

**Rural Recognition Banquet
Columbus, Nebraska
February 4, 2008**

**Thomas C. Dorr
Under Secretary for Rural Development**

**Good evening. Thank you, K.C., for that very generous introduction ...
and for a terrific tour this afternoon. Great to be back close to home.**

**I've been in Washington long enough to know that it's essential ... if
you're doing something like rural development ... to get out of the
USDA Whitten, DC office building and get a little mud on your boots
from time to time. I am certainly impressed by what we saw today.**

**Let me begin by extending my congratulations to the several individuals
who have been honored here tonight at the Recognition Banquet.**

**I am a lifelong farmer from Cherokee County, Iowa, about a 150 miles
north and a little east of here. About seven years ago I took a
temporary job in Washington, D.C. It's not true that I was just trying
to escape Iowa winters, although I do have to admit that there are some
attractions to a place where forty degrees is considered a cold wave.**

As a farmer I have spent most of my adult life involved in the Iowa and national Corn Growers ... and the Soybean Growers ... as well as many local and regional economic development boards. I have logged hundreds of hours sitting where you are sitting now ...

... And over the last several years, as Under Secretary for Rural Development, I have had the opportunity of speaking to literally dozens of gatherings like this.

From both perspectives, I can tell you that my settled conviction is that the single most important ingredient in the success of any community ... rural or otherwise ... is the kind of individual achievement, personal commitment and personal leadership that we have gathered to recognize this evening.

As I have said on many occasions, if we could find a way to bottle vision, passion, and leadership and sell it over the counter, we could solve a lot of the world's problems.

We can't do that, but we can do the next best thing. We can recognize, encourage, and grow leaders when good people step forward and put themselves on the line. So again, it is a real pleasure to be here tonight.

Over these past seven years, I have had the high privilege of serving with USDA Rural Development. As an agency, we are mostly in the field. We are approximately 6,300 men and women working out of about 450 offices around the country. A few of them are here:

- Many of you know Scot Blehm, our State Director.

- With him, from our Norfolk office, are:
 - Dale Wemhoff [*Area Director*],
 - Charles Schiebe [*Rural Development Specialist/GRH*],
 - And Diane Bryant [*Rural Development Specialist/GRH*].

They do a great job. USDA Rural Development is essentially an investment bank for rural America. We have a current portfolio just shy of \$100 billion invested in rural infrastructure, housing, community facilities, business, and energy development.

In Nebraska since 2001, Scot’s team has administered the investment of more than \$700 million in grants, loans, and loan guarantees. We’re “committed to the future of rural communities”, and these are the folks who get mud on their boots on a daily basis to get the job done.

We are here tonight to recognize excellence in agriculture and ag-related activities. Ordinarily at a gathering like this I would discuss something that is undoubtedly on all of our minds ... the new Farm Bill.

Unfortunately, I can’t do that this evening. As you probably know, the Farm Bill is still in conference. Staff discussions are underway. If I had a crystal ball I’d make a prediction. But I don’t, so I won’t. What I can say is that the principles President Bush enunciated a year ago at the outset of the debate have stood the test of time:

- We need to modernize Title I to recognize that the safety net can and should be WTO compliant ... and stop subsidizing the wealthiest of the wealthy and Park Avenue millionaires.**
- We need to facilitate the entry of young people into farming. There are extraordinary opportunities in rural America, including but**

- certainly not limited to farming. There are far more young people today who would like to farm than will ever get the opportunity.
- Yet farming has become an aging occupation. I've been farming for more than 30 years ... but if I attend a farm meeting back in Cherokee County, I'm still one of the young guys. The barriers to entry and the obstacles to young people need to be addressed.
 - We also need to invest more in research, conservation, rural infrastructure, rural health care, and renewable energy ... all key components of the President's proposal.

The President a year ago offered strong proposals in all these areas. He did so within the context of a fully costed-out, balanced budget plan, and without any new taxes. The House and the Senate both came up with very different plans.

There are some areas ... notably the support for conservation and renewable energy ... where the positions are fairly close. Elsewhere there remains a lot of work to do to find a consensus.

But the good news is, the remarkable opportunities that are emerging in rural America today ultimately don't depend on the Farm Bill.

Don't misunderstand me about this ... the Farm Bill is important. It will affect how we can assist farmers, rural businesses, and rural communities in stepping up to new challenges. We are committed to the passage of a strong Farm Bill and hope this can be accomplished sooner rather than later.

But more fundamentally, the big opportunities in rural America today ... fortunately ... for the most part don't depend on standing in line waiting for the government to write a check.

Frankly, there has been too much of that in rural America. I would submit, however, that the opportunities today are driven by emerging technologies and markets ... and the key to rural and community development is positioning ourselves to adapt, innovate, and capitalize.

In this context, three factors stand out ...first, the explosive growth of global energy demand ... second, distributed computing and broadband ... and third the intrinsic financial and entrepreneurial capacity of rural America itself.

The growth of energy demand was until recently a bit of a surprise. Most of us frankly didn't see it coming at the speed it has. But in retrospect, probably the most important thing that has occurred since the end of the Second World War was the end of the Third World War, the Cold War.

Since the fall of the Berlin Wall, between two and three billion people have joined the world market system. There are many effects. A new global energy economy is just one of them.

This is historic for agriculture and rural development, not energy, because \$90 and \$100 oil unlocks alternative fuels ... largely rural or ag-related ... that used to be priced off the market. As a result, we are in the very early stages of a very large transition.

We have already more than quadrupled ethanol production since 2000.

