

**Testimony before the
House Appropriations Committee
Agriculture Secretary Russell C. Redding
February 24, 2021**

Good afternoon Chairman Saylor, Chairman Bradford, and members of the House Appropriations Committee.

Thank you for the opportunity to speak to you and this committee to discuss the state of agriculture in Pennsylvania. This past year was a year like no other – 2020 was a year of trial and tribulation, and we faced the risk of uncertainty in so many aspects of our daily lives. What we also saw this year was the true impact of agriculture on Pennsylvania and Pennsylvanians.

While the COVID-19 crisis reminds us of our shared fragility, it has also demonstrated how everything and everyone is truly connected. The agriculture industry’s innovation, creativity, resilience, and strength has also been on full display this past year, and we know that ending this pandemic relies on interconnected factors, each piece providing a crucial and vital role to the whole. At the Department and in the agriculture industry, we are no stranger to this interconnectedness and the importance of relationships. In agriculture, we must constantly be on guard for the next threat to the industry, whether that is extreme weather, zoonotic disease, plant or invasive pest, market forces, or a global pandemic. The principle of biosecurity – something the agriculture industry lives and breathes – took on new meaning this past year, as the entire world has had to work together to mitigate transmission of COVID-19.

We as a Department stayed true to our core mission of protecting public health and safety while playing a critical role in COVID mitigation and now recovery. Staff never lost sight of the need to process lab samples, surveil against Spotted Lanternfly, conduct inspections, process grants, preserve farmland, invest in conservation, feed people, conduct inspections, and so much more. The investments in technology that the Department has made through the past several years allowed us to shift overnight to telework and hybrid service delivery models, making sure that the work of the Department adapted to our new working conditions. I must mention that none of these accomplishments would be possible without the Department’s dedicated public servants who have risen to meet the COVID 19 pandemic and other challenges without hesitation. We have faced other threats, though not at this magnitude, and learned that our greatest strength is our team.

Our team is more than the employees of the Pennsylvania Department of Agriculture. We have partnerships that extend all throughout the Commonwealth and beyond. I would like to thank our sister agencies whose work complemented our own, such as DCED who manages the online platform that allows PDA to send grant money throughout the Commonwealth and DEP who worked with us on new programs to provide grant funding to food banks to increase cold storage capacity when they needed it more than ever. I would also like to thank our businesses, organization and all the local, state and federal partners who make up the Agriculture team and I want to take the time to make sure their impact is recognized.

A great challenge in 2020 exacerbated by COVID was food access and food security across the commonwealth and the country. As the COVID 19 pandemic caused unemployment and financial stress, Pennsylvanians turned to the charitable food system in record numbers. Between March 29 – when the

department began working with the state's charitable food system to collect data – and December 31, 2020, Pennsylvania's food banks, pantries, cupboards, and other emergency food providers connected an average of 537,000 individuals with critical food supplies on a weekly basis. All told, during that time, more than 200 million pounds of food were provided to those who otherwise may have gone without.

According to Feeding America's annual Map the Meal Gap report, in 2018, 10.9% of all residents in Pennsylvania didn't always know where their next meal was coming from. That number included nearly 15.1% of all Pennsylvania children. In 2020, as a result of the coronavirus pandemic, these numbers grew substantially. According to a series of data analysis reports compiled by Feeding America, the number of Pennsylvanians facing food insecurity is projected to have grown to 15.4% in 2020, an increase of 41%. Even more startling, they project that the percentage of children in our state facing food insecurity has risen to 23.8% – an increase of 58% in just two years. I must also note that food insecurity disproportionately impacts communities of color. Food apartheid is real and was exacerbated throughout the pandemic. Access to food is just one piece of the puzzle, access to nutritious food that can combat health issues and build a strong immune system is another.

In response, the Wolf Administration immediately took steps to implement administrative program waivers and to apply to the U.S. Department of Agriculture (USDA) for other program flexibilities that made it easier for the department and its emergency food assistance partners in all 67 counties to connect hungry Pennsylvanians with the food resources they needed while lessening paperwork burdens and implementing critical social distancing measures. These flexibilities, combined with an additional \$20 million of commodities received from the USDA as a result of federal legislation and an additional \$25 million of food funding provided by state Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, helped to ensure that food-insecure Pennsylvanians continued to have access to food despite an otherwise challenging economic environment.

