

THE SECRETARY'S ROUNDTABLE: COOPERATION IN FOOD AND AGRICULTURE

October 15, 2009 – 2:00 – 3:30 p.m.

Ambassador Kenneth Quinn – President, the World Food Prize Foundation

We're going to begin this morning with a presentation of a short video message from Pascal Lamy, the WTO Director-General...we appreciate very much having that message from Pascal Lamy and the World Trade Organization, because it sets the stage for our afternoon session.

The World Food Prize and the Department of Agriculture have a formal Memorandum of Understanding, which calls for us to consult each year about ways that we might work together to do things that are of interest and benefit to both organizations. So I had the great pleasure of calling on Secretary Vilsack at his office and said, "Well, let's consult. What could we do?"

And Secretary Vilsack said, "Wouldn't it be great to get a couple of ministers of agriculture, invite them to come to Des Moines, representing different parts of the world, and they and I could come up on the stage, and we'd have a dialogue as part of the Borlaug Dialogue."

And I said, "Well, that sounds terrific. We could both invite them. Who should we have?" And he mentioned Minister Amin Abaza of Egypt, mentioned Minister Gerry Ritz of Canada, mentioned the minister of Mexico, who's not able to be here, but Carlos Vasquez from the embassy in Washington is here. We've assembled a terrific panel. And so, ministers, Mr. Secretary, I invite you to the stage as we continue the Borlaug Dialogue.

Hon. Thomas J. Vilsack – Secretary, U.S. Department of Agriculture

Well, Ambassador Quinn, thank you very much. It is a distinct honor to be here once again at the World Food Prize symposium. I've had the privilege and honor of speaking to this group in a prior life as governor of this great state, and I feel honored to be here today with my friends from Canada, Egypt, and Mexico to continue a very important dialogue.

And we do it in the context of the passing of Norman Borlaug – Norman Borlaug, along with John Ruan, were the founders of this effort. I was privileged and proud to have been asked by the family to be involved in one of the memorial services for Dr. Borlaug that occurred at Texas A&M.

As preparation for that, I began to do some research into his early life, into his very early life. And I learned from that research that, when he grew up as a young boy in a farm not far from here in Iowa, he understood the significance and importance of subsistence farming. For when he grew up, this was a country that was not necessarily capable of producing all of the food for its people, for its 150 million people. He understood and appreciated the pangs of hunger and the challenges. He knew that if the crop was not grown, the families would not eat. And I'm sure that his early life had significant consequence for him as he continued his work in other parts of the world. In a sense, he did not forget where he came from.

So it's important for those of us who live in the United States and for those of us who are involved in the U.S. government to understand and appreciate that we are not that far removed from a day when we could not feed our people. And it is important and necessary for countries that are now fortunate enough to be able to grow surplus crops to look for opportunities and ways in which we can provide help and assistance to developing countries.

In the past, our development and our assistance has been primarily in the form of the food that we grow. But President Obama and Secretary Clinton and I have a different view. It is our feeling that we must go beyond the traditional notion of food assistance. So we have begun work on a global food security initiative, working with a number of other nations to come up with a cohesive approach that focuses on, first and foremost, understanding and appreciating that whatever we do must emanate from the countries we are helping.

It is not a question of the United States or any other developed nation coming in and expressing a desire to help and then telling the country what help they need. It starts with the countries telling us how we can be of help.

It is important that, whatever approach we take to food security, it is one that is comprehensive. It goes beyond – as Mr. Gates said earlier today – it goes beyond simply increasing the productivity of lands in other nations, making food available. It also involves making sure that we assist in making food accessible to those who need it.

So we equally have to be concerned about transportation systems, marketing systems, regulatory systems – ways in which we can make sure that the food that is available is not damaged by post-harvest but actually gets to storage facilities and, ultimately, to consumers. And even if food is accessible and available, it is also important for help and assistance to be focused on the proper utilization of that food so that the highest nutritional value is attained.

We, in essence, need a comprehensive approach. It is an approach that cannot be done by a single country. It must be coordinated with our friends. It must be coordinated not just with nations and governments but also with other multilateral institutions and other NGOs who are involved in providing a comprehensive approach. And it must be sustained by a robust commitment of resources. The United States has committed \$3.5 billion towards the \$22 billion goal. Our Congress is now working on the passage of the 2010 budget, which will make our first installment on that commitment.

Within USDA, the department that I am privileged to be a part of, we will focus specifically on research opportunities, ways in which we can help developing nations address some critical questions. We will focus on capacity building, using our resources – the extension system we have, the land-grant university system we have – to make sure that we provide assistance, so that we can train the trainers and lead the leaders within each individual country.

And we will also be willing to provide technical assistance in a very significant way through the use of fellowships, scholarships that we have, opportunities for individuals from countries to come to the United States and for people from the United States to go to various countries.

We are looking forward to changing the dialogue that has existed up to this point, and we are looking forward to all of the agencies of the U.S. government that have been involved in development to work in a coordinated fashion. With the leadership from the State Department, with the assistance and continued work of USAID, the Department of the Treasury, USDA, and other agencies, we believe that we can provide a complement to the food assistance that we've provided in the past.

Our focus will obviously be on the areas of greatest need, and we've discussed here today, and will continue to discuss, the tremendous challenges that are in Sub-Saharan Africa – and that is certainly a good place to start, but it will not necessarily be restricted just to that part of the world. We recognize and appreciate that these challenges exist literally in all parts of the world.

Norman Borlaug had a profound influence on the capacity of one individual to make a significant difference. I believe that Dr. Borlaug's work – as good as it was while he was alive, his best work is yet to come, for he understood and appreciated the need to instill in the young people of all countries a love and appreciation for science, an understanding that science is one of the significant ways we can make a significant difference in

reducing, ultimately, the billion people who live in this world today who are not sure where the next meal comes from.

Let me conclude by saying that recently I was in Kenya, in Nairobi, and I had an opportunity to visit a school – a school that was dedicated to orphans, of which there are sadly far too many in Kenya and Africa. It was a group of children whom I could, in a very small way, relate to, because I began my life in an orphanage as they did. I was there to be a participant in the lunch program that USDA, through the McGovern-Dole program, was providing assistance for. And my responsibility was to essentially take a ladle of a combination of sorghum and maize and put it into one of those beautiful red cups that each youngster had. It was the only meal that these youngsters would have that day.

