

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE  
BUDGET HEARING

STATE CAPITOL  
HARRISBURG, PA  
MAIN CAPITOL BUILDING  
140 MAJORITY CAUCUS ROOM

WEDNESDAY, FEBRUARY 26, 2020

DEPARTMENT OF AGRICULTURE

BEFORE:

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN  
HONORABLE MATT BRADFORD, MINORITY CHAIRMAN  
HONORABLE ROSEMARY BROWN  
HONORABLE SHERYL M. DELOZIER  
HONORABLE GEORGE DUNBAR  
HONORABLE JONATHAN FRITZ  
HONORABLE MATT GABLER  
HONORABLE KEITH J. GREINER  
HONORABLE SETH GROVE  
HONORABLE MARCIA M. HAHN  
HONORABLE DOYLE HEFFLEY  
HONORABLE LEE JAMES  
HONORABLE JOHN LAWRENCE  
HONORABLE JASON ORTITAY  
HONORABLE CLINT OWLETT  
HONORABLE GREG ROTHMAN  
HONORABLE JAMES STRUZZI  
HONORABLE JESSE TOPPER  
HONORABLE JEFF WHEELAND  
HONORABLE RYAN WARNER  
HONORABLE MARTINA WHITE  
HONORABLE DONNA BULLOCK  
HONORABLE MORGAN CEPHAS  
HONORABLE CAROLYN COMITTA  
HONORABLE AUSTIN DAVIS

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

1 (Continued)

2 HONORABLE MARIA DONATUCCI  
3 HONORABLE ELIZABETH FIEDLER  
4 HONORABLE MARTY FLYNN  
5 HONORABLE EDWARD GAINNEY  
6 HONORABLE PATTY KIM  
7 HONORABLE STEPHEN KINSEY  
8 HONORABLE LEANNE KRUEGER  
9 HONORABLE STEPHEN MCCARTER  
10 HONORABLE BENJAMIN SANCHEZ  
11 HONORABLE PETER SCHWEYER

7

8 NON-COMMITTEE MEMBERS

8

9 HONORABLE MIKE PEIFER  
10 HONORABLE MARK KELLER  
11 HONORABLE DAN MOUL  
12 HONORABLE SUE HELM  
13 HONORABLE MARCI MUSTELLA  
14 HONORABLE DAVE MILLARD  
15 HONORABLE RUSS DIAMOND  
16 HONORABLE MARTY CAUSER  
17 HONORABLE MARK GILLEN  
18 HONORABLE DAVE ZIMMERMAN  
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22 HONORABLE JOE CIRESI  
23 HONORABLE MARY ISAACSON  
24 HONORABLE EDDIE DAY PASHINSKI  
25 HONORABLE DANILO BURGOS  
HONORABLE CHRISTINA SAPPEY

18 COMMITTEE STAFF PRESENT:

19

DAVID DONLEY  
MAJORITY EXECUTIVE DIRECTOR  
RITCHIE LAFEVER  
MAJORITY DEPUTY EXECUTIVE DIRECTOR

21

ANN BALOGA  
MINORIT EXECUTIVE DIRECTOR  
TARA TREES  
CHIEF COUNSEL

24

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I N D E X

TESTIFIERS

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SUBMITTED WRITTEN TESTIMONY

\* \* \*

(See submitted written testimony and handouts  
online.)

## P R O C E E D I N G S

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2  
3 MAJORITY CHAIRMAN SAYLOR: Mr. Secretary,  
4 if you and Mike would both rise and raise your  
5 right hand.

6 (Testifiers sworn en masse.)

7 MAJORITY CHAIRMAN SAYLOR: Thank you.  
8 Have a seat.

9 We'll start off right away this  
10 morning -- or this afternoon, I should say --  
11 with our first questioner, which is  
12 Representative Greiner.

13 REPRESENTATIVE GREINER: Yes. Thank you,  
14 Mr. Chairman.

15 Good afternoon, Mr. Secretary.

16 SECRETARY REDDING: Yes.

17 REPRESENTATIVE GREINER: I -- there's  
18 been a level of frustration, I would say, amongst  
19 certainly quite a few of us who have -- well,  
20 that's most of the state -- a lot of agriculture  
21 in their area. Of course, the Governor continues  
22 to eliminate some of these line items in the  
23 budget. But the one thing that really caught me  
24 off guard, and I think it's really important, is  
25 the two appropriations that we added last year,

1 that I think were critical.

2 That was the Animal Health and Diagnostic  
3 Commission, and we eliminated that amount. That  
4 was a decrease of \$2 million, which we added. I  
5 mean, we added -- we worked together. We worked  
6 on the Farm Bill together. And this was, you  
7 know, to provide more operational capacity,  
8 specifically for Penn State and for Penn. I  
9 mean, we have a great vet school, one of the best  
10 in the country.

11 So now, we cut that. And then the  
12 livestock and consumer protection, that one kind  
13 of baffles me even more. We eliminated that. I  
14 shouldn't say we eliminated that. The budget  
15 shows that it's eliminated with a decrease of a  
16 million dollars, which, once again, we added, you  
17 know. And we have -- we're in an environment  
18 that we worry about food safety. We worry about  
19 food terrorism. We worry about those types of  
20 things.

21 And now we're cutting, you know, it shows  
22 we're cutting them, and I think in good faith, we  
23 were trying to work together with the Governor's  
24 office with all of these things, and now we're  
25 cutting these key areas. And I think what's

1 interesting is these funds were specifically and  
2 deliberately provided to support the operational  
3 needs of your Agency and the Animal Health  
4 Diagnostic Commission. And I've talked to a  
5 couple of my colleagues from Lancaster County.  
6 We're the number one ag county in the State to  
7 address the shortfalls in the funding that was  
8 proposed.

9 And it was supported -- and what was --  
10 what's even more ironic is this was supported by  
11 this administration, so now we have this. And I  
12 think what's worrisome and what's troubling to me  
13 is that I don't -- I mean, you can speak for it,  
14 but I don't know what the Governor might be  
15 thinking. I just don't know.

16 Is it the administration's position that  
17 the grant programs were supporting -- I mean,  
18 there doesn't seem to be a problem with organics  
19 or urban agriculture. You know, I'm supportive  
20 of all kinds of agriculture, but when you look at  
21 this, it's troubling to me that you look at  
22 those, they're in the budget. And yet, that's  
23 considered to be more critical or appear more  
24 critical than, you know, than the health of our  
25 livestock and the safety of our food supply.

1           And I'm -- I just think it's troubling.  
2           There's a bunch of line items that are cut. That  
3           happens. But these two stood out as ones that I  
4           think were, quite frankly, a little bit appalling  
5           when we tried to work together on this. Maybe  
6           you can address what's going on there and how  
7           we're going to deal with it moving forward.

8           SECRETARY REDDING: Yeah, I'll try to.  
9           And thank you, Representative, for the question.  
10          And just to say at the outset, I appreciate the  
11          work over last year with the Farm Bill and the  
12          investments, I think the strategic thinking that  
13          went into the Farm Bill and other related  
14          investments to include, you know, what you've  
15          noted here with the Animal Health Diagnostic  
16          Commission funding.

17          I can tell you that, you know, the  
18          concerns of animal and food safety are paramount  
19          in what we do. If you've looked at the budget,  
20          the lines that were added by the legislature were  
21          removed. I mean, that's been -- you know, right  
22          or wrong, sort of a timeline or process since  
23          Governor Ridge has been around and Tom Wolf has  
24          continued. That is not necessarily a statement  
25          of value of those lines of importance.

1           I think everybody that is associated with  
2 any of those -- any animal agriculture and food  
3 safety -- would agree with that. But I think the  
4 key that we've tried to focus on particularly is  
5 making sure that the Center for Poultry and  
6 Animal Agriculture -- again to your point -- in  
7 Lancaster County, is that has been a key with  
8 PennAg Industries and making sure that we're  
9 investing in the needs that both Penn Vet and  
10 Penn State have noted on the animal and food  
11 side. But this is a process, we'll work our way  
12 through.

13           But I want to just assure you that what  
14 we're doing today is trying to be very aware of  
15 what's happening around the world with animal  
16 health and food safety concerns noted.

17           REPRESENTATIVE GREINER: well, that --  
18 thank you. Just to follow up with what's going  
19 on in the world today, that's what makes this  
20 more amazing to me, because with the coronavirus  
21 and things going on, I mean, this all kind of  
22 plays into it. I think what I'm hearing you say  
23 though, is, you know, we've eliminated funding  
24 for the hardwoods in this budget, and there are  
25 some other things that are eliminated, that



1 you're saying that this -- that you're actually  
2 supportive of the funding that the legislature  
3 put in and that it's more -- you're telling me  
4 this is more of the process, as with some of the  
5 other line items that we have.

6 SECRETARY REDDING: Yeah.

7 REPRESENTATIVE GREINER: So this isn't a  
8 policy -- I mean, I know what you're saying.  
9 It's -- this gets frustrating. I'll just leave  
10 it go at that.

11 SECRETARY REDDING: Yeah, on both ends,  
12 I'll just say. Right.

13 REPRESENTATIVE GREINER: Understood.

14 SECRETARY REDDING: I'll just say, the  
15 important thing, though, is that Penn State and  
16 the Penn Vet funding are in this budget and  
17 that's the foundation of whatever we do on the  
18 animal health side, also the Animal Health  
19 Diagnostic Commission and the support through our  
20 GGOs. So in terms of the base support, we're  
21 okay.

22 REPRESENTATIVE GREINER: Thank you.

23 Thank you, Mr. Chairman.

24 MAJORITY CHAIRMAN SAYLOR: I wanted to  
25 announce members that are here that are not

1 members of the Appropriations Committee. We have  
2 Representative Gillen from Berks County. We have  
3 Representative Zimmerman from Lancaster County,  
4 Representative Diamond from Lebanon County,  
5 Representative Keller from Perry County, and  
6 Representative Millard from Columbia County, who  
7 have joined us for this testimony.

8 At this point, we will move on to  
9 Representative Schweyer for questioning.

10 REPRESENTATIVE SCHWEYER: Thank you,  
11 Mr. Chairman.

12 Mr. Secretary, the guy that has not one  
13 farm in his legislative district -- me -- is  
14 going to be up first for our Caucus. But I do --  
15 your Agency certainly goes far beyond just simply  
16 -- and I don't want to say simply -- but more  
17 than just support for large farmlands and  
18 agricultural interests like that. One that is  
19 near and dear to my heart, because the Lehigh  
20 County Humane Society is located in my district.  
21 And you have in the Ag budget, I believe, set  
22 aside \$250,000, if I'm not mistaken, for the  
23 State Animal Response Team.

24 Can you tell me a little bit more about  
25 this line item, making sure that it's actually in

1 there? I want to just make sure that it's still  
2 there.

3 And then also, that's not just for  
4 agricultural -- or that's not just for farm  
5 animals, correct? It's also for companion  
6 animals, if I'm not mistaken.

7 SECRETARY REDDING: Yeah, Representative.  
8 I think the line you're referring to is a Federal  
9 line; is that correct?

10 Yeah.

11 REPRESENTATIVE SCHWEYER: Okay.

12 SECRETARY REDDING: So the State Animal  
13 Response Team, or SART, as it's termed -- and I  
14 will start in reverse. It is not only for large  
15 animals or production animals. It's for all  
16 animals also. And quite frankly, the activity  
17 level with SART and SART teams has been more on  
18 the companion animal side than it has on the  
19 production animal, but we have supported the  
20 State Animal Response Team, not at the 250 level.  
21 That's a federal authorization --

22 REPRESENTATIVE SCHWEYER: Okay.

23 SECRETARY REDDING: -- for us to receive  
24 money. And that's where it started some years  
25 ago.

1 REPRESENTATIVE SCHWEYER: Okay.

2 SECRETARY REDDING: We commit \$50,000 to  
3 the State Animal Response Team this year.

4 REPRESENTATIVE SCHWEYER: In addition to  
5 anything that the feds provide?

6 SECRETARY REDDING: In addition to.

7 REPRESENTATIVE SCHWEYER: Okay. It's  
8 important to know.

9 SECRETARY REDDING: Yes.

10 REPRESENTATIVE SCHWEYER: Again,  
11 representing an urban district like I do, people  
12 will ask us sometimes, well, what does this  
13 Department do for us? And I like to be able to  
14 highlight those things that are a little bit  
15 different. Certainly, I understand food  
16 inspections and, you know, all of the other sort  
17 of stuff that your Department does, but it's  
18 something that directly impacts my district and  
19 the folks in my district.

20 SECRETARY REDDING: Yeah.

21 REPRESENTATIVE SCHWEYER: So I appreciate  
22 your continued support for it and looking for  
23 ways to take care of folks like the people I  
24 represent. So thank you very much.

25 SECRETARY REDDING: Thanks for noticing.

1 I mean, that's a line that sometimes gets no  
2 attention. But when there's a disaster, the  
3 expectation is we can respond.

4 REPRESENTATIVE SCHWEYER: For sure.

5 SECRETARY REDDING: And we've built that  
6 capacity over the last couple of years, so thank  
7 you.

8 REPRESENTATIVE SCHWEYER: Very good.  
9 Thank you.

10 Thank you, Mr. Chair.

11 MAJORITY CHAIRMAN SAYLOR: Also, we've  
12 been joined by Representative Borowicz, who is  
13 from Clinton County and a number of other  
14 counties up in the northern part of Pennsylvania.  
15 So welcome to her, as well.

16 We'll move on to Representative Fritz.

17 REPRESENTATIVE FRITZ: Well, thank you,  
18 Mr. Chairman.

19 And Mr. Secretary, so nice to see you.

20 SECRETARY REDDING: It's good to see you.

21 REPRESENTATIVE FRITZ: And I want to  
22 provide a shout-out here to our young FFA  
23 leaders, as well, in the back of the room. So  
24 nice to see you. You're carrying a very  
25 important banner, a very important cause.

1           So Mr. Secretary, last year we had a  
2 discussion during budget hearings concerning  
3 industrial hemp. So if it's cool with you, I'd  
4 just like to have a continuation of that  
5 conversation and dialogue. And because this  
6 hearing is televised and it's being recorded,  
7 it's going to be on YouTube, I always like to  
8 take a moment to perhaps clear the air. So if  
9 you would, just confirm for me and anybody that  
10 perhaps would be misinclined, that industrial  
11 hemp does not have any intoxicating qualities.

