Testimony before the House Appropriations Committee Agriculture Secretary Russell C. Redding March 2, 2022

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

Thank you for the opportunity to speak with you and this committee to discuss the state of agriculture in Pennsylvania, and to reflect on the work we have done together to move agriculture, and the commonwealth, forward.

These are extraordinary times in agriculture and government – full of opportunities and challenges that require all of us to be engaged, constructive and prepared to listen, learn and lead. Agriculture finds itself at the intersection of some of the most important issues of our time – food security, health and human development, environmental stewardship, commerce and importantly, the quality of life in our communities.

Over the last seven years, we have worked to expand the narrative around who, where and what is agriculture, while staying true to our core mission of safeguarding human health, animal health and the economy. Through strategic investments, bipartisan efforts on policy and legislation, and engaging the public on the power of Pennsylvania's brand, we have set a strong course for the future of the food system. Through our work, we aim to build resilience among the agricultural community to ensure long-term and sustainable growth so that the industry can continue its essential work in feeding Pennsylvania and beyond and form a more food-secure and resilient tomorrow.

Recognizing that agriculture is changing, we partnered with the Team PA Foundation to commission an Economic Impact Report through Econsult and the Fox School of Business that captures what agriculture looks like in Pennsylvania today. This report, which was released in 2018 and updated in 2021, revealed the economic significance of agriculture and reinforced some things we already knew — Pennsylvania's diverse and innovative agricultural industry has made the commonwealth a national leader across many sectors. Pennsylvania agriculture generates \$132.5 billion in economic value and 490,000 jobs.

At the core of our efforts are the 58,000 farms and the farm families engaged in this business. But what we have learned is that the word farmer is not a one-size fits all description and what makes a farm is not defined by size, scale, or zip code – something that we put front and center during the 2022 Pennsylvania Farm Show, as we celebrated *Harvesting More*.

It has been a privilege to meet the individuals who are *Harvesting More* over the past seven years. The faces of Pennsylvania agriculture are rural and urban. They are dairy producers, urban (farmers), food processors, charitable food system partners, youth pursuing agriculture careers and so many more.

Each story is unique, but there is commonality in our mission, as we continue *Harvesting More* to create a more bountiful, food-secure, equitable and sustainable world.

Pennsylvania is reaping the benefits of investments in agriculture made by the Wolf Administration in collaboration with the General Assembly. We remain the only state in the nation with a state-level Farm Bill, and we have been asked many times by other states how this package came to fruition, and our response is the same – the process was not as important as the people in it. We were led by a Governor with a strong vision for the future of agriculture, a legislature that was invested in growing the industry, and passionate stakeholders who knew that agriculture has benefits in urban and rural areas alike.

Since its passage in 2019, the PA Farm Bill has provided over one thousand grants, loans, tax credits, and countless other opportunities to strengthen Pennsylvania agriculture across the commonwealth and at all levels of the food supply chain. To date, more than \$50 million in grants have been invested within the industry, and many of these investments have been matched and magnified by private capital. I am proud to report that the Governor's 22-23 proposed budget continues to fund the PA Farm Bill for the fourth consecutive year.

The PA Farm Bill dovetails with other economic endeavors championed by Governor Wolf for agriculture. Throughout this administration, agricultural operations have benefitted from funding at the Department of Community and Economic Development, such as the Pennsylvania Industrial Development Authority, the Pennsylvania Economic Development Association, First Industries Fund, RACP, and more. While funding is important, equally important is the recognition of agriculture as integral to Pennsylvania's success and formally including the Department on boards that work in tandem with lawmakers and the industry to make smart, calculated investments. These relationships, and the recognition of agriculture as an economic powerhouse, have furthered our resiliency, expanded operations, and created jobs.

Through these efforts, there have been critical investments made in infrastructure, from the Port of Philadelphia for exports to cold storage facilities in neighborhood food banks, that are crucial to the supply chain. As technology continues to change agricultural production, processing and distribution, it will be important to support investments in new technology, as well as in needed cold chain distribution centers. In addition, continued investment in non-agricultural infrastructure, including broadband, roads, bridges, water systems and stormwater management, will support the success of the sector.

The need for fast, reliable internet access for all communities has been accelerated by the COVID-19 pandemic. With 31% of PA farms still lacking access to broadband, the Pennsylvania Broadband Development Authority, established in a unanimous and bi-partisan fashion under Act 96 of 2021, will prioritize expanded access for unserved and underserved households across the commonwealth, administer a crucial and influential amount of federal infrastructure dollars and bolster the competitiveness of the state's farmers, agribusinesses, and rural communities.

In addition to addressing infrastructure needs, the Department continues to work with state and local governments, and stakeholder organizations to fulfill our mission of conserving farmland and natural resources for the prosperity of the commonwealth. Preserved farms have a special focus in Pennsylvania, and we are proud to support them through the work of the Bureau of Farmland Preservation and the Agriculture Business Development Center. We lead the nation, and recently surpassed 600,000 acres and 6,000 farms in this special covenant.