The department was fortunate to administer an innovative take on a successful program model – the \$10 million Fresh Food Financing Initiative COVID-19 Relief Fund. The goal of the program was to provide grant support to food retailing businesses impacted by COVID-19 to ensure that amidst the pandemic, communities can maintain healthy food access. In recognition of the disproportionate impacts of both COVID-19 and food apartheid on communities made up of Black, Indigenous, and People of Color (BIPOC), and especially Black and African American communities, prioritization was given to those businesses that are owned by and serve low-income BIPOC communities. The department funded 115 projects across a diverse mix of food retailers and processors in 39 counties. Recipients included grocery stores, farmers markets, meat processors, and urban farms, all located in or next to areas designated as low food access or low income.

In order to have a successful charitable food system, we must have a food system that is charitable. As such, I am also glad to see that the proposed budget calls for an additional \$1 million for the Pennsylvania Agricultural Surplus System (PASS), which helps to support Pennsylvania's agricultural industry statewide while also funneling additional food into our charitable food network. PASS provides an efficient mechanism for Pennsylvania's agricultural industry to donate safe, wholesome food products while being reimbursed for the costs involved in harvesting, processing, packaging, and transporting these foods. Additional funding provided for this program through the CARES Act in 2020 was instrumental in the department's ability to support 32 farms and agri-businesses. Since the program began in April 2016 through January 2021, more than 19.5 million pounds of food have been distributed through the program. For the first four years of the program, an average of 3 million pounds

of food was delivered per year. In the 7 months since June 2020, 7.5 million pounds of food was delivered through PASS. The additional investment in PASS this coming year will continue to further benefit our farmers by adding an additional market that at least covers their harvesting costs, while also benefiting the environment by helping to reduce food waste and providing for Pennsylvanians who struggle to put food on the table.

I would be remiss to not highlight the extremely important topic of mental health, which has become a priority of the Department. Prior to the COVID 19 pandemic, the Department had engaged with the agriculture community, legislature, Governor, and fellow agencies in addressing mental health stigma and promoting available resources to farmers and producers. According to a January 2020 study by the Centers for Disease Control and Prevention, farmers are among the most likely to die by suicide compared to other occupations. The study also found that suicide rates overall had increased by 40 percent. Time demands, financial issues, fear of losing the farm (and therefore a home), and the uncertainty of both weather and the economy all contribute to the mental health strain on farmers – and this was prior to the global pandemic. The Department has engaged with the PA Departments of Health and Human Services to host listening sessions, and a collection of resources can be found on the Department’s website.

This past year has challenged us in ways like never before, with the pandemic uprooting our daily routines and highlighting our vulnerabilities. In addition to the obstacles that the COVID 19 pandemic has presented, the Department continues to address issues outside of the scope of our coronavirus response.

In March of last year, the food supply chain in Pennsylvania, which starts in our fields and ends on each Pennsylvanian’s plate, was dealt a horrible blow. However, I am happy to report that even now, the food supply chain in Pennsylvania remains strong and intact, in no small part to the efforts of businesses, the Wolf administration and the General Assembly, took together, starting right here two years ago.

The PA Farm Bill, introduced and passed in 2019, was the first ever bill of its kind in Pennsylvania. In its first year, the PA Farm Bill strengthened Pennsylvania agriculture by providing \$23 million in grants across the commonwealth and at all levels of the food supply chain. I am proud that Governor Wolf and the General Assembly continued our shared, bipartisan commitment to the agriculture industry through funding the PA Farm Bill in the final fiscal year 20-21 budget. I am even prouder to report that the Governor’s 21-22 proposed budget would again fund the PA Farm Bill for the third time, continuing to support Pennsylvania agriculture during this crisis. This is \$50 million in new investment in Pennsylvania Agriculture.

Never in a million years could we predict what 2020 was going to bring, but if we could the PA Farm Bill has the programs we would have proposed to prepare the industry for fluctuating markets, infusing local food into food deserts, and strengthening the weak links of our food system to persevere through a pandemic. We can see that the first round of PA Farm Bill funding not only helped agricultural producers survive 2020, but it helped them thrive.