12           You can't get high by smoking industrial  
13 hemp, correct?

14           SECRETARY REDDING: That is correct.

15           REPRESENTATIVE FRITZ: Okay. Thank you.  
16 Thank you.

17           So when we discussed last year industrial  
18 hemp, Mr. Secretary, really, you know, industrial  
19 hemp cultivation was still in its infancy. I  
20 believe now it has grown some legs. We've  
21 removed the cap on acreage. We've removed the  
22 cap on permits.

23           Can you talk to us about how that has  
24 accelerated and what kind of potential we have in  
25 industrial hemp, please?

1           SECRETARY REDDING: Yeah. Thank you.  
2 Thanks for the question and the continued  
3 support.

4           It's interesting, you know, for a crop  
5 that was so prevalent in Pennsylvania for  
6 centuries, disappeared for 77 years, right, by an  
7 act of the Federal government. And back in 2014,  
8 the Federal Farm Bill gave us some authority.  
9 The State responded in 2016 and 2018. My whole  
10 point is, in the course of five, six years, we've  
11 moved from being completely prohibitive to now  
12 being back in the game. Right. And it's really  
13 been an extraordinary story, not without its  
14 challenges. I think that's part of the story,  
15 right.

16           We started out with, you know, 13 permits  
17 in 2017, grew that to 35; in this past year, 342  
18 permits on 4,000 acres. And we have learned a  
19 lot. We have learned a lot about the varieties,  
20 about the systems, about what the intentions of  
21 growers are.

22           We've learned about markets or maybe the  
23 absence thereof of some markets, but all of that  
24 inside the span of about three years. So I think  
25 it's still a great story of innovation. It is

1 where, you know, some of our farm communities see  
2 their future. What we've tried to do in the  
3 Department is to bump and steer this, both at the  
4 policy level. Knowing that there's Federal  
5 authority we have to sort of live within and  
6 that's been part of our running dialogue with  
7 them, but we are still supportive of,  
8 enthusiastic about, but we have put out a few  
9 questions about the market and making sure that  
10 folks know the varieties they're growing. That  
11 was one of the lessons.

12 who are you doing business with and what  
13 is your market, right?

14 And they're things that we ought to  
15 always be focused on. For 2020, just pleased to  
16 say that that period, application period, is  
17 open. We do need, however, some further guidance  
18 from the U.S. Department of Agriculture. We've  
19 submitted our plan to them and we desperately  
20 need some guidance from the Food and Drug  
21 Administration relative to the CBDs and where is  
22 that in the market, the allowances around food  
23 products, so --

24 REPRESENTATIVE FRITZ: Mr. Secretary,  
25 there is a fee that coincides with growing



1 industrial hemp, correct?

2 Can you talk about how much that fee is  
3 and the revenue that that fee generates? Where  
4 are we applying those dollars?

5 SECRETARY REDDING: Yeah. So there's no  
6 appropriation for hemp administration. We took  
7 this on out of our GGO. And I think we had said  
8 on the front side in 2017 that we would need to  
9 have a fee, a fairly significant fee, to cover  
10 those administrative costs. It is -- I don't  
11 know the exact -- the number, but it's moved from  
12 I think, you know -- it's down to -- I will put  
13 it this way, it's down to, I think, \$150 now for  
14 2020, right.

15 But the other part of that is all of  
16 those dollars were used for administration of the  
17 hemp program.

18 REPRESENTATIVE FRITZ: Okay. Okay. And  
19 you mentioned 4,000 acres. That's a pretty good  
20 sample size. Where are we finding in the  
21 Commonwealth that we are seeing the best success,  
22 the most success, with growing industrial hemp?

23 SECRETARY REDDING: Where?

24 REPRESENTATIVE FRITZ: Where in the  
25 Commonwealth?

1           SECRETARY REDDING: Yeah, I don't think  
2 there's a -- it's hard to pinpoint a geographic  
3 area. I think that's one of the really neat  
4 things of hemp. I mean, it can be grown a lot of  
5 places. It's fairly tolerant. That doesn't mean  
6 it's, you know, does well in every environment,  
7 but what we have seen across the state, from  
8 southwest to east to north, you know, is very  
9 good quality hemp.

10           Part of it is the varietal discussions.  
11 I mean, I talk about what sort of what has  
12 happened. We don't have the long history of hemp  
13 research in the U.S., and Pennsylvania for that  
14 matter, so for our varieties we have to, you  
15 know, you take somebody else's recommendation on.  
16 But I think, universally, across the State is a  
17 good place to grow.

18           Part of it is the variety. Part of it is  
19 the market. Part of it is what your intended use  
20 of the crop would be, right, so I think that's  
21 part of this conversation that we're having about  
22 those fiber varieties versus seed varieties  
23 versus oil versus CBD. All of those do  
24 different, you know, have different attributes,  
25 of course, but also respond in different

1 environments. But I think at the outset we know  
2 a lot more now three years in about industrial  
3 hemp.

4 REPRESENTATIVE FRITZ: Mr. Secretary, I  
5 see our time is up. I want to thank you for all  
6 of the time and effort that you spend in  
7 Susquehanna County. You're always welcome in the  
8 111th Legislative District. Be well.

9 SECRETARY REDDING: Thank you.

10 MAJORITY CHAIRMAN SAYLOR: We'll move on  
11 to Representative McCarter.

12 REPRESENTATIVE MCCARTER: Thank you very  
13 much, Mr. Chairman.

14 Two questions, if I could, Mr. Secretary.  
15 And again, thank you for being here today. The  
16 Spotted Lantern Fly issue is still, I think, very  
17 much with us and threatening agricultural  
18 products, our environment, and the quality of  
19 life, really, in many of the affected  
20 communities.

21 Can you give us an update as to what's  
22 being done to combat that threat and the extent  
23 of it at the present moment?

24 SECRETARY REDDING: Yeah. Thank you,  
25 Representative, for the question. And it's a

1 timely one and something that the Department has  
2 spent considerable time on since it was first  
3 identified in Pennsylvania, and Berks County  
4 being ground zero in the United States for the  
5 Spotted Lantern Fly.

6 We are making progress in that, again,  
7 trying to launch the research that's needed,  
8 build the teams that are needed. Do the outreach  
9 that's needed, you know, do all of the coalition  
10 building, if you will, to bring both the public  
11 and the business and our partners in so many ways  
12 together. So we're making some progress. We're  
13 still at 14 Counties in Pennsylvania quarantined  
14 with some discussion just because of the last  
15 couple of years and particularly the  
16 distribution, concerning distribution that we  
17 have seen across the State by rail lines.

18 It's one of those pieces that we have to  
19 keep focused on and we've got an active  
20 conversation underway. We have in the budgets \$3  
21 million that was appropriated for the Spotted  
22 Lantern Fly. That has leveraged another \$17  
23 million from the U.S. Department of Agriculture.  
24 We've got 125 people who are now PDA team, USDA  
25 team in the field, fighting the Spotted Lantern

1 Fly.

2 There are six -- five other states -- I'm  
3 sorry -- that now have Spotted Lantern Fly. So  
4 obviously, it's moving. It's a concern and  
5 particularly a concern for our trading partners  
6 with a port inside the 14 counties that have been  
7 pointed out to us that that is a -- that is a  
8 threat, both to our business, of course, but also  
9 to our international buyers of products.

10 REPRESENTATIVE MCCARTER: Okay.

11 SECRETARY REDDING: But Penn State and  
12 the USDA have been sort of the bookends of our  
13 work and we very much appreciate that.

14 REPRESENTATIVE MCCARTER: Can you give us  
15 a little bit of an update as to how successful  
16 the efforts have been so far to limit the spread?

17 SECRETARY REDDING: Yeah, so that's a  
18 work in progress. And when I say there's  
19 progress made, I think it's a little bit like the  
20 previous conversation around hemp. We know a lot  
21 more -- you know, we have 33 different research  
22 projects that are in motion. And some of those  
23 are here in Pennsylvania, others in the region,  
24 some international, trying to figure out how do  
25 you find, how do you contain and suppress the

1 Spotted Lantern Fly.

2 And that has proven to be a real  
3 challenge. And we are desperately in search of a  
4 broad-based control method, which we do not have  
5 yet. We're close, but we're not there yet. So  
6 at this point, it's a ground game of trying to  
7 keep it contained, do the, you know, tree to  
8 tree, farm to farm, home to home, in making sure  
9 that the treatment, but also making sure that  
10 business and citizens are doing their work of  
11 permitting and being aware.

12 REPRESENTATIVE MCCARTER: Are there any  
13 other invasive species at the present moment that  
14 you're looking at also as threats?

15 SECRETARY REDDING: Yeah. It's a long  
16 list. I'd like to say it's sort of a short one,  
17 but it's a long list of invasive species. And  
18 it's part of the, I think, the time that we're  
19 living and the mobility of travel, what people  
20 carry back, carry in, climate issues. I think  
21 there's a lot of stuff inside, yeah.

22 But the short answer is, there's a lot of  
23 different stuff, both animal and plant  
24 invasive --

25 REPRESENTATIVE MCCARTER: And are you

1 also engaged in the effort on, you know, the  
2 chronic wasting disease, too, and what's  
3 happening with the deer herds in Pennsylvania,  
4 not so much in the wild, but in the ones in the  
5 farming for deer?

6 SECRETARY REDDING: Yeah. You know,  
7 again, it's sort of in that column of concern.  
8 You know, it's -- we've got an active partnership  
9 with the Pennsylvania Game Commission. We've got  
10 a work group across the agencies here. We have  
11 been very clear that, from our perspective, this  
12 is a problem both inside and outside the fence.  
13 I mean, so time spent pointing back and forth  
14 across the fence is nonproductive.

15 we've really tried to look at what we can  
16 do in the captive herds and making sure that  
17 they're doing their certification and testing.  
18 We just released in the last day the million  
19 dollars, which is part of the rapid response line  
20 item in last year's -- this year's budget for CWD  
21 research.

22 REPRESENTATIVE MCCARTER: Thank you very  
23 much for your answer. And thank you,  
24 Mr. Chairman.

25 SECRETARY REDDING: Thank you.

1 MAJORITY CHAIRMAN SAYLOR: We'll move to  
2 Representative Lawrence.

3 REPRESENTATIVE LAWRENCE: Thank you,  
4 Mr. Chairman. And thank you, Mr. Secretary and  
5 Deputy Secretary Hanna. It's very good to see  
6 both of you here today.

7 SECRETARY REDDING: You, too.

8 REPRESENTATIVE LAWRENCE: And I  
9 appreciate your willingness to testify.

10 I want to talk about the Governor's  
11 proposed \$200 million transfer out of the Horse  
12 Race Development Fund. My office has received  
13 significant correspondence from farmers across  
14 Chester County concerned about this proposal and  
15 how it, in their words, would devastate the  
16 equine industry and greatly affect Pennsylvania  
17 agriculture as a whole.

18 As I'm sure you'll recall, there was a  
19 delay in paying breeder awards back in 2016.  
20 This was eventually fixed by a legislative effort  
21 led by House Agriculture Chair, Marty Causer.  
22 During the impasse, in a letter to the  
23 Pennsylvania House Breeders Association President  
24 Roger Legg on April 5th, 2016, Governor Wolf  
25 said, and I quote, the financial impact that the



1 cessation of Pennsylvania breeding fund payments  
2 is having upon individual horse breeders and  
3 their employees is extremely concerning, and we  
4 realize it could be potentially devastating if  
5 continued. End quote. So the Governor's  
6 position seemed to have taken a 180-degree  
7 change. He previously said that halting breeders  
8 awards would be devastating, but now he's  
9 proposed to remove \$200 million from the same  
10 fund.

11 So what's changed between then and now?

12 SECRETARY REDDING: Representative, thank  
13 you. I appreciate the question and your context  
14 and question this morning at the House Ag  
15 Committee hearing, as well, I think, on this  
16 topic. So I think, to state, still supportive of  
17 the racing industry. I think one of the points  
18 that we've tried to express is that over time,  
19 the administration has been supportive of racing.  
20 We continue to be supportive of racing.

21 All of the support is not found in a  
22 single line item. The work that we've done to  
23 fund, you know, the work of Penn Vet, I think, is  
24 a piece of that, the continued expression of  
25 support through Clean and Green. There's so many

1 other ways and parts of our support for the  
2 equine industry that it's important to -- I think  
3 to say that the context here is that we were  
4 supportive and now we're not supportive, that is  
5 not true.

6 I mean, we were supportive of the equine  
7 industry. It is why in 2015-'16, we engaged  
8 personally in trying to find answers to what was,  
9 at that point, an insolvency question about the  
10 racing fund and trying to find ways to help. We  
11 have continued to be supportive. I think here  
12 what he has -- is expressing through support for  
13 the Nellie Bly Scholarship is that, you know,  
14 since 2004, we've invested \$3 billion in the  
15 racing industry.

16 And we shouldn't -- we should be proud of  
17 that. No one should be saying otherwise. I  
18 think that's really important, and that's over --  
19 over time.

20 REPRESENTATIVE LAWRENCE: I don't mean to  
21 interrupt, but I have limited time. I mean,  
22 these funds, the \$200 million is going to support  
23 Pennsylvania agriculture right now.

24 If one were to take the position that you  
25 were going to fund college scholarships out of

1 this, wouldn't it make more sense to direct it  
2 towards agriculture, like, let's say, to Del-Val  
3 Ag School as -- wouldn't that make more sense, to  
4 keep it in agriculture?

5 SECRETARY REDDING: Well, I think, as I  
6 said earlier today, the needs of agriculture, in  
7 a workforce standpoint, are not only degrees and  
8 bachelor of sciences in agriculture. It's the  
9 IT. It's the biologist. It's the chemist. I  
10 mean, you can make your list of things that we  
11 need that are found inside the PASSHE System.  
12 That's part of it. I would hope that this would  
13 also be, you know, a call to the PASSHE  
14 System to be aware of what the food and  
15 agriculture system provides in Pennsylvania.

16 REPRESENTATIVE LAWRENCE: Right. But the  
17 major ag programs in Pennsylvania in higher  
18 education are not in PASSHE. They're at Penn  
19 State, Penn Vet, Del-Val Agriculture School.

20 SECRETARY REDDING: Yeah. No, I  
21 understand. I mean, but this is about an  
22 investment in Pennsylvania, right, so those  
23 students in this proposal are inside the PASSHE  
24 system, which is supported by the State. So it's  
25 a State supporting a State effort, not

1 necessarily agriculture to just agriculture  
2 supporting agriculture.

3 REPRESENTATIVE LAWRENCE: So I want to  
4 briefly read from a letter I received from a  
5 business in my district, Oxford Grain & Hay.  
6 It's the quintessential small business. And  
7 just -- I'll read very briefly.