After I finished my responsibilities, I had a chance to visit with some of the students. As a former governor, you travel to many schools in your state, and you invariably have an opportunity to talk with students, and invariably you'll ask the question that most adults ask of children – “What do you like most about school?” And here, depending upon the age of the students, you might hear anything from, “I like recess best,” to “Math” or “Science” or “Sports” or “Music.”

But it made a profound impact on me that when I asked every single one of the children that I spoke to at that orphanage school in Kenya, what they liked best about school, there was a single answer, and the answer was, “It's where I get fed.” There are hundreds of thousands of children who would like that opportunity.

And I think it is incumbent upon those of us in this room – the countries we represent, the resources that we represent, the knowledge that we have – to dedicate ourselves as Norman Borlaug dedicated himself, to using what power and tools and knowledge and energy we have to make sure that there is a day, someday soon, where there are no children that are hungry.

One of the great privileges I have is an opportunity to get to know ministers and commissioners and secretaries from other countries. And I've got two of my friends here today who I am very proud and appreciative of them making the effort.

The first you will hear from is Gerry Ritz from Canada. Gerry and I have this ongoing conversation about a mutual love of ours, which is hockey. He unfortunately does not come from the city, or was not born in the city, that currently has the Stanley Cup champion; I am. So it is the beginning of a competitive dialogue that continues today.

He is very articulate, and I would say the thing that has impressed me most about Gerry is his compassion. He cares deeply about his farmers, and he cares deeply about making sure that, as I do, that the children of the world have access to quality, good food. So with that, Gerry, the podium is yours.

H.E. Gerry Ritz – Minister of Agriculture and Agri-Food, Canada

Well, thank you, Secretary Vilsack, Tom; it's just a pleasure to be here. And of course all of you folks need to know that the captain of the Pittsburgh team is a Canadian boy, Sidney Crosby.

So, ladies and gentlemen, distinguished delegates, colleagues, it's certainly a pleasure for me to be here as well. And in the short time that I've had to work with colleagues at the world level, I cannot begin to tell you the passion that all of us share, that some of the situations we face certainly create opportunities as well. And I'd like to thank Tom for the kind invitation to join you here today. And, on behalf of the government of Canada and Prime Minister Stephen Harper, we'd like to thank you again for this great opportunity.

You know, all of us enjoyed that tremendous lunch that was served to us just a short time ago and listened to a great speech. And I think these discussions that we have around world hunger and food and so on would probably take on a whole new dynamic if we did them hungry. We never do. You know, we're so well-fed that we forget that there are people out there that are suffering from malnutrition and hunger on a daily basis.

As you heard earlier, and as we are all here talking about Dr. Norman Borlaug, he was a giant in the history, in the process, in the progress of agriculture. And I certainly agree with Secretary Vilsack that I think the best is yet to come – because he recognized that with these challenges it creates opportunities that will be addressed by the next generation. And we saw that today with that great contingent of 115 students. (Now, I thought it was funny that each one of them brought a teacher, but they did that.) And it will be addressed by their youthful enthusiasm and of course a good, healthy appetite and a dose of science.

I think this event, again, serves to underpin the great contribution that Dr. Borlaug made and was picked up by a number of other people around the world. Of course, not everyone can be recognized, but that work has been replicated in a lot of countries and continues forward today. And this is our chance – as political leaders, as NGOs, as just general people – that we can reaffirm our commitment to carry forward in the spirit and the energy of that great work.

All of us that work in the field of agriculture, whether literally it's in the field or in the political realm or the nongovernmental delivery systems and so on; once again we're confronted with major global food problems and challenges. But as I said, these problems create opportunities.

You get a different perspective of some of these challenges when you become the minister of agriculture from a large agricultural country, like Canada, and the challenges that creates – we are a large trading nation and, again, very well served by our farming sector – and over the recent decades, our producers in Canada have been steadily increasing the production and, I would dare say, the quality of the food products in the world. Farmers have been doing their job. Yet farmers continue to face obstacles that make it harder to deliver food to the places where it's needed most. They can't do it alone. The challenges we faced last year, of course, are a great example of that.

In an ideal world, producers would have the opportunity to reinvest in their operations as they get fair prices for their products. This drives innovation and increases production. Over time, this certainly would have brought more product to the global markets. Instead, we saw a reversal of that in 2008, where some countries reacted in a protectionist way that actually exacerbated some of the problems. Farmers faced trade barriers that kept food from getting to the people who needed it.

Ladies and gentlemen, we have to work together as a global trade community – Pascal Lamy made that point, to keep trade at the foremost of our thoughts. We have to make sure that our producers get fair prices so they continue being producers, and we have to make sure that consumers around the world, and the people that need it around the world, have access to that quality product.

In Canada we have a situation where some 50-85 percent of any given commodity is traded. We don't have – the 32 million people just cannot consume everything that we grow, so we do have a tremendous need for export. And that has led to Canada becoming one of the largest agricultural exporters in the world.

At the same time, we're the sixth largest importer of agricultural goods. Food should go, as I say, it should go where it's needed, and we know that right there in Canada. We're happy to ship our wheat and our pork and our beef to a country where there's great demand, but at the same time, we rely on the Floridas and the Californias of the world, and other countries around the world, to serve us with vegetables and fruits and so on, when it tends to get a little nippy up our way in December, January, and February. Great place to vacation – there are super deals on during that time.

And the problem that we face is inefficiencies – and our great speaker at lunch made this point – there are inefficiencies throughout the system, and it only takes one to roadblock a complete, free, and unfettered flow of product.

So it begins with fair prices, it follows with market access, and then of course quality controls and so on. But the biggest thing that my farmers tell me – and I've met with farmers around the world, and it's always an education – but the biggest factor that they face is the lack of stability and continuity in regulations.

Foodstuffs around the world are one of the most regulated products that we see. There are more regulations on food than there is on oil and gas. There are more regulations on food than there is on fertilizer. You know, there are more regulations on food than there is on the production of an automobile. Now, I know the automobile guys would say, “Wait a minute, wait a minute” – they face a pretty good regime as well.

But foodstuffs really are hamstrung, and that becomes part of our long-term challenge. Predictions from experts suggest we’ll have to double our global food production to feed the rising global population. I don’t disagree. And at the same time, as my colleague, Secretary Vilsack, has mentioned on numerous occasions, we really have no significant amount of new cropland that we can bring into production. We’re actually losing productive land with urban sprawl and different situations.