As communities across the commonwealth faced immense challenges with food insecurity as a result of COVID-19 mitigation efforts, urban communities that took advantage of the PA Farm Bill’s Urban Agriculture Grant program had new infrastructure in place to combat food insecurity by growing their own food and improving access to food for their neighborhoods.

Pennsylvania's dairy industry was most notably affected by the pandemic, as rapidly changing markets caused farmers to dump fresh, nutritious milk down the drain. However, some dairy farmers had already diversified their markets and found new opportunities through the PA Farm Bill's \$5 million Dairy Investment Program. The program offered dairy farmers an opportunity to sustain and grow their business through on-farm innovation, organic transition, and diversification through value-added products such as cheese, yogurt, and ice cream.

At the root of the PA Farm Bill is the Agricultural Business Development Center (ABDC), a portal to connect our farmers with planning services – supporting new and beginning farmers getting into business, pursuing new opportunities for economic and environmental sustainability, diversifying revenue streams to enhance profitability, and transitioning ownership of the business to the next generation. With so many independent business owners in agriculture reaching retirement age, it is critical that the path to succession be as smooth as possible and that outreach to new and beginning farmers happens early and often.

With the guidance from the ABDC Advisory Committee, we committed \$1 million in funds to the Farm Vitality Planning Grant Program in 2020. Through this program, 133 diverse agriculture operations in 46 counties benefited from planning for the future of their operations. Of those 133 operations, 60 were on preserved farms. We were especially proud of the variety of operations that we could support in the first round, from a traditional dairy operation in Juniata County to a new farm in Mercer County to grow food for the local Somali-Bantu refugees to a Butler County preserved beef farm transitioning to a neighboring young farmer. We are working on the second round of the Farm Vitality Grants to address the ongoing needs of the industry. Many farms had to pivot with very little notice due to COVID, and we've seen the resiliency and innovation of the industry and the benefit of a solid business plan. We look forward to opening the second round of planning grants in the near future.

Preserved farms have a special focus within the ABDC. Pennsylvania leads the nation with 5,813 farms that have committed to preserving their land in agriculture in perpetuity through the Farmland Preservation program, now in its 32nd year. The program's dual goals are to protect prime farmland from development pressure and improve land access for beginning farmers by allowing the land to be sold at its farm value. The first objective has been realized with over 590,000 acres preserved in agriculture in perpetuity, but the second objective has proven more challenging in recent years. Land prices in some parts of Pennsylvania have increased to the point that there is little benefit to a beginning farmer to look for a preserved farm when he or she is ready to buy land. To improve our ability to meet this second objective, the PA Farm Bill extended the waiver of realty transfer taxes for the sale of a preserved farm to a qualified beginning farmer. To date, there have been 5 certifications for qualified beginner farmers.

The commonwealth's Centers for Animal Excellence – Dairy, Beef and Poultry & Livestock – each played a critical role in providing resources to farmers and producers throughout the coronavirus pandemic. Educational workshops, industry calls with specialized programming, and grant programs assisted not only our farmers on the ground, but also the commonwealth's response to protect frontline agriculture industry employees during the pandemic. The Center for Poultry and Livestock Excellence awarded \$285,000 to 41 different PA poultry, swine, lamb, goat and sheep processing facilities across 20 Pennsylvania counties. Additionally, the Center for Dairy Excellence provided \$53,000 to milk processors, haulers and farmers to cover the cost of personal protection equipment.

The PA Farm Bill restored \$500,000 to the Agriculture and Youth Organization grants program, once known as the Agriculture and Rural Youth Organization Grants program. The 2020 grant program opened during the 2021 PA Farm Show, and applications will be accepted until March 5, 2021.

Throughout our work with the Econsult and Team PA economic impact study, the 2019 Farm Bill, and COVID 19 relief efforts, we are continuously reminded that agriculture is zip code neutral in the commonwealth. Our urban centers play a major role in the food system, both as consumers and producers. The second round of the Urban Agriculture Infrastructure grant program will open next week and is focused on supporting agriculture infrastructure in urban areas, making resources available to sustain and expand the community and economic development already happening.