8 Oxford Grain & Hay is the oldest  
9 continually operating company in Oxford,  
10 established in 1865. We are the second oldest  
11 Purina Feed dealer in the nation, selling their  
12 product since 1920. Our family's fourth  
13 generation is now working in this store. Horse  
14 and horse associated supplies make up 40 percent  
15 of our sales dollars. It then goes on to say 20  
16 ton loads of horse feed go through our stores  
17 three to four times weekly from the Purina plant  
18 right in Camp Hill.

19 Our business relies heavily on the horse  
20 industry. We are very concerned about the  
21 proposal to dip into the breeders fund, as a  
22 demise of the breeding and racing business would  
23 significantly impact our business and employees.

24 what would you say to Oxford Grain & Hay,  
25 Mr. Secretary?

1           SECRETARY REDDING: I would say a couple  
2 of things. Thank you for sharing their concern.

3           And I think I'd say a couple of things to  
4 them. One, we're having this conversation today,  
5 and the industry is here because of the actions  
6 of the State the last 20 years. I mean, this is  
7 a result of us in a very good way responding  
8 every single time that the racing industry has  
9 said I need your help, right, '81 and -- make  
10 your dateline. And we should, again, be proud of  
11 that commitment, but we can have the conversation  
12 today because we invested \$3 billion in it.

13           Two, I would say, let's talk about that  
14 investment and what it means. It is these  
15 moments that you begin to reveal where there have  
16 actually been investments. And folks who see  
17 themselves as beneficiaries of agriculture, of  
18 the Racing Fund, that's not a bad thing. It's  
19 unfortunate that it comes -- only at this moment  
20 we find out about Oxford Hay and Grain, but I  
21 would talk to them about that. And I would want  
22 them to be a champion for all things agriculture.

23           This has been one of the issues with the  
24 administration, to elevate agriculture into the  
25 public mind of both the value that it has, of

1 jobs, its workforce, its land, its people. The  
2 equine industry, I think, allows us to tell that  
3 story, but I would want that farm and that  
4 business to be engaged in what they're doing.  
5 And having that extended conversation, it sounds  
6 like they've had a lot of contact with customers  
7 who also talk about what the State did to support  
8 equine and racing as a result of the work that  
9 you do and I do and the Governor does to support  
10 Pennsylvania agriculture.

11 REPRESENTATIVE LAWRENCE: Thank you,  
12 Mr. Secretary.

13 Thank you, Mr. Chairman.

14 MAJORITY CHAIRMAN SAYLOR: Representative  
15 Krueger.

16 Before I recognize you -- Representative  
17 Krueger, I apologize -- I wanted to recognize  
18 that we've been joined by Representative  
19 Christina Sappey and Representative Burgos, as  
20 well, that are here.

21 Thank you. Welcome.

22 REPRESENTATIVE KRUEGER: Thank you,  
23 Mr. Secretary.

24 Thank you so much for joining us here  
25 today. In reading your testimony, I am curious

1 about the Department's new partnership with the  
2 Rodale Institute for farmers in Pennsylvania who  
3 are interested in transitioning to certified  
4 organic production. We know that the market for  
5 certified organic food continues to grow and so  
6 many of us want to shop local in Pennsylvania and  
7 support our local farmers.

8 Can you tell us how that program is going  
9 and what the barriers have been so far?

10 SECRETARY REDDING: Yeah. Thank you,  
11 Representative, for the question. And we're  
12 proud to have Rodale in Pennsylvania, the  
13 birthplace of organics here. And we talked about  
14 that before, just how fortunate we are to have 50  
15 years of research on organic production and  
16 methods and how valuable it is, both in terms of  
17 market, but to have that resource available right  
18 here in Pennsylvania is really a wonderful,  
19 wonderful gift.

20 The partnership with Rodale is exactly  
21 what we envisioned, and that is using the  
22 expertise that they have over the years in the  
23 technical assistance role, as we've talked about,  
24 you know, the outreach of the farm and growing  
25 the organic market that is part of our Farm Bill.

1 That takes a lot of technical assistance and  
2 know-how, and Rodale is the reservoir for that.

3 We provided a grant. They have fulfilled  
4 that, continued to outreach to the farm  
5 community. We are now, I think, the number 42  
6 farms that they have been working with in  
7 technical assistance, and the farm -- the acres  
8 under control of those 42 farms is 21,000 acres.  
9 So -- with about 10 percent of that in transition  
10 to organic, which was one of our Farm Bill  
11 initiatives.

12 And we started to, in the research -- as  
13 a research program in the year prior. We're  
14 currently at, you know, 1,055 farms that have  
15 transitioned to organic, the third state in the  
16 nation in terms of organic sales. So a lot of  
17 promise, a lot of work to do. I don't want to  
18 minimize that work. I think that's been one of  
19 the revelations of this -- of the contact, the  
20 required -- the hand-to-hand sort of work of  
21 being in the field, in the farm fields with these  
22 folks making transition and being a trusted  
23 advisor with them. But Rodale has been right  
24 there with us.

25 REPRESENTATIVE KRUEGER: That's



1 wonderful. I knew about Rodale Institute long  
2 before I ever decided to run for the legislature,  
3 and it's great to have them partnering with the  
4 Department.

5 Can you talk about, you know, where's the  
6 biggest opportunity for organic in Pennsylvania?  
7 Is it dairy? Is it fruits and vegetables?

8 Where do you think these farmers have the  
9 most opportunity to grow their profits?

10 SECRETARY REDDING: Yes. So I think  
11 that's a great question. Right. So today is a  
12 good indicator. Two-thirds of roughly \$750  
13 million of the organic sales is coming from  
14 proteins, right, and particularly in the poultry  
15 side, eggs and the broiler industry. So at Bell  
16 & Evans, which is a local name here in the  
17 organic business -- so look to someone like Scott  
18 Sechler, Bell & Evans.

19 But in terms of opportunity, it's been  
20 interesting. We see -- well, the protein, I  
21 think just by sales category, but if you look  
22 down through the list, it's the fruits and  
23 vegetables. It's the, you know, the protein  
24 sources. I always want to put milk and dairy in  
25 there because I think that's part of our story.

1 It's challenging because of feed sources and  
2 certifications and stuff, but again, it's part of  
3 the protein, but we call it out as a separate  
4 category. I think that's part of our  
5 opportunity.

6 REPRESENTATIVE KRUEGER: Well, we really  
7 want to support our Pennsylvania farmers. And  
8 I'm so grateful the Department is providing the  
9 technical assistance to help them get to a place  
10 where, potentially, they can earn more profits on  
11 the materials they're producing. So thanks so  
12 much.

13 SECRETARY REDDING: Yeah, you're welcome.  
14 Thank you.

15 MAJORITY CHAIRMAN SAYLOR: Our next  
16 questioner is Representative Rothman.

17 REPRESENTATIVE ROTHMAN: Thank you,  
18 Mr. Secretary. Thank you for being here.

19 SECRETARY REDDING: Yes, sir.

20 REPRESENTATIVE ROTHMAN: I think you know  
21 how much respect and admiration I have for you  
22 and what you've done for this Department, but I'm  
23 very concerned about what my colleague from  
24 Chester County was talking about and the Race  
25 Horse Development Fund.

1           Back in September of 2017, you sent a  
2           letter and were quoted in a press release that  
3           says we'll be throwing the State's racing  
4           industry into chaos, undermining all of the  
5           bipartisan work we did two years ago to bring  
6           some stability and certainty here. Now, that was  
7           in -- that was in response to a \$27 million raid,  
8           as you referred to it, out of the Race Horse  
9           Development Fund.

10           This was a \$204 million raid. You know,  
11           this announcement in the budget address is  
12           already affecting industries. I would implore  
13           you right now to reject it and go to the Governor  
14           and say right here that this is a mistake.  
15           You're talking about 23,000 people who have jobs  
16           in Pennsylvania in this industry. And absolute  
17           -- and you said it -- absolute chaos.

18           What is the plan? You said there are  
19           still other efforts. What is the plan to replace  
20           this \$204 million? The industry says it will  
21           devastate them, there will be no more horse  
22           racing industry in Pennsylvania.

23           How do we replace that?

24           SECRETARY REDDING: Yeah, so I think --  
25           thank you for the question and I appreciate the

1 observation about where I was and where I am. I  
2 think, you know, all of us find ourselves at  
3 different times and in different places. And  
4 looking at this issue, again, I go back to the  
5 statement about there are many ways to measure  
6 sort of value and appreciation and it's not all  
7 found in this one line for the racing industry.

8 It is important. I'm not discounting  
9 that. It is important, though, to look broadly  
10 at the support that we have provided to the  
11 racing industry. I would turn the question  
12 around a bit and ask the industry to say, please,  
13 I mean, you've asked the public to make this  
14 investment, 87 percent of what your purse  
15 revenues are come out of slots. We engaged in  
16 2015 in a plan to sort of, you know, bring some  
17 stability to that.

18 A part of that charge that the  
19 legislature gave us was the future, right.  
20 What's the future look like? That's not a  
21 discussion that only I can have or the Secretary,  
22 but an industry needs to help me answer the  
23 question. What is the future?

24 REPRESENTATIVE ROTHMAN: Mr. Secretary,  
25 with all due respect --

1           SECRETARY REDDING: Yeah.

2           REPRESENTATIVE ROTHMAN: -- this is money  
3 that comes out of the slots. It works out to  
4 about 10 and a half percent of 9 percent, which  
5 is the slots money. More than 46 percent goes to  
6 the casino. Forty-three percent goes to State  
7 and local governments. It's not a huge amount of  
8 the total gaming.

9           And we passed gaming with the idea that  
10 we were going to protect this industry. And  
11 then, in 2017, the Governor signed, I guess it  
12 was Act 42, to change it to a trust fund. I  
13 mean, there has to be something in that word  
14 trust that says we're not going to take the  
15 money. So I think the industry was at the table  
16 two years ago -- and you said it yourself -- but  
17 now we're coming back two years later and taking  
18 the money away from them.

19           SECRETARY REDDING: Right.

20           REPRESENTATIVE ROTHMAN: So how do we do  
21 that?

22           SECRETARY REDDING: Well, I think there's  
23 -- I mean, there's a couple pieces to it. One  
24 is, inside that fund, I mean, the pensions and  
25 benefits continue to be paid. We continue to,

1 you know, pay the testing if Chairman Causer's  
2 bill, 1983, is passed. The marketing dollars  
3 remain. There are some purse dollars remaining  
4 that are not part of the slots that are generated  
5 by the industry. That remains. There is a  
6 commitment from us in large here to continue to  
7 support the industry.

8 But there's also a call to -- and part of  
9 this has to be a call to the industry to say help  
10 us, you know, see that future. I mean, what do  
11 you want to do? What's the marketing plan?  
12 We're on the right path. But we also have to be  
13 honest. We put them in a good place. We can all  
14 be proud of that, a very good place.

15 And now, we're saying we also have to  
16 make an investment in kids who are part of even  
17 our future, regardless of racing, who are  
18 identified in the demographics of the marketing  
19 plan for racing to say these are the people we  
20 need to attract, how do we attract them? It's  
21 not a direct connect, but trying to make a point  
22 here that you have to invest in the future of  
23 these kids of Pennsylvania.

24 REPRESENTATIVE ROTHMAN: But  
25 Mr. Secretary, what is going to attract people to

1 Pennsylvania is jobs. We already, in the  
2 Governor's budget, we're going to give \$400  
3 million -- \$490 million to PASSHE. We're already  
4 giving them close to \$500 million directly. So  
5 you're saying we're going to take \$200 million,  
6 \$204 million out of the trust fund to give to  
7 out-of-state students who come to Pennsylvania to  
8 get them to stay for five years, I think is the  
9 proposal, at the expense of the jobs, 23,000 jobs  
10 that won't be here for them.

11 There's no reason a young person is going  
12 to stay in Pennsylvania without the jobs. And  
13 yet, we're going to pit -- once again, this  
14 Governor is pitting one industry against another,  
15 one group of people against another, one region  
16 against another. And I -- I beg of you to stand  
17 up for the horse racing industry, which is part  
18 of our number one industry in this state, but my  
19 time is up. I'll let you answer that question.

20 But thank you for your time.

21 SECRETARY REDDING: Thank you.

22 well, I mean, I just -- I'll say it  
23 again, I'm supportive of the equine industry and  
24 racing. I've spent a lot of time -- one of the  
25 challenges of being here across administrations

1 and Governors is you see things happen, right,  
2 you see where people fall and need a hand and say  
3 would you please help me, right. We have done  
4 that for 20 years, from 2004 consistently.

5 And to say today that the single  
6 determinant of our support from the  
7 administration for horse racing is found all in  
8 this one item, I just beg to differ. I think  
9 there's issues we should talk about. We want  
10 this industry to survive. I want them to stand  
11 up and say this is my path forward. This is how  
12 we're going to do this.

13 And we should all have an expectation.  
14 Three billion dollars invested is to know how is  
15 that story told? I mean, what are the  
16 relationships to veterinarians and hay and all of  
17 this? This is the moment when I think we've got  
18 to make a really compelling public case as to why  
19 we're investing in one sector of agriculture, in  
20 this case, the equine, and at the same time, I've  
21 got 400 less dairy farms today than I had a year  
22 ago. Right.

23 These are the dilemmas that we have. And  
24 we've chosen as a public policy to invest in  
25 horses and not dairy, which is equally as



1 important and challenged by this. But it's not  
2 to pit one against the other, it's to say invest  
3 in the future. It's found in that PASSHE System  
4 and those kids that long term are going to be  
5 here. Seventy-two percent of them are  
6 Pennsylvania residents now. We want them to stay  
7 here. That's what we're after.

8 MAJORITY CHAIRMAN SAYLOR: Next is  
9 Representative Comitta.

10 REPRESENTATIVE COMITTA: Thank you,  
11 Mr. Chairman.

12 Good afternoon, Secretary Redding, Deputy  
13 Secretary Hanna.

14 And again, welcome to the Future Farmers  
15 of America. It's nice to see you again. You are  
16 our future, and my question today is dedicated to  
17 you and all of the children of Pennsylvania.

18 Mr. Secretary, a number of states have  
19 taken action to ban the pesticide chlorpyrifos  
20 because of the harm it causes to human health and  
21 to children, in particular. New York,  
22 California, and Hawaii have all adopted bans, and  
23 the EPA recommended that it be banned five years  
24 ago, although the current administration  
25 disagrees with that conclusion.

1           The Department of Agriculture's Pesticide  
2 Advisory Board is scheduled to meet March 3rd --

3           SECRETARY REDDING: Yes.

4           REPRESENTATIVE COMITTA: -- on this issue  
5 and on legislation that has been introduced by my  
6 colleague, Representative Zabel. It's HB 2091.