In fact, we have to be asking ourselves how much farmland we’re going to lose to all these additional situations around the world and still grow that food supply by, say, 2050, which is not that far away. This means we must increase our agricultural yields, and that leads to the great foundational work that gentlemen like Dr. Borlaug did.

And the only way to do this is – the foundation that I put everything forward on in my part of the world is – put farmers first. And I know Tom made the point, when you deliver food to someone, you want to know what the consumer wants. But you also have to put farmers first so that they can produce that food.

And we have striven – is that the word, striven? strived? – worked hard to put producers at the core of all of our policies and programs to meet this growing challenge. And we all know that building a strong agricultural sector takes hard work. Because we’ve found over the years – and I’m sure Tom has learned this already as governor of Iowa, which is a huge agricultural state, darn near as big as Saskatchewan – you can never get farmers to agree. We have a simple rule at home: If you want solidarity in a meeting of three farmers, you have to shoot two. Otherwise the discussion never goes anywhere; you have this round and round and round debate. And it goes back. It’s fundamental and it’s foundational in the way that farmers operate. They’re very independent cusses.

My grandfather kept a set of journals when – he went homesteading in 1917, I believe it was, and he kept a journal. He wrote in it every day. And when I go back and look at those and read now as the minister of agriculture, for my grandfather in 1917, he had discussions about the weather, he had discussions about the input costs, he had discussions about not getting enough for his product – sounds a lot like today. And that’s almost 100 years ago. Very little has changed, other than our capacity to produce.

I think I owe it to my grandfather to somehow try and fix at least two out of that three. I haven’t decided which two yet, but it’s an ongoing work. I think a lot of it is driven by this whole concept of a Green Revolution, inspired by Dr. Borlaug. It has actually highlighted the fact of producers around the world can and will do. They will step up when they’re allowed to, but we have to give them the right support at the government level – and of course consumers do that every day.

And I am firmly convinced, as a lot of you are as well, that biotechnology remains the key – sound science. We all know that biotechnology crops can produce more. They can deliver us drought resistance, chemical resistance, plague and pestilence, and bug, resistance – all those great things. And we know we can do that. And there are new facilities out there – less fertilizer, less chemical – and what that does is give you better groundcover overall and yet more production. And that’s exactly what we want to do.

So we welcome – as Canadians, we welcome the opportunity to work with other countries around the world. We’ve attended a lot of symposiums; I know there will be more, not less.

But we also throw the environment into this mix, and we don’t want to see farmers punished by that. And that has led to the rise in biofuel production. And there’s always this argument out there that somehow you cannot, as farmers, produce enough to feed both a food and a fuel line. And I’m here to tell you, absolutely we can.

We're now raising corn with production of 300 bushels an acre, where we didn't used to get anywhere near 200. That's got to go somewhere, and to keep those farmers doing what they're doing, they have to have an availability of market access to new and innovative ways to do it – again, sound science; biofuels works great.

In our case, in Canada, we're starting off with a fairly legitimate 5 percent blend, which can be ratcheted up, but that 5 percent takes less than 5 percent of our production capability, less than 5 percent. The weather is a bigger factor in any given year than that ethanol production is. What biofuels do is give farmers a different warehouse to deliver to. It gets more people bidding on their product – that's a good thing. We can offset that in many ways.

In my part of the world, we have 47 million acres of arable land. And over the years – it's farmers that led to this innovation, this whole idea of zero tillage; there are still companies in Saskatchewan that are manufacturing zero-till drills and cultivators and so forth that have led to a revolution around the world. I just got back from Russia. (Actually, I left Moscow yesterday morning, so I think my brain is over Greenland somewhere.)

It drives a whole new, innovative sector. I sat with Sam Allen today at lunch. Sam Allen? Yeah, president of John Deere. You know, John Deere, fantastic equipment – I could never afford it, but it's really good stuff. And I don't know of one piece of equipment that's ever gone to a farmer's yard and hit a field without being renovated first. You always do something to it to make it your own and make it work better. And that's the type of ideology that farmers have. We know that new techniques will come out of the farm gate themselves, because they'll drive it and have to be allowed to do that.

And I know my time is ticking here – sorry, guys.

Food security is a shared situation, but you cannot build a good, solid pyramid – my colleague from Egypt will tell you this – they don't last worth a darn if the foundation isn't right. And that's the farmers. So they got it right – they actually put wheat in the bottom of them years ago, and that's what held them all these years. So we have to put more wheat back in them, absolutely.

You know, we're investing a lot of money, as a lot of countries around the world are, but we want to make sure it hits the target. I've got a whole run-down list here I won't bore you with. But the whole idea is to put more and more money into science and innovation – keep it in the public sector, so we can actually share it with other countries and move forward on this situation. I know Dr. Borlaug would be excited about a couple of the functions that we move forward with on some of these new funguses that are attacking our wheat products. I mean, I've got a quote here from him that's simplistic and just scientifically brilliant: "It's an important action to protect the wheat crop in North America and worldwide." Absolutely – we do that every year. And we contribute to the World Food Program, as everybody does. We've increased our aid and so on like that, but again, you want to make sure that it hits the target.

So I've rambled on here. I do look forward to your questions and comments. I'm certainly thrilled to be up here on the dais with my colleagues. And I know my grandfather would be shocked as hell.

Thank you.

Tom Vilsack

If any organizations here need a standup comic or an after-dinner speaker, Minister Ritz is available. Gerry, thank you very much.

It's now my honor to welcome to the podium, Minister Abaza. I met the minister in Italy for the first time, and I think we had a shared appreciation for the challenges that we each have. And part of the opportunity

for a forum like this is the chance to have dialogue so that you're in a position to basically understand the other person's position.

The minister has an interesting challenge in his country, because it isn't just small farmers and it isn't just production agriculture; it's a combination. And we're anxious to hear from him and anxious to have his participation, so, Minister, the podium is yours.

H.E. Amin Abaza – Minister of Agriculture and Land Reclamation, Egypt

Ladies and gentlemen and distinguished guests – first of all, I'm really honored to have the privilege to be among you today.