We promoted opportunities for specialty crops by supplementing the federal Specialty Crop Block Grant Program with a state-level program for crops not currently eligible federally or that are otherwise designated as high-priority specialty crops by the Secretary. This grant funding will assist with the growth, certification of seed, and marketing of eligible crops including hemp, hardwoods, honey, and hops; and barley, rye, and wheat for distilling, brewing, and malting purposes only. In November 2019, the Department received 24 concept papers for consideration, totaling \$1.4 million in requests for funding. The Department awarded \$472,000 in grants to thirteen projects. The 2020 Commonwealth Specialty Crop Block Grant Program opened on January 25, 2021, and applications will be accepted until March 5, 2021. The program has \$460,000 to award.

As we stay focused on the important work of keeping Pennsylvanians fed and healthy, we must also look ahead to see how we can grow our markets and not allow the last year to be a step-back in Pennsylvania. The Governor believes in fostering opportunity and growth across all production methods, including Pennsylvania's robust organic sector. Pennsylvania is a leader in organics, sitting in the top 10 percent of the nation in terms of certified organic farms (1,055), total organic sales (\$707.6 million), organic broilers (\$320.5 million), organic mushrooms (\$38 million), organic cow's milk (\$68.9 million), and organic eggs (\$120.4 million). Pennsylvania farmers have been increasingly transitioning to organic crops and livestock, though our levels of production still fall far short of satisfying Pennsylvania consumers' demand for organic foods or the opportunities to meet the demand of this rich region.

The department continues to work closely with Rodale Institute to provide technical assistance to farmers interested in beginning the three-year process of transitioning to certified organic production. To date, that effort has resulted in 83 farmers committing to transition at least some of their acreage to organic production methods, for a total of 5,400 acres currently in transition. Farmers that are transitioning to organic operate approximately 27,000 acres of land. As those farmers master skills in weed control and other requirements for organic certification, the percentage of acreage dedicated to organic production will increase, as will the number of farms. The PA Preferred Organic Program recently partnered with Rodale and Penn State Extension to offer a series of virtual field day sessions to organic farmers and those interested in transitioning to organic in February 2021. With 1,055 certified organic farms and more than 93,000 acres of certified organic land in the commonwealth, PA farmers are well on their way to addressing this growing need. One such example that I would like to point out is Bell & Evans transition of 50,000 acres of farmland to certified organic in five years through partnerships with Cargill and the Rodale Institute. This national goal of 50,000 acres is starting right in Fredericksburg, Pennsylvania and is the largest investment of its kind into organic production and farming.

We see other opportunities in the marketplace through our PA Preferred brand and veterans' programs like Homegrown by Heroes, which is one of several branding campaigns for farmers who have served in the military. We see agriculture as a great opportunity for returning veterans who want to use their skills gained through their service to be entrepreneurs without being stuck in an office all day. Given the size of Pennsylvania's veteran community, this effort can become a significant part of developing agriculture's future workforce. Through the PA Farm Bill, PA Preferred received a \$1 million increase in funding to both grow brand awareness for PA Preferred as a whole and also bolster membership of the Homegrown by Heroes program and its benefits to veteran-members. In September 2020, the Department launched a brand awareness campaign statewide with nearly 90 million projected impressions. The campaign will run through June 2021, with the hope to continue the campaign annually thereafter.

This year, Governor Wolf has proposed the Nellie Bly Scholarship fund to support 44,000 need-based students attending the Pennsylvania State System of Higher Education. The program will be funded by repurposing \$199 million in slot machine revenues that is directed to the Horse Racing Development Fund annually. Act 71 of 2004, the Pennsylvania Race Horse Development and Gaming Act, generated by licensed gaming facilities to support property tax relief, wage tax reduction in Philadelphia, economic development and the commonwealth's horse racing industry.

Slots revenue has provided more than \$3 billion over 16 years to subsidize this single private industry. In addition to the traditional support the industry receives from the commonwealth including payments from the Pari-mutuel Wagering Tax and Clean and Green, a preferential tax assessment program, among others. The fund would still support diagnostic testing, marketing and health and pension benefits for horseman organizations.