7           where does Agriculture stand on this  
8 issue? And when can we expect a decision on this  
9 ban?

10          SECRETARY REDDING: Representative, thank  
11 you. And I appreciate the question and concern  
12 for this particular chemical, commonly referred  
13 to as CPS. It is a restricted-use pesticide, as  
14 you know. We have not taken a formal position at  
15 the moment on the bill, 2091, because of the  
16 technicalities of the bill. Right. And the  
17 technicalities mean it's a very complicated issue  
18 because there are several chemicals that are in  
19 sort of this family, if you will, and being very  
20 specific about the CAS Registry number that's  
21 required for us to pinpoint this particular  
22 chemical.

23          You have our commitment, though, to do  
24 the review, to look at the technicalities, to  
25 form an opinion and come back. And we want to

1 make sure that if there's an action to ban,  
2 that's a very serious and significant action, but  
3 if we ban it because of the uses of it today, we  
4 want to make sure that we're as specific as  
5 possible with the CAS Registry number, that it's  
6 a pinpoint versus a broad category of chemicals  
7 that gets banned.

8 REPRESENTATIVE COMITTA: I would also  
9 suggest it is perhaps an even more serious issue  
10 that we have a pesticide out there that is  
11 harming our children, in particular their brain  
12 development. Also, it is negatively impacting  
13 wildlife.

14 SECRETARY REDDING: Yeah.

15 REPRESENTATIVE COMITTA: So this is --  
16 this is harming a significant population, human,  
17 especially children, and wildlife. And I know  
18 that there are serious considerations, but I can  
19 think of none more important than the health of  
20 our children.

21 SECRETARY REDDING: Yeah. Thank you for  
22 that, and I agree with you.

23 we will look at this. I don't know if  
24 it's on the agenda or not for the Pesticide  
25 Advisory Board, but we'll have a discussion about

1 it and consult with our staff. The chlorpyrifos  
2 is a very, you know, deadly chemical. It's  
3 probably understated, but we want to make sure at  
4 the end of the day that we're making a decision  
5 for -- one, we can justify the decision and be  
6 uniform in our review as we've done with other  
7 chemicals to make sure that if we do it and you  
8 ban it, that we understand the implications, but  
9 also we do it in a very intentional and specific  
10 way versus broad category.

11 REPRESENTATIVE COMITTA: I would suggest  
12 that a deadly chemical deserves a very close look  
13 and most definitely a ban.

14 SECRETARY REDDING: Okay. All right.

15 REPRESENTATIVE COMITTA: Thank you very  
16 much.

17 SECRETARY REDDING: Yeah, thank you.  
18 Thanks for the question.

19 MAJORITY CHAIRMAN SAYLOR: Our next  
20 questioner is Representative Struzzi.

21 REPRESENTATIVE STRUZZI: Thank you. Good  
22 afternoon, Secretary Redding.

23 SECRETARY REDDING: Good to see you.  
24 Thank you.

25 REPRESENTATIVE STRUZZI: I want to ask a

1 few more questions related to the Agriculture  
2 Preparedness and Response Fund. I know we  
3 touched on the Spotted Lantern Fly. And of  
4 course, that's money well spent. Hopefully we  
5 can eradicate them and put that money to better  
6 uses for our agricultural community, but I'm  
7 trying to understand exactly how much money is  
8 available.

9 I know that you're requesting \$4 million  
10 again this year, which is pretty much consistent  
11 with what we had allocated last year, although  
12 you had initially requested \$5 million, with \$3  
13 million going to Spotted Lantern Fly, and then \$2  
14 million for the avian flu.

15 Is there any money left in those funds  
16 that's going to carry over to this year's budget?

17 SECRETARY REDDING: Yeah. So I'll --  
18 let me parse it out. So the \$2 million for the  
19 high path avian influenza that was made available  
20 three years ago, that came out of -- that was the  
21 money the Governor made available. We took that  
22 out of plant industries and set that aside. That  
23 is restricted. Okay. So that \$2 million remains  
24 available for the avian influenza. Okay. That  
25 \$2 is over here.

1           We had requested \$5 million in the  
2 Governor's proposed budget last year as part of  
3 the Farm Bill. Two of that was unobligated, and  
4 \$3 million was for the Spotted Lantern Fly.  
5 Coming into this budget, we're asking for \$4  
6 million. Three of that, again, will be for  
7 Spotted Lantern Fly. One million will be  
8 unobligated. Okay. So that million dollars, we  
9 can do whatever the list of concerns of need are,  
10 right, plant, animal. That million dollars today  
11 is what we have used for the CWD research. Okay.

12           REPRESENTATIVE STRUZZI: Okay.

13           SECRETARY REDDING: So the \$4 million in  
14 this budget, three has been the Spotted Lantern  
15 Fly, \$1 million has been CWD. In the proposed  
16 budget, still four: three Spotted Lantern Fly,  
17 \$1 million unobligated.

18           REPRESENTATIVE STRUZZI: So my question,  
19 then, is that enough, first of all? We continue  
20 to see family farms closing, particularly in  
21 Indiana County, which is a big concern, I know,  
22 for all of us. But do these types of funds apply  
23 to situations like that?

24           How are these funds used, is it just for  
25 insects or wildlife, livestock?

1           Is there an application to help the  
2 family farmers? If you could expound on that.

3           SECRETARY REDDING: Yeah. So I don't  
4 know if I would take it down to the family farm  
5 level, but I will take it as far as the  
6 conservation district level. And Chairman Causer  
7 and I have talked about this. Like McKean  
8 County, there are a couple of emerging invasives  
9 there that credit to McKean County Conservation  
10 District applied. And we can help them do a  
11 rapid response here in the spring to address it.

12           REPRESENTATIVE STRUZZI: Okay.

13           SECRETARY REDDING: That's what it was  
14 intended to do, right, to get in where you've got  
15 a problem. It's out of the research cycle. It's  
16 out of the funding cycle. It's out of all  
17 season, if you will, but we need to get in and  
18 attack it early. That could be the Spotted  
19 Lantern Fly. It could be African swine fever,  
20 whatever, right, but the idea was that we wanted  
21 to have some flexibility to respond immediately  
22 with discretionary money, and that was the  
23 intention.

24           REPRESENTATIVE STRUZZI: Okay. Thank you  
25 for that. I had some time this year, a lot of

1 time to spend at the Farm Show, at the Indiana  
2 County Fair. And to me, that's what Pennsylvania  
3 is all about. So I think we need to do  
4 everything we can.

5 I know that you're focused on that, but  
6 when my colleagues talk about shifting of the  
7 funds, taking funds out, raiding the horse racing  
8 fund, that really does raise concerns for all of  
9 us. And I think that we shouldn't have to have  
10 these discussions. We should be focused on  
11 helping the agricultural community in  
12 Pennsylvania. Enough said.

13 SECRETARY REDDING: Yeah.

14 REPRESENTATIVE STRUZZI: So thank you for  
15 your time today.

16 SECRETARY REDDING: Appreciate your  
17 support. Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Representative  
19 Sanchez.

20 REPRESENTATIVE SANCHEZ: Thank you,  
21 Mr. Chairman.

22 Up here, Secretary Redding.

23 SECRETARY REDDING: Thanks.

24 REPRESENTATIVE SANCHEZ: welcome.  
25 welcome to the Deputy Secretary, as well.



1           We've been discussing the Nellie Bly  
2           Scholarship Fund, although I don't know that we  
3           named it specifically. And obviously, the  
4           priorities of the budget are always difficult  
5           decisions. The racing fund certainly, you know,  
6           seems to have been prioritized over the years.  
7           As you said, the horse racing industry remains a  
8           priority of the Department.

9           I wanted to give you the opportunity to  
10          expand on it. You touched on it a little bit,  
11          the priorities of, you know, the Nellie Bly  
12          Scholarship itself, which is to retain the young  
13          people of the Commonwealth, presumably young,  
14          that have been educated by the State System, and  
15          specifically in your instance, maybe as it  
16          relates to agriculture and how that would have a  
17          positive effect.

18          SECRETARY REDDING: Yeah. I'd say a  
19          couple of things. Having been part of the  
20          Workforce Command Center that the Governor set up  
21          and had, you know, cabinet secretaries and  
22          business community and Gene Barr sat beside him  
23          every week. We're talking about a workforce and  
24          how do you attract a workforce and retain that  
25          work force. Those conversations became -- part

1 of the report out of the command center became  
2 themes that you see imbedded in the Governor's  
3 proposed budgets.

4 One of those themes talks about how do  
5 you address both the skills and the competencies  
6 that we need? How do you support the students  
7 who are experiencing significant college debt?  
8 At the same time, enter into more than just  
9 financial support, but keep them here to answer  
10 the front question of how do you build the  
11 workforce, right. We want to invest, but also  
12 retain. And we get the benefits of that versus  
13 another state.

14 So I think that was some of the thinking  
15 around the table, obviously a lot of different  
16 educational investments in the budget, but the  
17 Nellie Bly Scholarship and the PASSHE System one  
18 was specific to higher education. I think on the  
19 agricultural side -- and this is a question  
20 that's come up -- I can tell you, having been a  
21 Dean at Del-val University, the needs that  
22 students have in this area are significant, but  
23 attracting students to the field of agriculture  
24 and food is not only by degree. Right. It's  
25 about this -- the humanities and the sciences --

1 and the civics is really important.

2 So I would -- I really believe that with  
3 this opportunity, with the Nellie Bly  
4 Scholarship, that we can turn the conversation.  
5 There's no hesitancy in saying there's an  
6 expectation there to engage with us on those  
7 needs of agriculture, but I think there's a  
8 benefit larger than that for Pennsylvania by  
9 investing in those students.

10 REPRESENTATIVE SANCHEZ: Thank you for  
11 that. And a related follow-up -- and this may  
12 not be -- understanding this may not be your  
13 bailiwick, what's the average student debt for  
14 Pennsylvania residents?

15 Do you have that figure available?

16 SECRETARY REDDING: Yeah, I do. It's  
17 \$37,061.

18 REPRESENTATIVE SANCHEZ: So that could be  
19 a considerable --

20 SECRETARY REDDING: Yeah.

21 REPRESENTATIVE SANCHEZ: -- hamstring.

22 SECRETARY REDDING: That's right. That's  
23 statewide. In the PASSHE System, it's 35. I  
24 think it's like a thousand dollars less, but a  
25 significant amount of debt.

1           REPRESENTATIVE SANCHEZ: And how many  
2 students would benefit, are projected to benefit  
3 from the Nellie Bly Scholarship Program?

4           SECRETARY REDDING: Twenty-five thousand  
5 a year.

6           REPRESENTATIVE SANCHEZ: Twenty-five  
7 thousand. Thank you very much.

8           SECRETARY REDDING: Yeah. Thank you.

9           REPRESENTATIVE SANCHEZ: Thank you,  
10 Mr. Chairman.

11           Thank you, Mr. Secretary.

12           MAJORITY CHAIRMAN SAYLOR: The next  
13 questioner is Representative Owlett.

14           REPRESENTATIVE OWLETT: Over on this  
15 side. Thank you. Thank you, Mr. Chairman.

16           Thank you, Secretary, for joining us  
17 today. I just wanted to talk a little bit  
18 about -- I mean, your commitment to agriculture  
19 has been phenomenal. I really appreciate that.  
20 You've been traveling hundreds of miles around  
21 the state listening to folks.

22           And one of the things -- I want to talk  
23 about dairy a little bit. You had mentioned the  
24 400 less dairy farms. When does that reference?

25           SECRETARY REDDING: Yeah. So that's

1 information that came from Bob Gray, the States  
2 Ratification Committee group in D.C. I think the  
3 timeline, it's a little dated. So I think it  
4 carried part of '18 into like the first of '19,  
5 so we're --

6 REPRESENTATIVE OWLETT: Okay.

7 SECRETARY REDDING: -- probably a year  
8 off.

9 REPRESENTATIVE OWLETT: So the last two  
10 budgets that I've been able to be a part of had  
11 line items in there for the dairy industry. Is  
12 there anything in this budget -- I looked through  
13 it and didn't see anything. Is there anything in  
14 there for our dairy farmers, specifically, this  
15 time?

16 SECRETARY REDDING: So it's found in a  
17 couple of areas. One, the Center for Dairy  
18 Excellence is funded again. And of course,  
19 that's been our, you know, farm facing, if you  
20 will, work. I'd say that's one area. Two is the  
21 farm vitality grants continue to be funded this  
22 year and requested again in the proposed budget.

23 And that's the planning component.  
24 Meaning, if someone is in transition for whatever  
25 reason, it could be inside of dairy, that they

1 have access to it. Third is the plan and hope  
2 that the \$5 million that we had as part of the  
3 dairy investment program in the current year and  
4 last year, as well, is that that will continue,  
5 but that will take some additional resources to  
6 support both the CFA level to do it.

7 But there's a couple places. And I  
8 always point back to Penn State and our partners  
9 in the University of Pennsylvania to support  
10 that.

11 REPRESENTATIVE OWLETT: I wanted to talk  
12 a little bit about the GGO increase. It's \$1.7  
13 million, a 5.3-percent increase. What was that  
14 -- what's that for? Is that typically -- is that  
15 wages and benefits?

16 DEPUTY SECRETARY HANNA: Yes. And some  
17 additional IT features.

18 REPRESENTATIVE OWLETT: Okay.

19 DEPUTY SECRETARY HANNA: Continuing to  
20 make investments there.

21 REPRESENTATIVE OWLETT: There's also a  
22 \$250,000 note in the funding reduction for that,  
23 for the Commission of Agriculture and Education  
24 Excellence.

25 Can you talk about that a little bit,

1 what that money was used for last year?

2 And how -- specifically, I'm looking at  
3 there were some teachers that were paid for some  
4 continuing education. Can you talk a little bit  
5 about that?

6 SECRETARY REDDING: Yeah. Thank you.  
7 It's one of our, you know, pieces of our  
8 workforce plan. You'll recall -- I forget the  
9 dateline here, two years ago, when that bill was  
10 passed out of the -- championed House and Senate,  
11 but particularly by Senator Vogel. The hope was  
12 that we would have a commission that would focus  
13 on ag education in Pennsylvania modeled after  
14 what we've done with the State Commission, where  
15 it has a rotating chair every July 1 in the  
16 Department of -- in this case, Education and  
17 Agriculture -- with a focus on two things.