It is very clear that from the people present today, I am the odd one out. You have the three amigos and you have somebody coming from Egypt, a totally different area, totally different conditions, and totally different size. When we speak about the average landholding in Iowa, it's 200 acres. The richest guy in my country doesn't have 20 acres. So we have to understand that size differs from one place to another, problems differ from one place to another. And to represent the area I'm coming from better, I come totally unprepared. I didn't know that we were going to have to go to the podium and make a speech. I look at these gentlemen well-prepared, and I think about my area, where we are usually ill-prepared for what is going to happen in the future.

So I have to struggle with two things. First, I have a terribly bad cold, and I will have to offend your ears by my very unpleasant voice. Second, that I have to speak in a foreign language, which is of course giving me some trouble, but I'll try to do my best, and I'm sure that you still can understand more if I speak in English than if I speak in Arabic.

I haven't had the privilege and the honor to know Dr. Borlaug, but I have to tell you that every corner in my country you can feel that Dr. Borlaug was there. He has visited Egypt several times. He has helped us to improve our yields. He has given us hope. I'll give you an example. In 1980, we were producing 20 percent of our wheat consumption, so every five loaves that we ate every day, one was produced by local wheat and four were imported. And in 1980 we were at 40 million people. Today we are 80 million people, and we produce 56 percent of our needs, so 2.5 loaves out of 5, even more. This is thanks to him, this is thanks to his efforts, this is thanks to science and technology that we believe are the way to the future.

I would also like to tell you something about my country. Although it is maybe the oldest agricultural country in the world – we have been planting this land for more than 4,000 years; we have been living on this land for more than 4,000 years – but at that time we were less than 2 million people. Now, with the same land and the same water resources, we are 80 million people. This is a challenge for the future. And not only 80 million but growing at 1.5 million every year.

So without the help of the developed world, where they have the technology – they're the land of plenty, and they also have the technology, they have the know-how, they have the ability to help others. And the others also want to use this help and want to make the best use they can of what is offered to them to help themselves.

I think in a forum like this we should speak about the future. We should speak about climate change. We should speak about those countries that are most vulnerable to what is going to happen in the future. I hope that we start to think and act as one and not as different groups where those who have the capacity and those who have the production and those who have the food would turn their backs on those who need their help and who need their experience and who need their knowledge.

I have discussed with Secretary Vilsack, and he has promised that on these issues we will see again cooperation as it was before, in trying to help the countries that are in deficit to help themselves. This would only come from science and technology. It can also come through biotechnology, which until now we are

toying with the idea; we're trying to understand more. We're trying to do more. We're trying to know that the risks are worth taking. So when I asked him – Is this technology risk-free? – he told me nothing in this world is risk-free, but you have to assess the risks and you have to see if the benefits are more than the dangers.

I think that since I am totally unprepared, I just wanted to tell you that Egypt is a country the size of France and Germany combined, but we are living on a plot of land that is not bigger than Denmark. Imagine Denmark with 80 million people. We really have serious challenges in the future. We will be one of the countries that are most affected by climate change and we need to do a lot about it.

And I don't think that one country can do much without the help of the international community. We have a saying in my country that you cannot clap with one hand. And I think that we need to clap, and we need to clap fast, because we are running out of time.

Thank you very much.

Tom Vilsack

The last speaker that we have today is Carlos Vazquez, who is the minister-counselor from Mexico. He was kind enough to travel from Washington, DC, to fill out our panel. We appreciate it very much. We have a very close relationship with Mexico and Canada. We obviously have many shared interests and concerns, and we are anxious to hear from today. Mr. Minister.

Carlos Vazquez – Minister-Counselor for Agriculture, Embassy of Mexico, Washington, DC

Let me start by thanking all the organizers and especially Secretary Vilsack on behalf of my secretary, Francisco Mayorga, for inviting Mexico into this roundtable discussion.

At the beginning I thought – at this time you will be probably sleeping, bored or whatever after lunch, but certainly it's amazing to have these colleagues up here and to join them in these discussions on the subject of agriculture, development, trade, poverty reduction, and food security.

I think we can all agree on number of facts, challenges, and policy goals. How to move forward is the more challenging part of this discussion. Factually, as our 2009 World Food Prize Laureate, Dr. Gebisa Ejeta, reminded us yesterday, we know that three out of four people living in poverty in developing countries live in rural areas. And most of them depend on agriculture for their livelihoods. Even with all these difficulties attendant to agriculture, it's still a key instrument for sustainable development and poverty reduction.

But if agriculture is to be an engine of growth in developing countries, we must recognize the important role of small- and medium-scale farming, as well as the need to foster other parts of prosperity, including the shift to a higher valued-added agriculture and livestock and moving valuable non-farm economic activities to rural areas – moving and providing assistance to help more people out of agriculture but with a higher level of human capital. Education is essential if we want to really achieve a higher level of development.

I don't have to convince anyone here that agriculture contributes to development – you are the experts. But let me just remind [you] that in the 2008 [World] Development Report by the World Bank, agriculture has a very special power in reducing poverty. But as the Bank also reports, agriculture has been vastly underutilized for development in both agriculturally based countries and in large countries of all types.

In the future, if we don't do a better job, not only will we not achieve the needed development but we will also exacerbate the problem of global food security. On that issue, even though agriculture has much success in meeting the world's demand for food, today as it was mentioned several times – and I was impressed by the CEO of PepsiCo that she read the report that has been released a couple days ago by the FAO – 1 billion people are food insecure.

So how do we move into action, knowing that the past is complicated by climate change, and global financial crisis, and a recession? And again, let me make reference to Dr. Ejeta's comment yesterday, which [is] within agricultural research activities and production, we do not yet totally grasp the impact of climate and environment in our activities.

Of course, the answer is complex and must involve coordinated, responsible action by governments and interested organizations, as well as the private sector. This is especially true for at least two key inputs – collaboration in science and the money, where the funding is coming from.

We must work together and intensify our efforts to realize the potential of science – and particularly biotechnology – for reducing poverty, protecting the environment, and providing food security. It is simply not possible for an individual country, or even a region, to deal with the issues and obstacles that we must resolve if the world is to benefit from a second, sustainable revolution.

Cooperation is needed to confront the organization of technology and innovation and to better create an interface with the traditional extension services to reach our special producers. We need to improve the better transfer of knowledge in a simple way [so] that our producers can be able to immediately react and implement. And additionally, no country can go it alone on biosafety considerations, consumer acceptance, and the proprietary nature of these technologies. We need to assure the private sector that they will have a very important role to play in the near future.