As we look at preserving farms, we must also look to encourage the next generation who will be stewards of that land. According to the U.S. Department of Agriculture (USDA), Pennsylvania leads the nation in famers under the age of 35, at 14% of our farming population according to National Agricultural Statistic Services data. This is a promising sign, but we must continue to cultivate opportunities for these producers to not only stay in the business but thrive. Through this work, we ensure agriculture is inclusive and equitable to all and inspire future generations of leaders for the industry, providing support through programs such as the Farm Vitality Grant Program, Beginning Farmer Tax Credit and the Realty Transfer Tax Exemption.

Through these programs, 213 farmers received grants to support transition and business planning services. Thirty-five farms successfully transferred ownership without imposing realty transfer tax. And, 29 farmers earned tax credits for selling or leasing their lands to beginning farmers, removing barriers and creating opportunities for young entrepreneurs to pursue careers in farming.

Recognizing the issues facing farmers, the Department partnered with the AgriSafe Network to create an AgriStress HelpLine for Pennsylvania farmers. The hotline is a free service available to Pennsylvania farmers and farm families seeking mental health support and is supported by a \$500,000 grant from USDA's National Institute of Food and Agriculture Farm and Ranch Stress Assistance Network. The past few years have been some of the most difficult in recent memory for farm families, and we are glad to be addressing these issues directly with members of the General Assembly.

As we look to build a strong future for Pennsylvania agriculture, we must also recognize that economic success and sustainability are not mutually exclusive; they can work together to create a viable pathway forward.

The Wolf Administration is proud to invest in conservation as we strive to restore clean water in the Chesapeake Bay and the region's streams, creeks, and rivers, while addressing climate change. Pennsylvania farmers care deeply for the land, water and air they both rely on for their livelihoods and protect for our collective future.

The governor's proposed investment of federal American Rescue Plan Act funds for a new round of enhanced Growing Greener funding will accelerate the program's historic work to support farmers in their efforts to protect soil and water resources; increase the number of farmland preservation projects; protect open space; and help communities address land use. This investment will fund Growing Greener III and agriculture conservation programs, such as

the Agricultural Conservation Assistance Program and the existing Agriculture Conservation Excellence Grant Program. The proposal invests \$450 million of federal American Rescue Plan Act funding in these initiatives.

These are critical investments in vital conservation and preservation projects that address the threat of climate change. After experiencing record-breaking rainfall and flooding events this past year, this initiative will make Pennsylvania more resilient in the face of more extreme and frequent weather events caused by climate change. Smart investments that support on-farm best management practices, flood mitigation projects, waterway enhancements, and farmland preservation will reduce soil erosion and run-off, improve soil and water quality, and mitigate the impact of climate change.

The bipartisan Growing Greener remains the largest single investment of state funds in Pennsylvania's history to address Pennsylvania's critical environmental concerns of the 21st century. In this budget, Governor Wolf is proposing another important investment to protect our environment, with an additional \$3.5 million in our Agricultural Preparedness and Response line to manage invasive species through the Partnerships for Invasive Species Management (PRISM) program.

The arrival of Spotted Lanternfly in Pennsylvania in 2014 elevated the public awareness of invasive species as these pests spread across the commonwealth. At that time, we did not have a Rapid Response account available to react quickly enough and were slowed down waiting for resources.

While rapid response to new invasions is critical, it only addresses one aspect of the invasive species threat that we face. Invasive species do not recognize boundaries of any type—geographic, political, demographic, or otherwise. Because of this, true cooperation and partnerships must exist in order to effectively prevent and manage invasive species. Diverse and expansive partnerships with local leadership must be established if we are to have a chance at withstanding the assault of invasive species. The commonwealth and its financial future would benefit from a fully funded PRISM program that would provide needed resources, infrastructure, and manpower to combat invasive species. In return, we will strengthen our efforts to mitigate threats that impact the economic vitality of the commonwealth.

While 2020 and 2021 tested our industry like never before, the past two years have emphasized that agriculture has been and always will be essential. Our farmers, food processors, charitable food system partners and related industries never took a day off. This is especially true for our charitable food system partners and the coordinated efforts the Department's Bureau of Food Assistance who are assisting more than 1.5 million Pennsylvanians who do not know where their next meal is coming from.

We cannot have a charitable food system without a food system that is charitable. We are grateful for Governor Wolf's continued support of the charitable food through the State Food Purchase Program. Specifically, the Pennsylvania Agricultural Surplus System (PASS) ensures

farmers can share their harvests with Pennsylvanians in need without cost, reimbursing costs associated with food harvest, transportation, processing and packaging. These investments are strengthening the economy, supporting businesses and jobs associated with harvest, transportation and processing.