18 One, the existing ag science programs we  
19 have in the State and how we grow them. And two,  
20 the ag education, the lower case a and e, right,  
21 of how do you, from an ag awareness and ag  
22 literacy, take a real active role? But the  
23 Commission stands with that responsibility. So I  
24 share that as background. It took a little while  
25 to get started, and then, we had a full year

1 today. The reason for the reduction is, I think,  
2 you know, we had the ability to carry forward  
3 some money from the first year to the second.

4 And financially, I think we're at a good  
5 place. So it wasn't a need at the moment to ask  
6 for additional funding there.

7 REPRESENTATIVE OWLETT: So the teachers  
8 that were able to get some of this continued  
9 education, how were they selected?

10 SECRETARY REDDING: Yeah. And I'm not  
11 sure that I can give you a full answer. I can  
12 tell you that it is done with support through the  
13 Commission.

14 REPRESENTATIVE OWLETT: Yep.

15 SECRETARY REDDING: So we've got  
16 superintendents there and principals and  
17 teachers -- and Mr. Grammer (phonetic) in the FFA  
18 and many others are part of that conversation.  
19 So it's not at, you know, the Chairman's  
20 discretion, if you will.

21 REPRESENTATIVE OWLETT: would it be  
22 better to have the Commission for Agricultural  
23 Excellence as its own line item, would you think,  
24 in the budget? That was something that we were  
25 talking about that might be a better -- a better



1 use.

2 SECRETARY REDDING: Yeah. I think it's  
3 important enough for us. We see it today with  
4 the FFA being here that --

5 REPRESENTATIVE OWLETT: Yeah.

6 SECRETARY REDDING: -- it ought to stand  
7 right out and be very clear it exists because  
8 we're one of the few states with such a  
9 commission. I feel very comfortable with where  
10 we are today in terms of the focus of it, making  
11 sure that we're doing those policy pieces that  
12 were, I think, underneath the expectation of a  
13 commission, what we have revealed since Farm Show  
14 with the rollout of our campaign around ag  
15 awareness and ag careers has been extraordinary.  
16 And I think that kind of -- we should tell that  
17 story and put it in clear view for all of us to  
18 see and not have it in our GGO.

19 REPRESENTATIVE OWLETT: I think that  
20 would be great, a good option for next year. I  
21 appreciate you being here.

22 I do have some concerns with this budget.  
23 Any time I see agriculture being cut, it's my  
24 district and it's frustrating to see, especially  
25 after we invested so much last year and it was a

1 fun project to work on, really supporting  
2 agriculture and then to come back and see a 7.1  
3 reduction this year. It's hard. I mean, we get  
4 it.

5 I get it's a process and it's a  
6 conversation that we're all going to be involved  
7 in, but it is -- it's tough for us to swallow. I  
8 appreciate the work.

9 SECRETARY REDDING: I appreciate that,  
10 and appreciate your support for agriculture.

11 MAJORITY CHAIRMAN SAYLOR: Representative  
12 Kim.

13 REPRESENTATIVE KIM: Good afternoon,  
14 Secretary.

15 SECRETARY REDDING: Good afternoon.

16 REPRESENTATIVE KIM: I'm a big fan of  
17 mushrooms. I can eat all types of mushrooms.

18 SECRETARY REDDING: Good. I noticed at  
19 the Farm Show, yes.

20 REPRESENTATIVE KIM: And I was curious  
21 about Representative Lawrence's mushroom farms  
22 and just seeing, you know, it's not new, workers  
23 are hard to find, either on a dairy farm or  
24 especially on the mushroom farms. It's dirty,  
25 you've got to wake up early, holding a sharp

1 knife, whatever.

2 I'm reading this article about fewer  
3 workers out there, and one lady said, you know,  
4 we might need immigration reform. What are your  
5 thoughts on attracting more workers to keep up  
6 with the harvest? Yeah. What are some of the  
7 actions that you are doing so that we can keep  
8 our mushrooms in Pennsylvania?

9 You're welcome, Representative Lawrence.

10 SECRETARY REDDING: No. Thank you. And  
11 thanks for putting it in view for us. I think  
12 the mushroom industry is -- we're proud of the  
13 status of what it produces in Pennsylvania. And  
14 you know, 65 percent of the fresh mushrooms in  
15 the United States come out of one region, so it's  
16 significant.

17 But if you talk to the industry, much  
18 like the others, their number one concern is a  
19 workforce. It used to be market. It used to be  
20 food safety. Now, it's all about a workforce.  
21 So they're asking repeatedly for reform of the  
22 Federal guest worker system. They are requesting  
23 changes to the H-2A Program, which we had been  
24 advocating for in Pennsylvania. They have been  
25 asking about everything from apprenticeships to

1 mentorships to, you know, any type of access to  
2 skills and competencies that they can get.

3 But this whole issue of the seasonal  
4 laborer and guest worker program has been a  
5 significant piece of our time and advocacy and  
6 it's shown up so many times in the Workforce  
7 Command Center. To answer your question, there  
8 is a need at all points in agriculture,  
9 particularly those that are high skill, high  
10 labor, and high value crops, for changes to the  
11 Federal system. And we really need that.

12 So Secretary Oleksiak and I have been in  
13 contact with the Department of Labor & Industry,  
14 and making that point, actually calling out  
15 mushrooms as one of the areas that needs access  
16 to -- right now they cannot use H2A because  
17 they're not considered seasonal, but to say in  
18 Pennsylvania that it's less about the seasonality  
19 than it is the need for the labor. So we're  
20 asking for mushrooms and dairy and vegetables to  
21 be included in that definition of H2A  
22 eligibility.

23 REPRESENTATIVE KIM: All right. Thank  
24 you so much for your answer.

25 Thank you, Chairman.

1 MAJORITY CHAIRMAN SAYLOR: Representative  
2 Gabler.

3 REPRESENTATIVE GABLER: Thank you,  
4 Mr. Chairman.

5 And good afternoon, Mr. Secretary. Up  
6 top.

7 SECRETARY REDDING: You moved.

8 REPRESENTATIVE GABLER: These speakers  
9 really mess with you, don't they?

10 But hey, I appreciate the opportunity to  
11 talk to you today. We had a great conversation  
12 recently at the Farm Show and we had a great  
13 opportunity to discuss just some of the great  
14 initiatives that your Department works on that  
15 serve Pennsylvanians across the state in all  
16 sorts of agriculture and in all sorts of  
17 industries and in all walks of life. I wanted to  
18 respectfully address with you a concern that I  
19 have with this budget in the larger sense, and in  
20 how we can move forward through this budget  
21 process to get to a solution that works for  
22 Pennsylvania.

23 And I want to refer back to a few prior  
24 exchanges that we had during this hearing. In a  
25 prior exchange, you offered kind of a rhetorical

1 question in response to some of the concerns  
2 raised over the proposal to shift the \$204  
3 million out of the Horse Race Development Fund.  
4 And you said, well, how do we make these choices,  
5 say, between equine and dairy, for example?

6 The concern that I have is that this same  
7 budget proposal that also gives heartburn to the  
8 equine folks also illuminates some line items  
9 that are very important to dairy. For example,  
10 agricultural research that would be proposed to  
11 be zeroed out, compared to last year's \$2.1  
12 million; livestock and consumer health  
13 protection, proposed to be zeroed out instead of  
14 the \$1 million from last year; open dairy show  
15 proposed to be eliminated from their prior  
16 funding level of \$215,000.

17 So here's my question, what would be the  
18 impact on the Department of Agriculture and all  
19 of the industries served if we were to take the  
20 budget that the Governor submitted and adopt it  
21 exactly as is, which includes elimination of ag  
22 research, ag promotion, education and exports,  
23 hardwoods research and promotion, livestock and  
24 consumer health protection, Animal Health and  
25 Diagnostic Commission, livestock show, open dairy

1 show, food marketing and research?

2 These are all proposed to be zero in the  
3 Governor's budget. If we were to adopt that,  
4 what would be impact of this proposal as drafted?

5 SECRETARY REDDING: Yeah. Well, I think  
6 you've touched on -- you're not going to get the  
7 research. You're not going to have dairy shows,  
8 unless you find some alternative ways to fund it,  
9 which we had discussions at the Farm Show and  
10 it's important to note that for the all-American  
11 dairy show that we provide, you know, in excess  
12 of half a million dollars of financial support.

13 It's not in the line item for those  
14 particular shows, but you would have to make some  
15 adjustments, right. I think -- but I would hope  
16 that the other things that we have asked for an  
17 increase would be -- also be honored in this.

18 REPRESENTATIVE GABLER: And I appreciate  
19 it, Mr. Secretary. I think that where we need to  
20 go from here, obviously these budget hearings are  
21 the beginning of the next few months where we  
22 engage and figure out what is the solution that  
23 needs to happen. So what I'm hearing is that  
24 we're going to need to add those line items back,  
25 and that's fine. That's what we do, as you

1 mentioned, the time-honored tradition of the  
2 budget process, but the concern that I have is  
3 that what the Governor proposed us -- to us, was  
4 a budget that increased spending by \$2 billion  
5 over last year. And we're going to have to come  
6 up with some ideas about how we can justify that  
7 to the taxpayers, but that increase of \$2 billion  
8 doesn't even fund the basic things that we need  
9 in the Department of Ag to keep the services  
10 going that people have come to depend on.

11 So I truly respect you. I truly respect  
12 everybody in your Department that works so hard,  
13 and I look forward to engaging over the next few  
14 months on how we can make the tweaks and  
15 adjustments necessary, so we get from a budget  
16 that's kind of an aspirational document that kind  
17 of misses a few things to something that actually  
18 will work for the people of Pennsylvania. So I  
19 will leave it at that and ask for any comment you  
20 might be willing to add.

21 SECRETARY REDDING: Yeah. Thank you. I  
22 mean, I think your observation that those things  
23 are important, they're there for a reason, right,  
24 there's been sort of this exchange over the years  
25 and, you know, right or wrong, we go back and



1       forth on taking things in, putting them out. But  
2       they're there for a reason and trying to be  
3       supportive of agriculture and speak to the  
4       different needs that are here today.

5               I think there are a lot of things, you  
6       know, inside the budget work that we do that are  
7       related to what happens on the Federal side, as  
8       well. And I just sort of thought a lot  
9       anticipating your question about hardwoods,  
10      right, and just looked at what happened over the  
11      last year or so with the tariffs and how  
12      difficult that's been for the industry there.

13             And we're dealing with one now with, you  
14      know, changes in our food nutrition program with  
15      the USDA. We have fought hard as an  
16      administration and many Secretaries of  
17      Agriculture throughout the country to keep the  
18      commodity programs coupled with our nutritional  
19      programs and believe that you cannot have a  
20      charitable food system without a food system  
21      that's charitable. Keeping them connected was  
22      important, one of our principles, and now we find  
23      that there's potential to lose \$237 million in  
24      food and nutrition through the SNAP Program as a  
25      result of those decisions.

1           So those kinds of things are all inside  
2 of this budget discussion of how do we do this,  
3 how do we make sure that, you know, when you  
4 entrust us with dollars for the state food  
5 purchase program or PASS Program, it's sufficient  
6 in light of what else happens in Federal  
7 programs? So I appreciate your insight. Thank  
8 you.

9           REPRESENTATIVE GABLER: And thank you.  
10 And just with a few seconds left, I'll mention  
11 that we've engaged all across the General  
12 Assembly in passing the Farm Bill and the Farm  
13 Bill package last year. And it's been a great  
14 good news story that we've been touting across  
15 the State, and I think that we need to make sure  
16 that we make the adjustments needed to this  
17 budget to make sure that we don't lose the  
18 progress that was made there.

19           SECRETARY REDDING: Yeah.

20           REPRESENTATIVE GABLER: So thank you very  
21 much.

22           SECRETARY REDDING: Yeah. Appreciate  
23 your support. Thank you.

24           MAJORITY CHAIRMAN SAYLOR: Our next  
25 questioner is Representative Donatucci.

1           REPRESENTATIVE DONATUCCI: Thank you,  
2 Mr. Chairman.

3           And thank you, Secretary Redding, for  
4 being here. Homegrown by Heroes Program, it  
5 features farmers across the State who are  
6 military veterans. The PA Farm Bill included a  
7 million dollars in funding to support and engage  
8 with veterans through the program.

9           SECRETARY REDDING: Yes.

10          REPRESENTATIVE DONATUCCI: Can you  
11 explain to us how the program puts these funds in  
12 the hands of veteran farmers and their land?

13          SECRETARY REDDING: Yeah. Thank you,  
14 Representative, for the question and the  
15 acknowledgement of both the importance of  
16 veterans and the connection to our Farm Bill. We  
17 were pleased last year to have that, both support  
18 for the veterans and the Homegrown Heroes  
19 Program, but also Pennsylvania Preferred. It's  
20 important to use that identity as a State in our  
21 signature marketing program through PA Preferred,  
22 to also attach it to the values that we see in  
23 our veteran community and we put those together.

24          we have done a couple of things. One,  
25 during Veterans Day, a roundtable to talk about

1 PA Preferred and the veterans' needs,  
2 specifically. We've talked about marketing needs  
3 that they have because the Homegrown by Heroes  
4 has a separate logo that is in the part of a  
5 national campaign and how we want to use that  
6 with part of our PA Preferred. We have it noted  
7 as part of our PA Preferred marketing initiative  
8 to look at both organic and the Homegrown by  
9 Heroes PA Preferred.

10 So a lot happening, but direct target of  
11 outreach, part of that's been through the Farmer  
12 Veteran Coalition. Part of it's been through the  
13 Farm Bureau, but just in wherever we can make  
14 that contact. And quite frankly, it's been  
15 really helpful to have General Carrelli part of  
16 this time to help tell that story.

17 REPRESENTATIVE DONATUCCI: Thank you.  
18 That's wonderful to hear.

19 And I want to thank Chairman Pashinski  
20 because I know that he was very much involved in  
21 that and sponsored it. Thank you.

22 MAJORITY CHAIRMAN SAYLOR: Representative  
23 DeLozier.

24 REPRESENTATIVE DELOZIER: Thank you,  
25 Mr. Chairman.

1           Thank you, Secretaries, for being here,  
2           answering some questions. One of the issues that  
3           I hear a lot about comes in from folks that are  
4           dog owners, so I'll ask some Dog Law  
5           specifications on the budget that we have. The  
6           Auditor General came out with a report regarding  
7           the fees and citations or penalties that  
8           citations have for Dog Law and being able to keep  
9           those dollars.

10           Can you talk about how the account is,  
11           the restricted account, and where those levels  
12           are and if you agree with that recommendation?

13           We did pass a bill out of the House to do  
14           just that, just recently in January. So can you  
15           give us kind of an update as to where that is and  
16           how important those dollars would be for that  
17           program?