To ensure food availability and food security, nothing less than another technical revolution – as was vividly exposed yesterday by the agricultural minister of the Netherlands, including but not limited to biotechnology – is necessary to be sustainable and to increase the productivity at the same time, and ensure that our natural resources will be there for future generations.

We need to take advantage of the potential offered by technology, but also about the new technologies of information and other science that interlink with agriculture. We need to ensure that the benefits reach to a small-scale producer and develop products that not only provide greater economic return but also meet the nutritional needs of a healthy diet in our society.

But to accomplish this, where will the money come from? Needless to say, the financial crisis and the global recession complicate the problem. International lending institutions like the World Bank, the Inter-American Development Bank, and other regional banks can offer some support, but we must work together to identify and to bring the needed financial, human, and institutional resource together. All of us have much to contribute to this global hunger initiative and to the L'Aquila commitment. Everybody has to participate.

In addition to the financing challenge, the current conditions make it more important than ever that we create a more open and fair trading system. Today's trading system is impaired by the over-use of subsidies that create many economic distortions. While the payment of some subsidies decrease when the price of grain spikes, it is still the case – for example, in my country, farmers complain, and with good reason, that they are forced to compete with the treasuries of wealthy companies when it comes to production.

Furthermore, the scarce resources that a developing country like Mexico needs are being allocated to grain subsidies instead of providing better education, better health, and other public works like rural roads and infrastructure that maintain the long-term sustainability of work in the rural areas.

The world, especially the developing world, will benefit from completion of the Doha round. Certainly, we also need a more general [inaudible] in subsidy levels and more efficient dispute-settling mechanisms. Moreover, it's important that countries take steps to dismantle protectionist measures that affect agriculture and resist the urge to create new ones.

We have many examples, but just to mention one is the dairy sector. And I don't want to put a name – we have two regions, the European and the U.S., that significantly subsidize the dairy industry and their exports. These kinds of distortions deprive many developing countries of the benefit of investment and better jobs in

the rural communities. And it's particularly damaging to a better allocation of global resources that could be targeted to reduce hunger in the world. This is also one of the factors that push migration.

Ladies and gentlemen, recently the world mourned the passing of Dr. Norman Borlaug, a native Iowan, a brilliant scientist, a gigantic practical humanitarian who dedicated his life to food security and agricultural development. Dr. Borlaug has a very special place in the heart of Mexico. He saved millions of hunger, many of those in my country, where he focused much of his work and still inspires many generations.

I call on all of us to honor Dr. Borlaug's memory by encouraging development through agriculture, including the necessary investment and the difficult political decisions.

Thank you very much.

Tom Vilsack

So as I understand it, I'm to moderate this conversation. So, Gerry, let me start with you. You mentioned the concern about regulation. And what I'm interested in knowing – and you also talked briefly about trade – how do you explain to your farmers that by breaking down trade barriers and providing assistance to developing nations so that they become more productive, that in the end it also will benefit them? How do you explain that to your farmers?

Gerry Ritz

Well, you can't do it in a simple way, as you find out, Tom. It's a multifaceted approach, and you have to them that, as everybody grows and expands, it drives economies in the developing world that creates the economic opportunity for them to buy more product. We've seen – I guess the best example of that is China. As they've come of age globally, it's created a whole middle class there that never existed before. We're also seeing India struggle with that same situation. And what that does, then, is create opportunities for our exports to go in and deliver to that growing demand for different – I won't say better, but different – types of foodstuffs.

Tom Vilsack

Minister, you talked briefly about the issue of water and climate change. I think those of us representing developed nations would appreciate hearing from you as to what you think developing nations' expectations are of us relative to climate change.

Amin Abaza

Well, you see, we always tend to think in terms of – We are going to be affected by climate change, but who are the major causes of climate change? Where did it come from? What are the reasons for this change that's happening to us and is affecting us and our livelihood? The conventional wisdom is that the major polluters are the developed countries and that the major losers are the developing countries.

So we need to convince the people that we are getting help from the developed countries and that we are getting technologies, we are getting the know-how, we are getting even the markets for our farmers or our producers in developing countries, and that by this help they are mitigating the effects of climate change and helping us to overcome, or at least minimize, the losses that we are incurring due to this process that is happening and that is inevitable.

I mean, 10 years ago nobody really believed that climate change was a reality; today, nobody denies this. So I'm sure that if we face this together, and we get the help and the knowledge that the developed countries

could give to the developing countries, I'm sure that this would be a much more productive thing and would give us more possibility to help ourselves to face this calamity that is coming.

Tom Vilsack

I appreciate the comments about Doha; obviously that's an area of intense interest to many of us. And as I travel around the world, I sense a willingness on the part of many of the developed countries to take a look at the subsidy issues that you've addressed in your address, Mr. Minister.

Tell me a little bit about your understanding and your view, in terms of the willingness of countries like yours and other developing nations, to be willing to open up markets as sort of an offset to a reduction in subsidies. Is there a willingness to do this? What are the challenges politically if markets are opened?

Carlos Vazquez

Certainly, Mexico has been willing to open. We are probably one of the countries that has more trade agreements with many parts of the world. So I think it should be a part [of it]. You know, market access is essential if we want to strengthen our trading system; that's a key factor that we need to understand.

The other thing is, we need to allow a transition of resources, or some level of support domestically to achieve that better allocation of resources, because we will have winners and losers in many activities because of trade. So we need to prepare our government to allow them all the necessary resources to better facilitate these transitions and allocations between sectors. It's not only one of the sectors; it's a whole package of many others – industrial, banking, services, whatever – that we need to take a comprehensive look at trade and the benefit of trade.

Fortunately, we have a huge, 15-year discussion of the benefits of trade in my country and, especially, in the Congress. Even a few years ago, we had a huge demonstration. But probably we overcome that because we feel confident that it's the only way that we could really improve the well-being of our population.

Tom Vilsack

I'm going to ask a question to all three of the panel members. All three of you mentioned Dr. Borlaug's work in biotechnology. I guess the question is: What advice do you have for countries like the United States, that have embraced biotechnology, in terms of how best to educate and acquaint other nations – farmers within other nations, and consumers within other nations – of the benefits of biotechnology? Because there seems to be a fairly significant disconnect in many parts of the world on this. So, Gerry; we'll just go right down the line.