We've been warning for some time now that without legislative action to increase the dog license fee to fund the Bureau of Dog Law Enforcement that protections wouldn't be able to continue at the same level of service for the dogs and citizens of Pennsylvania. Now, it's officially happened, after 25 years with no inflation to the dog license fee the bureau is out of funds and we're seeing the unfortunate, disturbing results.

The bureau has been unable to fill vacancies, which is stretching wardens thin, pulling them from other regions to cover more territory, resulting in fewer kennel inspections and an inability to keep up with public complaints about strays, vicious dogs, or illegal kennels.

For years we've been pushing for a minimal dog license fee increase to keep the Bureau of Dog Law Enforcement funded to continue their work to crack down on illegal kennels, register and track dangerous dogs, and ensure the health and wellbeing of dogs across the commonwealth. Now, the bureau is out of money and things are beginning to fall to the wayside as a result.

Worse, a bureau that has been self-sufficient since its inception in 1893 is now relying on taxpayer dollars to maintain the minimum required services. I'm sure we can all agree that there are better ways to spend this money.

Enacting Senator Schwank's and Representative Pashinski's legislation that calls for a modest increase in both annual and lifetime dog licenses is the necessary next step. The proposed fee increase is in line with standard inflation and will fund the work of wardens to ensure humane treatment of dogs and investigation and tracking of dangerous dogs.

Conservation and stewardship remain hallmarks of Pennsylvania agriculture. Our farmers are important stewards of the land, air, and water that they both rely on for their livelihoods and protect for our collective future. This is certainly not an easy task, as we have challenges such as the Chesapeake Bay and the impacts of climate change facing us.

Meeting the requirements under the Chesapeake Bay Phase 3 Watershed Implementation Plan to reduce nutrients in the Bay, as well as keeping our local waterways clean and healthy is critical. One way to meet this obligation is through forthcoming legislation from Senator Yaw to reintroduce updates and modernizing Pennsylvania's Fertilizer Act that was passed in 1956. This bill seeks to level the playing field so everyone, not just farmers, can decrease nutrient runoff and be part of the solution for cleaner Pennsylvania waters. For the first time in the commonwealth's history, this bill creates a professional certification program for accountability and restricts or prohibits irresponsible fertilizer application by all users. Once passed and implemented, the Fertilizer Bill is identified as a solution for achieving necessary credit in Pennsylvania's Phase 3 WIP.

With the ongoing threat of climate change, we know that the agriculture community is on the front lines. Increased precipitation, heat waves, and disease pressures pose major threats to all agricultural operations. Fortunately, farmers are also on the front lines of the solutions. Many of the programs led by the Pennsylvania Department of Agriculture and practices utilized by leading PA farmers, can serve to both address the threat of climate and improve the resiliency of Pennsylvania's agricultural system and products. Just as the COVID-19 crisis highlighted the critical nature of agriculture in daily life, climate change serves as an opportunity to further showcase the key role farmers play in protecting our planet through the work they do.

The Pennsylvania Department of Agriculture has been engaged in conservation and stewardship for many years. Both the Bureau of Farmland Preservation and the Conservation Commission have made significant progress in protecting vital natural resources with farmers. This commitment to good stewardship has been bolstered through the PA Farm Bill which offers resources in the form of loans, grants, and tax credits to assist farmers to fund and install conservation practices. Specifically, the Farm Bill has re-funded the Agriculture Linked Investment Program, grown the Resource Enhancement and Conservation (REAP) tax credit program, and enabled the creation of the new Conservation Excellence grant program for financial and technical assistance through the State Conservation Commission. Programs like these have and will continue to serve as vital tools to address the Chesapeake Bay, climate change, and other challenges that require good stewardship.

As we close what will be known in the history books as one of the most challenging years for Pennsylvania, the experiences from 2020 will strengthen our efforts to protect, promote, and preserve the industry we so clearly rely on. Thank you to our legislative leaders, Governor, partners, and all those individuals that are part of our daily lives in good times, as each has contributed to keeping people fed, keeping Pennsylvania safe, and keep people working.

I would be happy to address any questions you and other members of the committee might have at this time.