

January 21, 2022

To:

Rep. Daryl Metcalf, chair House Environmental Resources & Energy Committee;
and Rep. Greg Vitali, Democratic chair, House Environmental Resources &
Energy Committee.

Dear: Chairman Metcalf and Chairman Vitali,

Thank you for giving farmers, and farm organizations, the opportunity to talk about the importance of prioritizing clean water initiatives in our state as called for in House Bill 1901.

My name is David Graybill, and I operate a 400-acre dairy farm in Junita County. I have the privilege of serving on Pennsylvania Farm Bureau's board of directors and have previously chaired our organization's Natural and Environmental Resources Committee. Agriculture's impact on the environment, and the critical work farmers do to protect natural resources, has been a foremost concern of mine. For that reason, I have served on the Agricultural Workgroup to Pennsylvania's Steering Committee, which helped develop Pennsylvania's Phase 3 Watershed Implementation Plan. I felt it was critical that agriculture have a seat at the table during these environmental discussions, because the positive role we are playing is often overlooked in the larger goal of cleaning up the Chesapeake Bay Watershed.

With the help of farm advisors, I have implemented numerous conservation practices to prevent runoff. I routinely plant cover crops to make sure that there is always something growing on our fields—especially during the winter and spring seasons. I also routinely test our soil to monitor the amount of organic matter and ensure that we are not over applying nutrients. In addition, I have installed a leak detection system on my manure pit to monitor for the potential of seepage. Our barnyard and barn roofs have systems in place that direct stormwater into grassy areas that filter sediments and capture nutrients.

These are proven strategies that help farmers retain their soil, and as a result reduce the pounds of sediments and nutrients that are reaching creeks and streams. While these systems are effective, they come with a cost. As many of you are aware, it

has been difficult for many farms to make a profit in the past few years. In fact, for many dairy farmers, we are happy to simply break even at the end of the year. As we talk about farm economics, I believe it is always important to stress that most farmers are price takers, not price makers so any changes in our cost of production cuts into our bottom line, with no way of passing those costs to marketplace. For instance, liquid nitrogen costs have increased nearly 160 percent over last year. That's just one example of the factors impacting a farmer's ability to make a profit.

I bring this up because it speaks to the difficult situation that farmers face when wanting to make conservation improvements to their farm. Simply put, we must be able to afford the upfront costs. Dollars returned to my bank account for investments is the measure my loan officer puts on my finances. Many conservation practices that control sediment and nutrient loss just don't give enough dollars returned on investment. Funding from House bill 1901 could offset some of those initial capital expenditures. We are facing a time when agriculture is quickly going to be asked to make numerous conservation improvements, while facing economic uncertainty.

House Bill 1901 will help address these two inherent conflicts I have highlighted: it will help farmers pay for the conservation practices that will result in clean water during a time when farmers are facing difficulty of paying for all those costs. Contained in House Bill 1901 is a program called the Agriculture Conservation Assistance Program, which is our organization's leading public priority this year. ACAP would provide yearly funding to each county Conservation District to help farmers pay for best management practices that reduce soil loss and result in clean water. This funding source would be predictable and each year our conservation district staff would know their dollar allocation toward conservation practices. Funding for ACAP would be allocated to districts each year based on several factors, including miles of agriculturally impaired streams, total crop acres and concentration of livestock agriculture. Counties with more of those factors would qualify for additional funding. While this includes counties in the Chesapeake Bay Watershed, I think its important to note that some counties outside of the Bay would rank high in terms of funding. As a statewide program it means we are concerned about all the watersheds in our great Commonwealth.

House Bill 1901 calls for the allocation of \$250 million to clean water funding initiatives, including \$125 million for the ACAP program. This will result in county conservation districts receiving four years of predictable funding that they can use to help farmers implement best management practices. Conservation practices like stream bank fencing, upgraded manure storage, forested buffers and cover crops all can be funded through this program. This will help Pennsylvania make significant strides, particularly as it applies to our ability to meet nutrient reduction goals in the Chesapeake Bay. While most of this funding will go to farmers to pay for conservation practices, a portion is set aside for staff in county conservation districts and subject matter experts at Penn State to provide the technical expertise necessary to help farmers make conservation decisions. Farmers rely on experts to make the best decision on the conservation practices that make the most sense for their operation. In addition, projects like manure storage, or buffers designed to absorb nutrients before they reach waterways, all needs technical expertise to be done properly.

According to the funding formula proposed in House Bill 1901, the Juniata County Conservation District would receive \$1.6 million over a four-year period. That will go a long way to helping farmers in our county adopt new conservation practices. Perhaps the biggest benefit is that decisions on which projects get funded will be made at the local level. Pennsylvania farmers have the closest working relationship with the professionals in their county conservation district. Each district is required to have farmer members on their boards, so farmers will continue to have a seat at the table as decisions are made. Pennsylvania agriculture is diverse and so is our topography. ACAP gives regional flexibility and, again, embraces the spirit of local control.

Pennsylvania farmers are committed to running their farms in a way that protects the environment, and results in clean local water. At the same time, mandates coming from the federal government are not going away. As an organization, we have a better working relationship with the Environmental Protection Agency than we did a decade ago. In speaking with their professionals, there is an interest in seeing Pennsylvania adopt a statewide funding strategy, as opposed to punitive measures to our state. Thankfully, with funding available through the American Rescue Plan, we can demonstrate to the federal government, and our neighboring Bay states, that Pennsylvania is committed to doing more for clean water.

Pennsylvania Farm Bureau believes House Bill 1901, and the Agriculture Conservation Assistance Program, represents a great opportunity to enact a conservation funding program that embraces local control, with guaranteed funding to meet EPA's mandates. This legislation will be a great support to Pennsylvania agriculture, wildlife organizations that want clean water, and our county conservation districts. Farm Bureau is looking forward to this legislation's passage and funding.

Regards,

David Graybill

Farmer, Juniata County and member of Pennsylvania Farm Bureau's Board of Directors