Gerry Ritz

Sure. Yeah, that's really the question that leads us to a possibility of a solution in the future. And the unfortunate part – whether you're talking the Doha round or whatever – there are always those countries who will use what we call nontariff trade barriers. This idea that somehow genetic modification, which is the extension of biotechnology, is somehow voodoo science or, you know, Franken-foods and all those ridiculous arguments – and I know there's media here, and you can quote me on that – it's ridiculous in the extreme in that any sound, scientific, peer-reviewed study proves that this is part of the solution for the future. Now, you don't want to go crazy with it, but these are responsible people, these scientists and so on, that are using it and delivering really tangible results, and I think that we have to start to get that message out.

I know in Canada's case, as we become more vehement, I'll use the word, in doing bilateral negotiations, free-trade agreements, memorandums of understanding with other countries, we include our science and

technology services. We include situations like that, and that seems to be what is the hook that brings countries to us on free-trade deals.

You know, it's the whole idea that there's a mentorship that – you know, not that we have all the answers, but maybe we're a couple of steps ahead, and we're happy to share that with the country of record that we're trading with. So I think including that type of situations in the MOUs and the bilats that we do on free trade really helps to sell that bill.

Amin Abaza

Well, I think that we have a slightly different problem. Our major trading partner is Europe, due to geography, of course. And most of the time, between the prosperous and rich countries, they tend to close their eyes on certain issues, for example, like importing genetically modified soybeans to Europe.

But if a country like ours would introduce biotechnology and would then export some of its products to Europe, then this would be a big problem. Even if it was non-genetically modified products, they would say, "Well, the field next to it is genetically modified, and who knows what a jumping gene will do?" And this would really cause a lot of problems.

But I think that there has to be a worldwide agreement, at least a minimum agreement, on the subject. So that I really believe that the consumer has the right to know if this is genetically modified or not. But we should not spread terror and fear without really having a scientific base for that.

Carlos Vazquez

Secretary, we're very lucky that our most important trading partners are the U.S. and Canada, so... [laughter]

Amin Abaza

As I said, I'm the odd one out.

Carlos Vazquez

I think that it is a huge challenge. Consumers are very concerned about the biosafety of this new technology. It has been years around, but we need to be able to communicate, especially – for example, in my country we are corn-based consumers, and in Asia it's rice-based consumers – that also, let's say, the wheat varieties of the GMOs are also being accepted by the rest of the consumers. There is skepticism on that part also, of the use of the different grains. And I think we need, and especially the companies need, to make a better effort to really explain why it is important, why the movement and the development of technology was faster in one area than in another one. Because there is a lot of skepticism in why wheat is lagging behind. But I think that it's because of a science-based reason and not some problem of safety. I think we need to be able to communicate that in a better sense.

And then certainly we need to have a broader global protocol on this matter. I think that's the only way to achieve it.

Gerry Ritz

Yeah, actually there has been. And I agree, we have to move away from the political definitions and excuses to the science-based, no doubt about it. And they've been trying to do that with a little item called the Cartagena Protocol, which has been some 15 years under discussion and, to the best of my knowledge, they haven't even agreed on a definition of yet. So it's a work in progress.

Tom Vilsack

Okay. Well, let's open it up for a couple of questions to the panel. That's the reason I'm a moderator; that way I don't have to answer the questions.

Question

Thank you so much, ministers and minister-counselor, we really enjoyed your speech. First question, Minister Ritz from Canada. You mentioned, to reach agreement among three farmers, we have to shoot two. Now we have three ministers right there. I will have a better solution.

Gerry Ritz

But we agree!

Question

And, sir, we also, and the gentleman from Mexico talk about the Doha round, which failed, and agriculture is one of the major issues responsible for the failure, probably. What I want to mention is, I can see the trade protectionism is coming back, maybe because of the bad situation in the economy – like the one between U.S. and China. First, the tires and the steel; now the payback from China is trying to do something to the American chicken exports. I want to know, you know, how to reach agreement, Doha failed, and it's really hard to reach agreement. We cannot shoot anybody, right? We cannot. So I want to know, what do you think of the trade protectionism and its impact among agriculture and the people who need to be fed? Thank you very much.

Tom Vilsack

Well, I think I can start that conversation by suggesting that, regardless of what kind of system you have, whenever you have a trading system, you obviously have to have rules. You have to have a structure and a framework by which disputes can be resolved and differences can be resolved. It's important that trade agreements are honored. I think from my country's perspective the issue with tires was not an issue of protectionism as much as it was an issue of enforcing what they believed was an agreement. That is a difference, and it's a difference with a significant distinction.

With reference to Doha, I think the American position has been that we understand the world's concern about the framework and structure that we have in place that provides support to our farmers. And I think there is a willingness on the part of the American delegation to consider reductions. But there has to be a corresponding willingness, on the part of the developing world, to open up its markets. Because, as Minister Ritz suggested, it only works if, as economies improve, consumers in those economies have choice – and that choice isn't just choice within the country, it's choice around the globe. And I think if we could see a significant effort on the part of many [developing] nations to express a willingness in specific detail about precisely how those markets are going to be open, I think we could see progress on Doha.

Gerry Ritz

Well, certainly it's a goal everybody ascribes to. At the end of the day, all of us are challenged and charged with protecting and backstopping our own producers in our countries. There's a lot of discussion around subsistence farmers in some countries; I'm at the other end of the scale where I've got farmers – you know, the average grain farm in my country would be six or seven thousand acres, and lots of them, including the

fellows that farm my former land, are in the 32,000-acre range. So we have to make sure that we bring in does not limit them either in the economies of scale that they've developed.

But I think there's a tremendous amount of work that continues to go on outside of Doha. There are those that say, if we don't have Doha, the world will collapse. The problem with Doha is that everybody has their own pet project, and we have it as well. And we all spend the first five minutes of our 20-minute speeches chastising everybody else for having these bookmarks, and then we spend the next 15 minutes outlining ours, about what we want to protect. And that's legitimate and it's right – it's the politics of the situation.