- **Cellulosic ethanol is moving into production.**

- **Last month the President signed into law a 36 billion gallon Renewable Fuels Standard. That will increase production seven-fold above current levels by 2022.**
- **Biodiesel is another success story. The United States produced 2 million gallons in 2000. We're on the way to nearly 800 million gallons by 2010 according to USDA's baseline projections.**
- **Installed wind capacity in the U.S. has increased almost seven-fold in seven years, from 2.5 to 16.8 gigawatts.**
- **The United States has now led the world in new installed wind capacity for each of the last three years. We lead the world in biofuels. We lead the world in geothermal and waste to energy. We lead the world in solar thermal. Photovoltaic shipments in the U.S. have increased tenfold since 2000.**

This is an important story on many fronts ... national security ... economic security ... and the environment. For agriculture and rural development, it adds up to probably the greatest new opportunity for wealth creation in our lifetimes.

Just consider: A recent study by Dr. Doris Petersen, an economist with the Nebraska Public Power District, estimated the impact of a single 100 mpgy plant in Burt County, Nebraska, as \$192 million annually in output ... 113 jobs, 34 in the plant and the remainder spread around the community ... almost \$10 million a year in added income in the community ... and over \$1.5 million in tax revenues.

That's just one midsized plant. The big picture is that at current world oil prices, a billion barrels of biofuels is a new market larger than today's net farm income. That's worth shooting for.

Bottom line, the global build out of renewable energy means that agriculture is moving from a food-feed-fiber economy to a food-feed-fiber-and fuel economy. The energy component is essentially unlimited. This is unlike any economic driver agriculture has ever had, and we are only just beginning to work through the effects.

The second new thing on the horizon is distributed computing and broadband. Like the renewables revolution, this is a game-changer.

It's a big deal. To take just one example, the ability to sell rural Nebraska or North Dakota or Minnesota wind power in Chicago or Detroit or St. Louis isn't just a matter of putting up windmills and plugging in the air conditioners.

What is required is the ability to integrate seamlessly with a regional and national grid that balances loads across a continent ... plus the ability to measure and appropriately price distributed generation ... plus the availability of transmission corridors to gather and move a highly distributed resource to new markets. Distributed computing is integral to the build out of distributed energy generation.

In addition, connectivity plugs everyone into the game. It empowers distributed production in all sectors of business and industry. It allows dispersed, networked systems to achieve economies of scale ... something that has been very important, for example, in the build out of a highly decentralized biofuels complex that is dependent on localized sourcing of feedstocks.

When information moves at the speed of light ... when anyone with a modem has real-time access to financial, technical, and legal resources

... when more and more jobs can be done just about anywhere ... the traditional barriers of time, distance, and isolation will have been largely removed.

This is true, of course, whether one lives in the city or the country. If I were giving this talk in Chicago, Minneapolis, or Denver, I would be just as quick to say that distributed computing is transformative. But because it levels the playing field, it disproportionately advantages rural communities and enterprises, which used to be dealt out of the game.

Bottom line, “you can’t do that here” is no longer an excuse. If you have a modem, a UPS truck, and an entrepreneur with the skills to make the business work, you probably can “do it here.”

- **JTV Manufacturing/Sutherland, Iowa, example?**
- **Viking Range/ Greenwood, Mississippi, example?**
- **Others?**

Rural areas ... with their high quality of life, lower costs of living, low taxes, and absence of urban woes ... are now suddenly more competitive than they have been in many years. That’s the potential we need to unlock.

It's no accident that so many of America's fastest growing communities ... and best places to live ... are smaller cities and small towns in rural areas that have been newly empowered by technology.

This is the promise that we call the "Rural Renaissance" ... and it is a window of opportunity that we are determined to open as wide as possible for every rural community and every rural business that is willing to step up and participate.

That brings me to a final point. For too long in rural America, people have been conditioned to look to government. But rural America is not a helpless bystander in this game.

Farm equity alone has doubled in the past ten years to more than \$2 trillion. If you'll allow me a little Kentucky windage, that is approximately one thousand times our entire operating budget at USDA Rural Development. That should suggest who the tail is and who the dog is.

That \$2 trillion is just the farmers. 60 million people live in rural America. 58 million of them don't farm. If rural America were a

country unto itself, it would have a population the size of France or Italy inhabiting a land area as big as Europe west of Russia. And it would be a wealthy country by international standards.

Rural America holds its future in its own hands ... provided, as I said earlier, we are prepared to adapt, innovate, and capitalize.

This is not something we can parachute in from Washington, D.C. It's up to you. It's up to the entrepreneurs. Most especially, it's up to the kind of people we have gathered to recognize and honor tonight.

USDA Rural Development can and does help with technical support. We can and do fund demonstration projects. We can and do provide financing to mitigate ... not eliminate, but mitigate ... risk and get promising projects over the bar. We can and do provide a wide variety of extra support for lower income communities.

Also we are conducting research on investment and ownership models to facilitate the aggregation of local capital and local ownership and control ... and on strategies to accelerate the build out of renewable

energy industries in rural America. Some of this has just been published in the January/February issue of *Rural Cooperatives Magazine*. I encourage you to visit our website and read the reports.

We will continue to do all these things. But as I said at the beginning ...if we could bottle vision, passion, and leadership and sell it over the counter ... we would have done it long ago.

The Rural Renaissance ultimately depends on you, bottom line. So again, it is a privilege for me to join with you tonight in honoring some of the people who are setting the bar high and leading by example. The future is bright ... and we look forward to working with you to seize the opportunity. Thank you.