18           SECRETARY REDDING: Yeah. Thank you.  
19           Thanks for bringing up the Dog Law issue, and  
20           very specifically, on the fund and the  
21           legislative action there.

22           We -- in this budget, it is no secret,  
23           just because we've talked about it for several  
24           years now, but this is the year, 2021, where this  
25           fund goes negative. Right. And we've found

1 creative ways by not filling and squeezing and  
2 all of that, but we're out of those options now.  
3 So we're proposing a fee increase for the first  
4 time since 1996.

5 so that's a piece of it. The other  
6 piece, that you know, is a retention of the fines  
7 and penalties and the 10 percent that currently,  
8 you know, gets transferred. We need to retain  
9 every dollar that we can is the point, right. So  
10 we think that's a piece of it, as well.

11 There's another one, just that's related  
12 to the change in the fee increase, and that is  
13 for proposing to close the gap between the eight  
14 weeks that -- the eight weeks and the three  
15 months now that you can -- you're not required to  
16 license until the three months, but you can sell  
17 at two months. Right.

18 And we think that's one of those things  
19 that's been pointed out by many, is why didn't  
20 you make those consistent? If you can sell the  
21 dog, license the dog by point of sale. So we  
22 think that's going to be one of these issues that  
23 are important in both the fee, but also a process  
24 question. And to the point of the Auditor  
25 General, he's spot on. I think his report was

1 completely consistent with what we have seen and  
2 the management changes we've made. But his  
3 calling out of the need for fees and some  
4 administrative changes are the right things.

5 REPRESENTATIVE DELOZIER: All right. And  
6 two other things, with the increase in fee that  
7 you're requesting, is the -- are those dollars  
8 going to enforcement?

9 We know that there are a lot of dogs -- I  
10 mean, in a lot of my local boroughs, they have a  
11 lot of animal issues, animal control issues, and  
12 a lot of those are animals that have been  
13 released obviously through owners that aren't  
14 willing to do what they were expected to do. So  
15 the question is, will these dollars go to better  
16 enforcement?

17 And also, what outreach is being done to  
18 our local municipalities and helping them with  
19 animal control as well as the fact of educating  
20 those that are getting animals and how they have  
21 to be licensed?

22 SECRETARY REDDING: Yeah. And it's a  
23 great question, right, because we spend a lot of  
24 time chasing dogs, which is a problem for us,  
25 just because the expectation is that the

1 Department, you know, gets the call. Our  
2 wardens, you know, travel across a lot of  
3 counties, spend a lot of time. Again, there are  
4 three very intentional pieces to this with the  
5 fee increase. One is to fill the complement  
6 where we've got gaps in just the Dog Law wardens  
7 in Pennsylvania. That's longstanding. We shift  
8 them around, but we need to fill those vacancies.

9 Two, we think part of the issue is, going  
10 back to where we were with being able to support  
11 the local shelters and providing some grants  
12 activity for them to continue to keep the lights  
13 on, as they were called. They were  
14 keep-the-lights-on grants, just because if you  
15 don't have the local shelter, then you take  
16 possession of the dog, you go to another county  
17 or somewhere that does.

18 That is a real problem for us, right. So  
19 we spend a lot of time. Then you get all of the  
20 -- the third point is just making sure we can do  
21 what is expected inside the Dog Law from an  
22 outreach and education and public protection,  
23 manage these 600 dangerous dogs that we have to  
24 keep track of, deal with the kennels and the  
25 shifting kennel activity and shelter activity as



1 part of that, but you can't do it without money.  
2 The revenue increase would be about \$2.8 million  
3 with the fee increases that were proposed.  
4 Again, the first time since 1996, but it's all  
5 about the resources and then we can fill with  
6 some certainty these vacancies.

7 REPRESENTATIVE DELOZIER: And that's what  
8 -- I'll hear back from my local municipalities  
9 and the fact of they will -- if they do catch  
10 something, an animal -- in this case a dog -- the  
11 ownership of that -- and I don't mean by that the  
12 person who actually owns the dog, but who's going  
13 to pay for the services, is a lot of their  
14 dilemma. And a lot of times they will not deal  
15 with it because they don't want to be responsible  
16 for the -- they don't have the dollars to pay for  
17 it.

18 So in many cases, we need to deal with  
19 our local municipalities. And you talked about  
20 kennels, which is obviously a big issue. And I  
21 get a lot of e-mails about puppy mills and making  
22 sure that we're doing it the right way, that we  
23 have safe animals within our homes. So --

24 SECRETARY REDDING: Right. And we want  
25 to address those needs, both on the licensing

1 side for dogs, but also in the kennel side, to  
2 make sure that we're doing everything, again, the  
3 legislature expected us to do in that reform  
4 piece, you know, get to those kennels and have  
5 that oversight there, as well.

6 when the local municipalities and the  
7 shelter takes one of these dogs that we provide,  
8 we pick up and provide to the shelter, we pay  
9 them \$40. So if you think about it, we're  
10 charging \$6 for a license and I'm paying you \$40.  
11 It takes eight dogs just to cover that one deal,  
12 right. I mean, you can't do this. And that's  
13 been our dilemma, how do we cover some of those  
14 costs for the local shelters?

15 REPRESENTATIVE DELOZIER: While doing the  
16 job on the ground.

17 SECRETARY REDDING: Yes.

18 REPRESENTATIVE DELOZIER: Thank you very  
19 much.

20 SECRETARY REDDING: Thank you.

21 MAJORITY CHAIRMAN SAYLOR: Representative  
22 Cephas.

23 REPRESENTATIVE CEPHAS: Thank you,  
24 Chairman. And good afternoon, Secretary.

25 SECRETARY REDDING: It's good to see you.

1 Thank you.

2 REPRESENTATIVE CEPHAS: So I want to  
3 touch on -- you brought up the potential impacts  
4 that we have coming down the pike from the  
5 Federal level and how that can impact everyday  
6 families in our -- across our communities, across  
7 the Commonwealth of Pennsylvania. And oftentimes  
8 with these cuts, we essentially have to absorb it  
9 on the State level. And with that, I wanted to  
10 dig into the fruits and vegetable voucher  
11 program. You know, it's something that I always  
12 bring up every appropriations season. And I know  
13 there's always this conversation around WIC  
14 recipients and them having a low redemption rate.

15 Can you speak to if we've done anything  
16 to increase those -- to increase the redemption  
17 rate? And how are we working with area grocery  
18 stores to get them set up to where they're able  
19 to take advantage of these vouchers?

20 SECRETARY REDDING: Yeah. Thank you.  
21 Thanks for the question and the concern on the  
22 food nutrition side of things. You know, the  
23 Farmers Market Nutrition Program is a partnership  
24 with our U.S. Department of Agriculture and the  
25 State. And it serves two important

1       constituencies, the Women Infant Children that  
2       you mentioned, and then there's a seniors  
3       component to this, as well. And as we've  
4       reported previously, the seniors are -- if you  
5       give them a voucher, they're pretty good at  
6       redeeming it. If -- and they're like at 85  
7       percent or so redemption.

8               I think on the WIC side, I can't say that  
9       we've made any progress. It's not for lack of  
10       trying. This past year, on the redemption rate,  
11       I think we're around 45 percent, right.

12              REPRESENTATIVE CEPHAS: Yeah, and that's  
13       been consistent.

14              SECRETARY REDDING: It moves a percent or  
15       two. We have done a couple of things. One is  
16       just putting the -- making an app available for  
17       how to find these markets, which was one of the  
18       issues we heard over and over. Where's the  
19       market? What's the frequency? When is it open?  
20       Do they accept the vouchers? So we've done that  
21       as a first step, but we're open to ideas.

22              We've reached out to the retailers. We  
23       mention this all the time to the farm community.  
24       Any ideas about how to get that, you know,  
25       voucher which is issued and therefore becomes an

1 obligation on our end because we can't give it to  
2 somebody else, how do we change this dynamic of  
3 getting roughly half of the vouchers redeemed on  
4 the WIC side, where you know the need is. Right.

5 REPRESENTATIVE CEPHAS: Yeah.

6 SECRETARY REDDING: That's the issue.

7 REPRESENTATIVE CEPHAS: Yeah.

8 Now, have you looked at any other states  
9 on possible best practices around what they could  
10 be doing, potentially offering retailers some  
11 form of a tax credit to purchase more local  
12 products, anything?

13 SECRETARY REDDING: Yeah, we have. And  
14 you bring up a good point about the retailers.  
15 So there's a challenge inside of the program  
16 where it has two objectives. One is to address  
17 the nutrition needs of those who are at risk of  
18 hunger and provide fresh fruits and vegetables.  
19 The other is for a market opportunity for the  
20 farmer.

21 REPRESENTATIVE CEPHAS: Yeah.

22 SECRETARY REDDING: Right. And therein  
23 lies the challenge. There are a lot of retailers  
24 who would take the vouchers, but they don't  
25 qualify --

1 REPRESENTATIVE CEPHAS: Have access to --

2 SECRETARY REDDING: Because they're not a  
3 PA-produced product, right, or even a  
4 U.S.-produced product. That's our challenge.

5 REPRESENTATIVE CEPHAS: Yeah.

6 SECRETARY REDDING: If you went to the  
7 retail level, you can get rid of them, but we're  
8 trying to really use this as an economic tool for  
9 farm markets and cultivate --

10 REPRESENTATIVE CEPHAS: Yeah.

11 SECRETARY REDDING: So it's how do you,  
12 you know -- it obviously works on the senior  
13 side, why doesn't it work on the WIC side, right?

14 REPRESENTATIVE CEPHAS: Yeah.

15 SECRETARY REDDING: Is it just that  
16 they're busier, they don't have much time?  
17 Whatever. But open to ideas about how to address  
18 that.

19 REPRESENTATIVE CEPHAS: Okay. Great.

20 On the senior side, I recognize that it's  
21 been a \$20 voucher -- is it \$20 or \$25?

22 SECRETARY REDDING: So I think it's been  
23 \$20.

24 Are we going to \$25?

25 REPRESENTATIVE CEPHAS: Oh.

1           DEPUTY SECRETARY HANNA: I think that's  
2 right, but we will get back to you on that, for  
3 sure.

4           REPRESENTATIVE CEPHAS: Okay. That would  
5 be great.

6           Are you mentioning that you're going to  
7 increase the voucher amount? Because I know it's  
8 been some time since we have increased it.

9           How long has that been?

10          SECRETARY REDDING: I'm not even sure.  
11 It's been \$20 forever, four \$5 vouchers. We'll  
12 double check.

13          REPRESENTATIVE CEPHAS: Okay.

14          SECRETARY REDDING: I'm pausing just  
15 because I think there's a change on the WIC side  
16 to try to get at this redemption.

17          REPRESENTATIVE CEPHAS: Okay.

18          SECRETARY REDDING: But I don't know  
19 about the senior. We'll double check --

20          REPRESENTATIVE CEPHAS: Okay.

21          SECRETARY REDDING: -- and get back to  
22 you.

23          REPRESENTATIVE CEPHAS: If you can follow up,  
24 that would be great. But then also, ensuring how  
25 do we get our retailers to connect more to our

1 farmers across PA. One of the things I  
2 constantly get asked is why is an urban girl  
3 interested in farming? It's because we are  
4 consumer-based, and if we can do our part and be  
5 in an economic engine for the Commonwealth, we  
6 want to make sure that we're doing that. So if  
7 we could follow up on that, that would be great.

8 SECRETARY REDDING: Yeah, we will. And I  
9 appreciate your interest as an urban girl. I  
10 think it's a great story.

11 The Farm Bill revealed things, right. I  
12 think it's one of those great stories for us, as  
13 to sort of where you find agriculture, and it's  
14 zip code neutral, right. Some of the farms we  
15 have found, the people we've found doing it are  
16 deep in the cities, they're on rooftops,  
17 whatever, but just are great stories. So thank  
18 you.

19 MAJORITY CHAIRMAN SAYLOR: Representative  
20 Topper.

21 REPRESENTATIVE TOPPER: Thank you. Good  
22 to see you, Mr. Secretary.

23 SECRETARY REDDING: Good to see you.

24 REPRESENTATIVE TOPPER: Thank you,  
25 Mr. Chairman.



1           First of all, I just -- I enjoyed the  
2 conversation earlier that we got to clarify that  
3 the Horse Race Development Fund that we're  
4 talking about -- because I think that got lost a  
5 little bit after the Governor's budget address.  
6 They're not tax dollars; they're gaming dollars.  
7 And they're gaming dollars that were set aside,  
8 and I think that that conversation came out.

9           When did you find out about the plan?

10           SECRETARY REDDING: Yeah. So this is,  
11 you know, one of these questions I've been asked  
12 numerous times. You can appreciate, in any build  
13 of a budget, a departmental budget, there are a  
14 lot of exchanges that occur, right, that go back  
15 and forth on ideas and I mentioned the workforce  
16 Command Center and the themes that came out of  
17 that and knew that there would be a major build  
18 in the budget around themes of workforce and a  
19 general call to cabinet secretaries about how you  
20 can help and what your needs are.

21           So that was the exchange. But the  
22 process, you know, led itself to a lot of input  
23 and perspective that ultimately, you know,  
24 appears as our final budget.

25           REPRESENTATIVE TOPPER: Sure. We just --

1 a lot of us were kind of surprised.

2 SECRETARY REDDING: Yeah.

3 REPRESENTATIVE TOPPER: That was kind of  
4 the big surprise for that day, as I'm sure it was  
5 for many people.

6 DEPUTY SECRETARY HANNA: And  
7 Representative, I can assure you that the staff  
8 was well informed and working with the Governor's  
9 office as we were working on the proposal.

10 REPRESENTATIVE TOPPER: All right. So  
11 last year, I remember at this forum, I asked  
12 about what Representative Owlett had asked about  
13 earlier. I asked about this Commission for  
14 Agricultural Excellence. I think we also asked  
15 the Secretary of Education. And I was told last  
16 year that it was a staffing thing. You know,  
17 we're going to get it up and running, add some  
18 staff to create this commission. But then, as I  
19 looked over some of the expenditures that were in  
20 the last report, transportation costs for sending  
21 students to Family Farm Day, STEM Day at the Farm  
22 Show, contracts with Penn State, continuing  
23 education for 34 teachers that were paid for,  
24 were these -- did these really fall within the --  
25 well, first of all, were they approved at a

1 public meeting by the Commission?

2 Because if I remember correctly, that was  
3 the intent, was that expenditures would be  
4 approved at these public meetings.