I point to the crisis that we're seeing in the dairy sectors in a lot of the countries around the world. We have a system in Canada where our dairy is doing just fine. But they've managed the supply, the amount that they put out, and they don't look to export; they simply do domestic. And there are rules and regulations in place to backstop that. With the fulfillment of the Doha round, we would lose that, and I'd be getting a milk bath the same as the French minister just did. So I'm a little bit apprehensive to go that far that fast. But at the end of the day we'll get there, no doubt about it. But it's what this creature looks like, and it's really a watershed moment.

Amin Abaza

If you'll allow me, I just want a small comment here, although I was not asked this question. But I'd like to propose that we change the venue. Why don't we move the Doha round to somewhere else? Maybe this [Des Moines] would be the solution, yes? Doha is becoming too famous for us.

Question

Jim Hershey with the World Initiative for Soy and Human Health. We applaud, the American soybean farmers applaud Secretary Vilsack, your department's additional focus on food and national security.

A question on school feeding. You told a compelling story about being involved in Kenya, but I didn't hear any protein in that diet. We know that nutrition is absolutely critical, and in the U.S. school feeding pays a lot of attention to nutrition. Maybe your panelists could share with us some of the experiences they've had in their countries with school feeding and then globally how we can address the nutritional component of the food that they kids will get.

Gerry Ritz

Canada does not have a school-feeding program per se. There are instances where it's done but not on a day-by-day basis. Certainly we don't discount that for any other country doing it; it's got to be needs-generated and so forth, but we're not into that particular venue.

Amin Abaza

Well, I think that school feeding is one of the most important topics for a country like Egypt, because we have 17 million students in the primary schools. And as you said, Secretary Vilsack, one of the major objectives for students to go to school is they get the school lunch. And sometimes we do not have enough possibilities to feed every single student for the whole duration of the school year. But we really concentrate on the poorer areas where we give them a school lunch.

And I think that this is the only way – if we can improve the quality. Because in countries like ours, we always speak about food and never speak about nutrition. So it's the quantity of food and not the quality or not the value and not the nutritive aspects of this lunch. We need to really advise ourselves of that and to increase our

capacity to deliver this lunch. And I'm sure that it's going to have a huge effect on the population in the future generations.

Carlos Vazquez

In Mexico we don't have a similar program, but we have other safety nets that work to address this need to go with something in your stomach to school. We have a voucher system that basically allows – through families and through especially the mothers who go and attend a health system – they will get the vouchers for buying food that they might need, depending on the number of kids and that. We don't have a school program for that. We also have a milk distribution that complements the dietary needs in Mexico.

Tom Vilsack

The international food programs that the United States are involved in – the program that I was specifically referring to was the McGovern-Dole program. I would imagine that a good part of USDA's efforts as it relates to protein is focused on our own food-assistance programs. Very few people realize it, but within USDA roughly two-thirds of our budget of approximately \$130 billion is focused on food assistance of one form or another.

And we continue to work – through our school-lunch program, through the SNAP program, the Supplemental Nutrition Assistance Program for needing families, and the WIC program, which is for women and infant children – we continue to strike a better balance of nutrition. We, I think, are challenged in our country because we have the twin problems of 600,000 of our children actually being food insecure or hungry each and every day; at the same time, we have 35 percent of the youngsters in this country either overweight or at risk of being overweight.

And so as we look at our school-lunch program, we're trying to figure out ways in which we can create a more balanced approach and at the same time encourage more physical activity. That's probably not an issue in developing nations because youngsters are walking to school great distances to get that education and are very physically active. It's a challenge for us, so that's a way in which we are addressing sort of that issue on the domestic level.

Question

My name is Jeffrey Smith, and I'm the author of *Seeds of Deception* and *Genetic Roulette*, so I represent the anti-GMO activists you were discussing. I appreciate the chairman of the World Food Prize earlier today saying this is a forum for discussing diverse ideas. And I want to share with you our perspective, or at least my perspective, from what was said here today. It's as if we're reading off of a different scorecard.

Minister from Canada, you mentioned that GMOs clearly increase yield and that's known – although when I read the reports, like the Union of Concerned Scientists report this year, which is supposed to be the most thorough analysis, it's called "Failure to Yield," where actually only one crop improved yield, and that was by .3 percent per year – far less than traditional agricultural methods.

When you talked about no peer-reviewed published studies – well, I work with more than 30 scientists to gather all of the documented health dangers of GMOs, and I have 1,100 or more references. In fact, the American Academy of Environmental Medicine this year suggested that all physicians prescribe non-GMO diets to all patients, because there's a causal link, from the animal-feeding studies, to immune system damage, organ damage, gastrointestinal disorders, etc.

So what I see, as I've traveled around to 32 countries, is the issue is access. We are unable to approach the policy leaders who have the "understanding" that GMOs are there to have been fully approved, fully tested

and are ready to feed the world, whereas the information that we have and that we digest and want to share with you – we don't believe it ever gets to you so that decision has the benefit of both sides.

So I would like to extend my hand, on behalf of those who are studying this and want to feed the world and want to do the best for the world, but want to share with you what we've come up with and have been frustrated that we don't think that you're hearing the same things that you are.

Tom Vilsack

Well, let me address that from the United States perspective, at least for the last eight months. We have had an opportunity to actually visit with folks, and we are going through a regulatory review of many of our regulations relating to GMOs. And we actually invited both those who are proponents and those who are opponents to the science in a joint exercise and joint effort to try to see if we could find common ground.

I happen to believe, as Bill Gates expressed earlier today, that the challenge for us is really to figure out how productivity and sustainability can both be accomplished. And again thinking back to the early days of Norm Borlaug's life, I found it striking in the recitation of his early days how resistant farmers were, and consumers were, to the notion of fertilizer, to the notion of hybrid seed, and to the notion of mechanized farm equipment. Today, all three of those are pretty much commonly accepted in most parts of the world.

So I think we have to have dialogue. I think we have to have a continuation of discussion, but I think the goal here is not for me to try to convince you that I'm right, or you to convince me that you're right; it's to figure out how to get to the place Mr. Gates was talking about earlier today where productivity and sustainability can both be accomplished. That's what we're trying to do at USDA now, and we're certainly open to ideas and thoughts, which is why we invited both sides to this conversation about the regulations. It's not an easy discussion, but at least it's taking place.

Question

My name is Daniel Hillel. I'm an agricultural scientist, hydrologist, and I deal also with issues of climate and climate change. At least one controversial issue has been dealt with here, and that is related to genetically modified crops.

