USDA secretary.