5 Did that take place? Because I didn't  
6 see that in the report.

7 SECRETARY REDDING: Yeah. So the  
8 Commission approved an operating budget for the  
9 Commission.

10 REPRESENTATIVE TOPPER: They approved the  
11 overall budget or did they approve the individual  
12 expenditures?

13 SECRETARY REDDING: No, they -- the way  
14 it's set up, and again, keeping in mind this is  
15 modeled after what we do for the State  
16 Commission, is the Commission approved an annual  
17 operating budget. They don't improve individual,  
18 you know, expenditures of travel or --

19 REPRESENTATIVE TOPPER: Is that the  
20 Department that would approve those?

21 SECRETARY REDDING: Yeah. I think in  
22 this case, you know, discussion between the  
23 Executive Director and staff. I mean, Deputies  
24 or Secretary, yeah.

25 REPRESENTATIVE TOPPER: Did that --

1 because again, this was a new thing that we had  
2 talked about last time.

3 SECRETARY REDDING: Yes.

4 REPRESENTATIVE TOPPER: In your opinion,  
5 did the \$250,000 -- did the Commission accomplish  
6 what the statute set out for it to accomplish?

7 SECRETARY REDDING: I would say yes. I  
8 think part of this was the, you know, interim --  
9 we had an Executive Director and getting a  
10 Commission seated and a work plan approved and  
11 things done. I think we, you know, for our first  
12 year -- and now to say the second year, when you  
13 look down through the accomplishments that are in  
14 the annual report -- you may not have that. The  
15 Commission last week --

16 REPRESENTATIVE TOPPER: No, I -- so when  
17 I looked down through it, I didn't see -- I  
18 didn't really see a breakdown of the cost for  
19 each individual thing. For instance, the  
20 contract with the Center for Professional  
21 Development at Penn State. You know, it would be  
22 helpful for us to maybe actually see those  
23 specific costs.

24 SECRETARY REDDING: Okay.

25 REPRESENTATIVE TOPPER: We saw them just

1 listed as expenditures, but no costs associated  
2 with them.

3 SECRETARY REDDING: We can do that.  
4 That's fine.

5 REPRESENTATIVE TOPPER: would that be  
6 something we could get?

7 SECRETARY REDDING: Sure. Sure. That's  
8 not an issue.

9 REPRESENTATIVE TOPPER: Okay. All right.  
10 Thank you.

11 SECRETARY REDDING: Yeah, thanks.

12 REPRESENTATIVE TOPPER: Mr. Chairman.

13 MAJORITY CHAIRMAN SAYLOR: Representative  
14 Flynn.

15 REPRESENTATIVE FLYNN: Thank you,  
16 Mr. Chairman.

17 Good afternoon, Secretary, Deputy  
18 Secretary.

19 Real quick, can you comment on the  
20 effects that the Trump Administration's trade war  
21 is having on Pennsylvania's farming families?

22 SECRETARY REDDING: Yeah. So you know,  
23 we have been challenged the last, you know, year,  
24 year and a half on this. Now, the good news part  
25 of this is you have, as you've read, I mean, some

1 resolution around the phase one with China and  
2 you have some resolution with the USMCA for  
3 Canada and Mexico. But admittedly, it will take  
4 us a while to earn those markets back. All  
5 right. I think that's the challenge we have, is  
6 to make sure that we can get back to where we  
7 were.

8           There has been a direct impact. I mean,  
9 the impact has been compensated for in part by  
10 the trade mitigation program that Secretary  
11 Perdue -- Pennsylvania has received about \$78  
12 million in direct payment as a result of the  
13 trade mitigation. Important though to note that  
14 our number one agriculture export is hardwoods.  
15 And hardwoods don't qualify -- didn't qualify for  
16 that compensation from the Federal government.

17           So there is a gap here of loss, and we're  
18 down 20 percent in the hardwoods market and 25  
19 percent in terms of value. So there is a  
20 residual impact. It's going to take a while to  
21 build back, particularly in China.

22           REPRESENTATIVE FLYNN: Now, does the new  
23 add-on with the coronavirus, does that affect the  
24 trade balance also? Does that --

25           SECRETARY REDDING: Yes. Yeah. An

1 interesting exchange this morning, just on the  
2 hardwoods and the concern, there's been some  
3 relief provided on the tariff side for wood  
4 products and logs for China for all of the U.S.,  
5 but the industry was noting that the concern now  
6 with that approval is going to be delayed because  
7 of the coronavirus and potential impacts of just,  
8 you know, the flow and distribution channels.

9 REPRESENTATIVE FLYNN: So in terms of  
10 commodity export losses in comparison to  
11 subsidies from the administration, are we at a  
12 plus, are we at a minus? How do you feel?

13 SECRETARY REDDING: We're at a minus.  
14 We're at a significant minus, \$78 million, you  
15 know, to think about the numbers. But it  
16 wouldn't cover a third of the hardwood losses,  
17 just to put it --

18 REPRESENTATIVE FLYNN: That's just  
19 hardwood?

20 SECRETARY REDDING: Yeah. Hardwoods is  
21 several, you know, hundreds of millions of  
22 dollars. I mean it's a billion dollar export and  
23 we've lost that in the last year. On the  
24 commodity side, we're a net importer of grain, so  
25 you go back and forth with the animal

1       agriculture, whether that's a bonus for us to  
2       have cheaper grain or not. But at the end of the  
3       day, there's a lot of grain producers in the  
4       State who took a lot less money and have a  
5       smaller paycheck as a result of the tariffs.

6                REPRESENTATIVE FLYNN: Nothing great  
7       about that, Mr. Secretary. Nothing great about  
8       that.

9                Thank you.

10               DEPUTY SECRETARY HANNA: And just to give  
11       a little context, China is the biggest hardwoods  
12       market that we have in Pennsylvania.

13                SECRETARY REDDING: Yeah.

14                MAJORITY CHAIRMAN SAYLOR: Okay. We are  
15       going to move on to the Chair in -- well, we'll  
16       move to the Democratic Chair of the Agriculture  
17       Committee, Mr. Pashinski.

18                REPRESENTATIVE PASHINSKI: Thank you very  
19       much, Mr. Chairman.

20                First, I'd like to do a shout-out to one  
21       of the most outstanding groups of people I've  
22       ever had the opportunity of meeting, our FFA and  
23       their Director. Michael, you've done a great  
24       job. Thank you for being here. I mean that  
25       sincerely.



1           They're all over the State and you  
2       represent the State very well. And we have a  
3       great deal to be proud of. And of course  
4       Pennsylvania, you know, 580,000 jobs, ag, the  
5       number one business, \$136 billion, just an  
6       incredible industry. And then, of course, the  
7       idea that we're going to be needing 75,000 jobs  
8       in the next 10 years, and that doesn't just mean  
9       folks that are, you know, planting and taking  
10      care of our animals.

11           So what I want to share with you is the  
12      idea that we have this incredible State that  
13      produces incredible food, which is a commodity  
14      that we all need to eat. And I am so pleased  
15      that we are here to have you. Mr. Secretary,  
16      we've been all over the State. We've bumped into  
17      each other many times. And Executive Director  
18      Hanna, same thing with you. Thank you very much  
19      for being here.

20           Mr. Secretary, you're no -- you know, you  
21      don't have a problem as far as talking about ag  
22      because that's been your life, hasn't it? It  
23      certainly --

24           SECRETARY REDDING: Most of it.

25           REPRESENTATIVE PASHINSKI: Most of it,

1 exactly. And we have a lot to be proud of.

2 Last year was the first time we ever had  
3 a Farm Bill --

4 SECRETARY REDDING: Yes.

5 REPRESENTATIVE PASHINSKI: -- in  
6 Pennsylvania. You know, it was an exciting thing  
7 because all of us worked together on both sides  
8 of the aisle, including the admin. And I wanted  
9 you to touch upon some of those key points  
10 because sometimes we forget about it.

11 And one of the points that I want to make  
12 is, you know, there are always so many wonderful  
13 things that we support and are needed here in  
14 Pennsylvania and we always have a problem with  
15 what? Never enough money. You know, so we're  
16 always trying to find ways and places to find  
17 that money. So if you would, just touch upon a  
18 couple of the key points of the Farm Bill that  
19 has been implemented and has then helped us here  
20 in Pennsylvania continue on with this great  
21 industry.

22 SECRETARY REDDING: Chairman, thank you.  
23 And just again to say thanks to the Committee and  
24 the leadership for the help last year, you know,  
25 on the Farm Bill. I think it was extraordinary.

1 It is still the only Farm Bill, State farm level  
2 Farm Bill in the nation. We should be proud of  
3 that. I think the programmatic elements that are  
4 imbedded in the Farm Bill are doing exactly what  
5 we had hoped they would. Right. It's finding  
6 those markets, finding a new generation who wants  
7 to step in. It's addressing the issues that were  
8 gaps identified by different industry sectors.

9 A couple of examples, I mean, the Farm  
10 Bill included for the very first time an urban  
11 agriculture investment at \$500,000 and it was one  
12 of those sort of great stories, just because  
13 we've talked about urban ag and how do you  
14 support the urban areas that, you know, want to  
15 grow food and engage them. We could have given  
16 encouragement, but we couldn't support them until  
17 the Farm Bill. So 28 different grants all over  
18 the State. We have 15 small meat processors.

19 We talk about farm to table and access  
20 and having folks who want to process meat and get  
21 it into the retail side of the business. We have  
22 15 of those across the State of Pennsylvania.  
23 The piece around business planning, you know,  
24 there are themes today around planning and  
25 transition, whether you're a preserve farm,

1 whether you're looking at entering agriculture or  
2 transition around it and in it.

3 For the very first time, having the farm  
4 vitality grants, it's \$2 million. It's open.  
5 It's open right now. We put a particular  
6 emphasis on the preserve farms, knowing what  
7 commitment we've made to those families, but also  
8 the commitment they've made to us to help  
9 transition those farms. And I think the Center  
10 for Poultry and Animal Ag. I mean, it's one of  
11 these areas we mentioned earlier about  
12 appropriations and important -- the carveout,  
13 particularly in the biosecurity inside of that  
14 Center for Animal and Poultry Ag. I think it's  
15 an important issue.

16 The coronavirus is a good exhibit, not  
17 for agriculture, but just of how quickly, you  
18 know, things happen, right, where people appear  
19 and how things get across country boundaries.  
20 There's a good lesson in there for animal  
21 agriculture, particularly when you've got 23  
22 countries that still have active African swine  
23 fever and 13 countries with African or high path  
24 avian influenza.

25 The Center on Biosecurity is important.

1 The list goes on, but I think inside the \$23  
2 million, in addition to the non-ag -- non-Farm  
3 Bill, but important ag, the new and beginning  
4 farmer program, the dairy futures, you put all of  
5 that together and you get this great opportunity  
6 to talk about ag, but you leverage a lot of  
7 private investment, too. I mean, every one of  
8 these projects is a private investment project,  
9 as well.

10 So it's a great story. We want to keep  
11 the momentum. The Farm Bill is funded again in  
12 this budget, so thank you for the support.

13 REPRESENTATIVE PASHINSKI: No. Thank you  
14 very much for all your good work, and of course,  
15 to the Governor, as well.

16 I want to also move on to the fact that  
17 this is part of the negotiations, isn't it? You  
18 know, so we want to try to work together to try  
19 to figure a way that we can fund as many possible  
20 things as we can. And then, I want to use this  
21 time to encourage anybody that's listening to buy  
22 PA preferred products, grown in PA by PA, PA  
23 Preferred, PA proud.

24 Look for that number 42 on your milk.  
25 That's milk that was either produced here in

1 Pennsylvania or it was processed here in  
2 Pennsylvania. And I know that if we can get  
3 everybody on board to do that kind of stuff,  
4 we're going to help some of those dairy farmers  
5 and help the folks here in Pennsylvania. So I  
6 want to thank you very much. I see my time is  
7 up, and I thank both of you again for being here.  
8 Thank you, FFA. Thank you, Michael.

9 SECRETARY REDDING: Yes.

10 REPRESENTATIVE PASHINSKI: Great job to  
11 you all.

12 SECRETARY REDDING: Mr. Chairman, thank  
13 you. Just to say, we talk a lot about what we  
14 can do for agriculture. Part of it is just our  
15 own purchasing power, right, and knowing what's  
16 Pennsylvania, who grew it, and establishing that  
17 relationship with the person who's feeding you.  
18 It becomes a really important part of the  
19 marketplace and imbedded in our PA Preferred, so  
20 thank you.

21 MAJORITY CHAIRMAN SAYLOR: All righty.  
22 We'll move on to Chairman Causer of the  
23 Agriculture Committee.

24 Chairman Causer.

25 REPRESENTATIVE CAUSER: Thank you,

1 Chairman Saylor.

2 Mr. Secretary, welcome.

3 SECRETARY REDDING: It's good to see you.

4 REPRESENTATIVE CAUSER: I'd also like to  
5 welcome the FFA students that are here today.  
6 Glad that you could be here with us, and I thank  
7 you.

8 Mr. Secretary, your staff and yourself  
9 have been great to work with. Appreciate the  
10 working relationship.

11 SECRETARY REDDING: Thank you.

12 REPRESENTATIVE CAUSER: We've certainly  
13 had a very busy year with a lot going on in  
14 agriculture and, you know, we've moved forward  
15 with a number of initiatives. We've funded a lot  
16 of projects, a \$23 million proposal with a number  
17 of components in that. But there are some  
18 concerns about how the money has been spent,  
19 quite honestly.

20 And you know, Chairman Saylor and I led  
21 an initiative to put money in the final budget  
22 for animal health needs, for example, and then  
23 there were concerns about how that money was  
24 spent. We intended a million dollars to be sent  
25 to Penn Vet, another million dollars to be sent

1 to Penn State to their laboratories. And then as  
2 it turns out, the whole million didn't get to  
3 either of those locations. And then there are  
4 concerns about the Ag Ed Commission, that I think  
5 Representative Topper had previously spoken  
6 about.

7 So I guess that leaves a question in my  
8 mind of the \$23 million in new funding that the  
9 Department received. Has all of that funding  
10 been allocated in the current fiscal year and/or  
11 is there still some pending?

12 SECRETARY REDDING: A couple of things:  
13 One, in terms of the Farm Bill components, I  
14 think we have to -- we're announcing, I think  
15 today, the specialty crops, or will be shortly.  
16 Right. So that was one that was pending. We  
17 have, as I mentioned, the Ag Business Development  
18 Program, the farm vitality grants are open with  
19 some money there that if are by the April  
20 deadline not used, we'll open it again or push it  
21 out.