Another very controversial issue was sort of mentioned in passing, and I would like to request that our distinguished speakers elaborate a little more, because that too is a controversial issue. And it has to do, of course, with the issue of biofuels – the agricultural production of plants that can then serve as fuels, converted into alcohol and so on.

And this is controversial because the energy balance for this production is questionable, and sometimes negative. It's a very complex issue. The production of alcohol in Brazil, for example, from sugar cane is a different kettle of fish from the production of alcohol from the conversion of corn [and] the energy balance, considering all the costs – the energy costs of production of tillage and transportation and processing and all that. I'd like the speakers, particularly our Canadian speaker, to elaborate a little more on that. Thank you.

Gerry Ritz

Thank you. I did mention it in my speech, talking about Canada's role; at this point it's a 5 percent blend, which takes less than 5 percent of our capacity. And as I said then, the weather is a bigger factor on that amount. Certainly farmers have the capacity to deliver both food and fuel lines.

And this is an industry in its infancy. Certainly in my area, too – I mean, we're large agriculture, but we're also very large oil and gas in my part of the world. And in the beginning days of the oil and gas sector, it didn't

make economic sense either. But someone was a visionary and decided that long-term this made sense, and it has, by and large.

Now when we start to talk about the impact of fossil fuels and the continuing impact of fossil fuels, we're looking to replace that, because no one's going to walk to work – with the world as it is, we've become reliant on, and we will continue to be reliant on. So we're looking for other alternatives. And ethanol and biodiesel certainly look good at this point.

Having said that, we are also investing in the long term in biomass. We've got methane recapture at some of the larger farm systems; we've got the biomass system coming on, but no one has gotten to the extent where commercially it's viable at this point yet. We've got several pilot projects running in Canada. I know there's the same situation here. We are re-rendering a lot of livestock trim and making biodiesel out of it. So those opportunities are there. But nothing would say that it's viable anymore than the oil and gas sector was when it first started up.

Tom Vilsack

You know, I might add to that – I think at least from the perspective of American agriculture – corn-based ethanol was a good way to start the conversation, but I think it is incumbent upon us to continue it in a variety of different ways. As Gerry just indicated, there are a lot of different experiments taking place; cellulosic ethanol is one of them. I was at a facility not long ago where I saw dry manure from a dairy operation being converted into ethanol, and a byproduct of that was biochar, which many believe has tremendous opportunities as a fertilizer and as a capturer of carbon and a sequesterer of carbon.

Here is the human aspect of this, from my perspective. We do an ag survey every year in America to find out what the status of agriculture is, and the statistics from this last ag survey were very enlightening. We found that there were 108,000 new farming operations started in America in the category of sales less than \$10,000. Now, that means these are very small operations – most likely fruit/vegetable operations, selling to farmers' markets and community-supported agriculture – but it's 108,000 families that made the decision to sort of put their stake in the ground and to continue a farming tradition and to help repopulate our rural communities.

On the production agriculture side – that is to say farms with \$500,000 or more in sales – 41,000 more operators in that category in the last five years. Where we lost ground was in the middle. Between those with \$10,000 sales and \$500,000 sales, we lost 80,000 farmers. Now, some of them may have migrated to production agriculture and larger-scale operations. But the reality of it is that we suffered in this country a loss of farm families.

I gave a speech recently in Minnesota, the Orville Freeman lecture – he was a former secretary of agriculture – and I was comparing the number of farms when he was secretary of agriculture to the number of farms today. We're down over a million farmers from 1961 to 2009. We are farming 200 million fewer acres, but yet we are, in some cases, 2-3 times more productive. My view of this is that, at least as it relates to America, that a good part of the value system that's important to this country is inherent in the values in rural America – the notion of hard work, the notion of family, and most specifically the commitment to neighbor and community – very, very strong in rural America.

So when I look at biofuels, I look at it as a way in which we can diversify agriculture, where we can add value to commodities and make them into ingredients, and where we can create the opportunity for that mid-sized operation that I think is vital to the future of rural America, to be able to have a shot at success.

Otherwise, we're going to continue on a trend, and there'll be a day when we have very, very small farms and folks are probably working in the city and driving, or very, very large operations that rely on science and technology and are very expensive to operate. And I don't know that that's necessarily in the long run what's best for agriculture or necessarily what's best for the rural parts of this country.

So we're going to continue to invest in research, we're going to continue to push the envelope because we think it's in our economic security, our national security to do so. And I think it's frankly a very important aspect of our value system.

Amin Abaza

Being a net food importer, we are very worried about transforming food into fuel. But I understand that fossil fuel is a nonrenewable resource, and I understand that we have to look into other ways and means to produce energy in the future. But I think that there are other kinds of energy, renewable energy, that could be explored more.

And here we come back to the question of subsidies: is this industry capable of surviving without these huge amounts of subsidies or not? Especially when we speak about corn, transforming corn into ethanol. I think that we will reach the second and third generation by transferring the biomass into fuel, and we have to pass by the first generation first to reach the second and third. But I hope that this is not going to continue for a long time, because this might also put a lot of stress on the food-importing countries and on the people who do not produce enough food, so that it will cause these commodities to be much more expensive and might also be – these countries might be unable to afford them in the future.

Carlos Vazquez

In the case of Mexico, we have a biofuel law that basically doesn't allow the production of ethanol by corn. But we recognize that we need also, even though Mexico is an oil-exporting country, to work on new technologies and new bioenergy. So we are looking to other technologies – biomasses, biodiesels – and that's the way that we're approaching this very important issue in Mexico.

Tom Vilsack

I'm such a good moderator that it just took until now for me to know that there was a sign there telling me when to stop. So I've now seen the sign three or four times that says stop, and I now see Ken Quinn coming up – so that is definitely a sign that we've worn out our welcome. Join me in thanking the panel.

Ambassador Kenneth Quinn

Mr. Secretary and ministers, every event today seems to have produced a new idea, something exciting that we could take stock of each year or do here. Mr. Gates and assessing how the Green Revolution is doing, and come back and do that. Jeff Sachs had these ten items we ought to be looking at systematically. Indra Nooyi, the commission that she proposed about nutrition and production.

And now from this panel, I think we can clearly see that we should have the Des Moines Round rather than the Doha Round. Well, I mean, who knows? Right. We're open and welcome to that. Thank you for a wonderful, wonderful panel and a marvelous exchange.