

Challenges/Opportunities Facing USDA and the Obama Administration

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Internal Challenges

- **Major Management Requirements**
 - \$90 billion budget; 100,000 employees
 - Nine Mission Areas: Multiple Agencies/programs—covers domestic/international disciplines
- **Staffing Leadership**
 - Deputy Secretary
 - Under/Deputy Under Secretaries
 - Agency Administrators
 - State Directors
- **Budget Responsibilities**
 - FY 09—Implement final Congressional Appropriations Budget
 - FY10—Submit Ag budget as a part of President's Budget Request
 - Managing Tight Budgets—Agencies are strapped
- **Setting Policy Priorities**
 - Address carryover policy issues
 - Respond to new issues
 - Carry out Obama Administration objectives

External Challenges/Opportunities

- **Farm Bill Implementation**
 - Conservation, Energy, Disaster provisions
 - Pressures to change Bush administration decisions
 - Funding to fully implement final portions
- **Environment**
 - Advanced Biofuels
 - Climate Change—Green House Gas Emissions---impact on ag sector
 - Air/Clean Water—more regulatory pressures
- **Ag Economic Sector Concerns**
 - Global recession—impacts on Ag Economy—financial credit; production/demand destruction
 - Ethanol—negative returns; bankruptcies; blend wall issues
 - Price/cost returns; dairy, cotton; other troubled sectors
 - Price Volatility: Pressure to regulate exchanges to reduce it

External Challenges/Opportunities, Continued

- **Persistent Trade Issues**
 - Protectionism—Sanitary/Phytosanitary restraints; increased tariffs
 - Trade Agenda: Doha WTO Round; Columbia/Panama/South Korea
- **Budget Pressures**
 - Huge Federal Deficits—limits funding to incentivize environmental, food safety, etc., public policy objectives
 - Increased regulation—raising the cost for producers and food industry
 - Budget Reconciliation—Won't occur in 2009 but every Federal program impacted at some point.
- **Policy Initiatives**
 - Food Safety: continued pressure for one single food safety agency
 - USDA Reorganization: Perennial effort with change of administration
 - Congressional Oversight: crop insurance
 - Immigration

Dealing with the Unexpected...

- **Not a matter of “if” but “what”**
- **Major Disease Outbreak? (e.g., BSE, Avian Influenza)**
- **Terrorist attack on food supply?**

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