22 I think we're at a moment where we've got  
23 the PA Preferred and Organic Program awaiting  
24 some Department of General Services contract  
25 approval. So I think we're at a pretty good



1 place. I mean, I think part of this, the first  
2 years, you know, the needs because every one of  
3 these programs have been over subscribed that  
4 we've opened. So I think this opportunity for us  
5 to talk about what the true needs are, but just  
6 to assure you that everything that we said in the  
7 Farm Bill, we have pushed out as hard as we  
8 possibly could within all of the system  
9 components, so --

10 REPRESENTATIVE CAUSER: And how are you  
11 evaluating those projects?

12 I mean, what kind of process do you have  
13 in place to evaluate a project as it comes in and  
14 where it fits in the programs that you have?

15 SECRETARY REDDING: Yeah. So thank you,  
16 that's a good question. It varies by program. I  
17 mean, and I think I'll use the dairy as a good  
18 example, the \$5 million there. That comes in, it  
19 comes in through DCED. They do the evaluation.

20 REPRESENTATIVE CAUSER: I mean, I realize  
21 that's a CFA program.

22 SECRETARY REDDING: CFA.

23 REPRESENTATIVE CAUSER: And I know that  
24 process, but I'm talking about the other projects  
25 that may be submitted under certain programs

1 within your Department.

2 SECRETARY REDDING: Well, some of them  
3 have advisory boards with them, such as the ag  
4 youth grants. That's got an advisory board with  
5 it. We use the Bureau of Farmland Preservation  
6 staff to review applications for the realty  
7 transfer, even though that's a different  
8 department. They do the initial assessment of a  
9 new or beginning farmer.

10 Eligibility, we use the Bureau of Markets  
11 to review in a grant contract system. So I think  
12 there's -- unless there's an issue in there, I  
13 mean, I think that's worked fairly well. But  
14 again, each one of them has had sort of a  
15 different review process with hopefully a lot of  
16 transparency attached to it and accountability  
17 with it.

18 REPRESENTATIVE CAUSER: One question that  
19 we get often is which projects are being funded.

20 SECRETARY REDDING: Yes.

21 REPRESENTATIVE CAUSER: Can you provide  
22 the Committee with a detailed spreadsheet, a  
23 list, based on the line items that we funded, and  
24 under each line item, exactly what projects have  
25 been funded so that we can -- you realize our --

1 one of our priorities is to look at what works  
2 and what doesn't work.

3 SECRETARY REDDING: Right.

4 REPRESENTATIVE CAUSER: As we're  
5 prioritizing, and I think today we've talked a  
6 lot about prioritizing funding for certain  
7 things, and as we continue to review projects,  
8 proposals, programs, to know where money has been  
9 spent in the past so that we can determine how to  
10 go forward would be very helpful.

11 Can you provide that to the Committee?

12 SECRETARY REDDING: Yeah. I would want  
13 you to see that. I mean, I would want you to  
14 have full confidence that what we committed to in  
15 the Farm Bill and the principles embedded in the  
16 Farm Bill, that what we said we were going to do  
17 is what we've actually done. No issue there.

18 If I could address just briefly the  
19 frontside question around the Penn and Penn  
20 State. I know this was -- it ended up being a  
21 point of contention a little bit, but it was all  
22 around sort of the IT needs. And you've heard me  
23 say this, that in the PADLS System, it's a  
24 system. It's got an S on the end of it for a  
25 reason. And that is Penn and Penn State and PDL,

1 which are our three labs, have got to be able to  
2 work realtime with data.

3 And having that sort of one person carry  
4 the burden of that out of our GGO at a time when  
5 I think it's a part-time arrangement to build it  
6 and maintain it and triage the issues inside of  
7 it, that was our basic philosophy. It's a system  
8 built -- and all of us should contribute equally  
9 to that, and we did on this IT need.

10 REPRESENTATIVE CAUSER: And we understand  
11 the IT needs. The fact of the matter was,  
12 though, that the administration didn't ask for  
13 any money for any of that. Then we appropriated  
14 that money for a specific purpose, and then to  
15 find out -- we found out later that some of that  
16 money was peeled off for IT needs, when that was  
17 not really our intention going, you know, when we  
18 appropriated the money. So I think that that's  
19 important to point out as we move forward when  
20 we're considering what we're going to fund and  
21 what we're not.

22 SECRETARY REDDING: Yeah. Very good.

23 REPRESENTATIVE CAUSER: So I'll look  
24 forward to that information and certainly look  
25 forward to working with you going forward on the

1 next year's budget.

2 SECRETARY REDDING: Likewise. And just  
3 to say thank you, Mr. Chairman, for the --

4 REPRESENTATIVE CAUSER: Thank you.

5 SECRETARY REDDING: -- support of  
6 agriculture and the commitment to both the  
7 leadership of ag, but also the extraordinary year  
8 we had.

9 Thank you.

10 REPRESENTATIVE CAUSER: Thank you.

11 Thank you, Mr. Chairman.

12 MAJORITY CHAIRMAN SAYLOR: And  
13 Mr. Secretary, I just want to intercede just for  
14 a second on the same point. As you know, and  
15 we've talked about this, any time that your  
16 Department has asked me, as Chairman of  
17 Appropriations, to give you money, I have never  
18 said no. And that's why I was so upset when you  
19 took the IT money. Had you asked me for IT  
20 money, additional money to fund that program, I  
21 surely would have, just as we did with the  
22 Lantern Fly when you needed more money than was  
23 originally requested, we did that.

24 It's just to me, the Department -- and we  
25 have a great interest here in the General

1 Assembly of protecting our number one industry.  
2 So it's just, if there's something you need,  
3 Chairman Causer, members of the General Assembly,  
4 I believe on both sides of the aisle, are always  
5 there for agriculture because it is, you know, as  
6 I think Representative Cephas talked about  
7 earlier, all of us have an interest in  
8 agriculture, so just let us know. Because when  
9 the General Assembly earmarks something for  
10 something, we really do want it to go there.

11 So at that, I'm going to call on Chairman  
12 Bradford.

13 SECRETARY REDDING: Thanks.

14 MINORITY CHAIRMAN BRADFORD: I'm going to  
15 ask you to extend that to Secretary Miller and  
16 River next week.

17 Thank you, Chairman.

18 And I appreciate you guys taking the  
19 time. And I realize it's already gone long. I  
20 just want to remind folks of one thing. And I  
21 realize the Race Horse Development Fund,  
22 obviously, it's a very important industry and it  
23 supports it and does a lot of great things, but  
24 as there is understandably pushback on that  
25 transfer, I fear that we lose sight of what the

1 Governor has in mind. And I realize --  
2 Representative Sanchez, I think, rightfully  
3 talked about some of the components. We talked  
4 about our FFA and the sophistication of farming.  
5 We want people, obviously, to be able to afford  
6 college in Pennsylvania, and we want Pennsylvania  
7 students to stay in Pennsylvania and be  
8 Pennsylvania taxpayers, so they can support ag as  
9 the good Chairman would like them to.

10 But sincerely, when you read the numbers  
11 -- and again, I realize some of these points  
12 would be better next week at those hearings, but  
13 when you realize that Pennsylvania now leads the  
14 nation in student loan indebtedness at about  
15 \$37,000 -- some numbers actually have a second --  
16 so I guess if there's any victory in that, that's  
17 the victory we have. But that is truly  
18 disconcerting, 39th per capita in support for  
19 higher education under almost any metric you use.

20 When you think that per-student funding  
21 for Pennsylvania's public colleges and  
22 universities is now 34 percent less than it was  
23 in 2008 -- and again, that's not a partisan  
24 issue. That's a reality of 10 very difficult  
25 years as we worked our way out of the great

1 recession. But since 2008, average tuition here  
2 in Pennsylvania is up by \$3,006 for our public  
3 colleges and universities. So when you go  
4 through how this plays out, tuition nationally  
5 has jumped 37 percent between '08 and '18. At  
6 the same time, real income, low single digits.  
7 That has a real impact.

8 when you look at 2017 numbers, which I  
9 think are the last numbers readily available, if  
10 you look at the established tuition fee cost,  
11 plus rooms, books, boards for our students, it  
12 would be about 23 percent of a family's income.  
13 And if you look for a family of color, frankly  
14 that number gets close to 50 percent. So I say  
15 all of that as a matter of context. We  
16 rightfully have to have a discussion about the  
17 transfers, but in that discussion, we can't lose  
18 sight of what we need to do to educate our kids.

19 we have a Student Debt Caucus.  
20 Representatives O'Mara and Schroeder, in a  
21 bipartisan effort are leading that. When you  
22 look at our indebtedness, when you look at our  
23 support for higher education in Pennsylvania,  
24 there's clearly a correlation. And I, again,  
25 just encourage my colleagues to recognize that



1 when 25 percent of our students that are in  
2 repayment right now are either in default or  
3 seriously delinquent here in the Commonwealth, I  
4 mean, these numbers are staggering and they're  
5 across the board.

6 And again, I realize we're in an Ag  
7 Committee -- we are still -- but we need to be  
8 mindful of how this all plays out at every level.  
9 And again, I fear sometimes -- people say, okay,  
10 I'm opposed to this funding source. What I'd  
11 like to have the conversation of is, okay, what's  
12 the alternative?

13 I realize that alternative may not --  
14 Secretary of Ag may not offer up something else  
15 on the chopping block, but we need to have a  
16 serious discussion. This needs to be addressed.  
17 This is not sustainable. It's frankly --  
18 there's a moral component to this. We are  
19 putting these kids in frankly levels of  
20 indebtedness that they cannot start families and  
21 buy homes, and it needs to be addressed, and they  
22 can't buy farms.

23 So I just think, again, pushback is  
24 understandable, but what's the alternative? And  
25 we need to have that discussion going forward if

1 the Race Horse Development Fund is not going to  
2 be part of that equation.

3 SECRETARY REDDING: Right.

4 CHAIRMAN BRADFORD: Thank you.

5 SECRETARY REDDING: Chairman, thank you  
6 for that perspective.

7 MAJORITY CHAIRMAN SAYLOR: So to wrap up,  
8 I first want to kind of talk about the cheese  
9 industry. We have -- I want to salute Giant  
10 Foods for committing itself to Pennsylvania's  
11 cheeses. I think that's so critical that  
12 Pennsylvania businesses buy Pennsylvania  
13 products. I mean, Mr. Pashinski earlier talked  
14 about Buy Pennsylvania. I'm in 100 percent  
15 agreement with that, but we need to make sure  
16 that our people here in Pennsylvania, our grocery  
17 stores, are giving that option to the people that  
18 are walking into that store every day.

19 So Giant Foods in their commitment to  
20 Pennsylvania cheeses is amazing, and I hope some  
21 of our other retailers in Pennsylvania, like Weis  
22 and others, commit to the same thing, purchasing  
23 Pennsylvania cheese and focusing on Pennsylvania  
24 cheeses. Caputo Brothers in Spring Grove,  
25 Pennsylvania, York County, has done a lot to save

1 dairy farms in York County. My hats are off to  
2 them.

3 And Mr. Secretary, I've been really  
4 pleased to see this year, particularly recently  
5 in a CFA meeting, I think we created a funding, a  
6 marketing, I believe, funding for the cheese  
7 industry; am I correct?

8 SECRETARY REDDING: Yes, you did. You  
9 did another round of dairy proposals, so 76 total  
10 in the last year.

11 MAJORITY CHAIRMAN SAYLOR: So I think  
12 that's a long way. The other thing that -- I  
13 just want to talk a little bit about the whole  
14 Horsemans Fund. You know, we talked earlier, you  
15 said earlier we don't like to pick winners and  
16 losers -- and I don't disagree with you on  
17 that -- but we've done a lot here in the General  
18 Assembly this past year for the dairy industry.  
19 I'm not sure we've done enough, in all honesty,  
20 but not one dollar of the Horse Racing Fund  
21 dollars are going to go into the dairy industry.

22 So I don't think you can compare dairy  
23 versus horse racing unless you're going to take  
24 that money and do something for the dairy  
25 industry. And the second thing I'd point out --

1 I'm very happy to see the FFA here today -- is  
2 probably not one of those students, not one of  
3 those students who's going into agriculture is  
4 going to benefit from that \$200 million going  
5 into scholarships because Del-Val is not getting  
6 any. Penn State is not getting any. So those  
7 industries, those students who are going into  
8 agriculture aren't going to get a single dollar  
9 coming out of the agriculture industry.

10 So when we talk about literally how do we  
11 -- we need to keep, as you know, Chairman Causer  
12 and I are totally committed to the agriculture  
13 industry and whatever it needs to do, but as  
14 Chairman Bradford stated here, we are finding it  
15 very difficult for young people to buy farms  
16 today. And that's not the only area in  
17 agriculture, as you well know. It can be harness  
18 making. We talked about hemp earlier in these  
19 hearings. There's so many different parts of  
20 agriculture that we -- many times people who  
21 haven't been in a farm our entire life or any  
22 part of our life have no idea how agriculture  
23 every day, not just the food on our table,  
24 touches our lives. And I think that's sometimes  
25 very underestimated.

1           And a real concern that I have, that we  
2 will lose our agriculture industry as the number  
3 one industry if we don't, again, quit hitting it  
4 up and making choices between one industry versus  
5 another. All parts of agriculture are important  
6 and critical here in Pennsylvania, from clothing  
7 to whatever it may be. And I think the hemp  
8 industry is going to offer us some great job  
9 opportunities in the future, whether it's in  
10 clothing or whatever it is.

11           So I just, you know, I know you've been  
12 hit with the hammer with this announcement, but I  
13 do think as we go forward, I think Chairman  
14 Bradford is correct, that we do need to discuss  
15 about student debt. That's another discussion  
16 for the Department of Ed to discuss, but I do  
17 think that we have to be careful that we aren't  
18 stealing from one industry to benefit another.  
19 We all -- we need to have these serious  
20 discussions, but we need to have them in a way  
21 that we're all included in that discussion.

22           SECRETARY REDDING: Okay.

23           MAJORITY CHAIRMAN SAYLOR: So I thank you  
24 today for what you've done for agriculture and  
25 your hard work and dedication, that of your

1 staff. And I look forward to working with you as  
2 we go through this budget process.

3 SECRETARY REDDING: Pleasure, Chairman,  
4 Chairman Bradford, thank you, and to the  
5 Committee. Very much appreciate your help.

6 Thank you.

7 MAJORITY CHAIRMAN SAYLOR: The  
8 Appropriations Committee will reconvene in 10  
9 minutes for the Pennsylvania PEMA.

10 (Whereupon, the hearing concluded.)  
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## C E R T I F I C A T E

I hereby certify that the proceedings are contained fully and accurately in the notes taken by me from audio of the within proceedings and that this is a correct transcript of the same.

*Tiffany L. Mast*

Tiffany L. Mast

Court Reporter