The economic impact of the Pennsylvania Agricultural Surplus System reports that for every \$1 million dollars invested into PASS, the program generates more than \$2 million in additional economic impact. Since 2015, Wolf Administration PASS investments have generated more than \$39 million in economic output. With an additional \$2 million in funding proposed for the 2022-23 budget year, Governor Wolf's \$4.5 million investment will equate to nearly \$9 million in economic output over the next year, supporting the farm economy and jobs while ensuring fresh, locally produced foods reach Pennsylvanians in need.

PASS is a great example of how strategic investments are facilitating charitable donation, feeding hungry Pennsylvanians, strengthening public-private partnerships and stimulating economic growth across the commonwealth.

The Department is also proud to support efforts that empower individuals and communities to overcome systemic food system challenges by investing in urban agriculture. Oftentimes urban farms begin because of the disparities within a community – the farms fulfill a need that has otherwise been overlooked because of systemic beliefs deeply rooted within society.

While these issues are still prevalent, we have seen a shift of urban farms providing for their communities, overcoming food deserts, addressing cultural needs, generating economic and job growth, and farming with great skill and innovation. These urban farms and gardens are providing critical connections for youth to understand the food system from an early age, and to get involved in the production, harvesting, and preparing of the yields. The Urban Agriculture Infrastructure Grant Program, over three years, has funded 93 projects totaling \$1.52 million in grants. This year's grant program was supplemented with an additional \$20,000 donation by Mid-Atlantic Farm Credit, demonstrating that the Farm Bill funds continue to spur and generate more growth than just the plants in the ground.

Agriculture is zip code neutral. It's urban; it's rural; it impacts us all. And, there are opportunities in agriculture for everyone, which is why feeding young minds and creating equal opportunities in agriculture is so important.

Since the beginning of the administration, Governor Wolf has championed education and workforce training. In this budget proposal, the Governor once again prioritizes education funding, and these investments will have significant benefits to our work in agriculture—from the programs I have discussed today, to the needs of the industry in technology, accounting, marketing, logistics, manufacturing, and so much more.

Another key component of our education and workforce strategy continues to be the Agriculture Education Excellence Commission, which now has a full-time Executive Director for

the first time since its inception in 2017. The Commission, jointly run with the Department of Education, continues to engage students, teachers, industry leaders, lawmakers, and stakeholders to create opportunities for students of all ages and demographics to engage in agriculture education. We see the Commission, its work, and its partners as critical to ensuring Pennsylvanians are ready to fulfill the more than 75,000 new and replacement jobs that will become available in the agriculture and food industry over the next decade.

To create clear pathways between education and career, we employ a full-time Workforce Development Specialist, who, in partnership with our sister agency of Labor and Industry and external stakeholders, continues to grow opportunities and investments in the agriculture workforce. We now have seven apprenticeship and pre-apprenticeship pathways, including recently added programs for butchers, groundskeepers, and vegetable growers. Recently, Labor and Industry announced its PA Smart Industry Partnership Grants, and agriculture entities in south central and southeastern Pennsylvania were awarded funds. These grants and partnerships aim to connect industry with workers and training, and again, demonstrate the progress made in recognizing agriculture through other lenses. We continue to work with our partners at Team Pennsylvania and across the industry to strategize a path forward for workforce challenges.

The Department is proud of its growth in program areas since 2015, but our regulatory oversight remains our core, safeguarding human health, animal health and the economy.

The safety of our nation's food supply starts with healthy livestock. As the home of nearly \$5.9 billion in sales of livestock and livestock products in 2019, Pennsylvania places animal health as a top priority for the safety of consumers who depend on a secure food supply and the nutrient-dense meals that livestock-based foods — from animals grown in Pennsylvania — offer. Pennsylvania's reputation for quality secures our agriculture industry as a leading economic driver in the state.

With threats of Highly Pathetic Avian Influenza, African Swine Fever and other emerging infectious animal diseases, the Department of Agriculture's Bureau of Animal Health and Diagnostic Services (BAHDS) is on the forefront of controlling and eradicating diseases in livestock and poultry. BAHDS works in conjunction with our Pennsylvania Animal Diagnostic Laboratory system, Animal Health Diagnostic Commission, industry, academia, policymakers, and other stakeholders to ensure that our animal agriculture industry is meeting the challenges to increase productivity, decrease inputs, and lessen our environmental impact, all while feeding a growing population.

We are also proud to support the commonwealth's Centers for Animal Excellence – Dairy, Beef and Poultry and Livestock – each play a critical role in providing resources to farmers and producers. Educational workshops, industry calls with specialized programming, and grant programs assist not only our farmers on the ground, but also the commonwealth's growing animal ag industries and the infrastructure on which they rely.

The Bureau of Food Safety has been critical to implementing Act 62, or Senate Bill 434, the Milk Sell-By bill. A recommendation of the Dairy Future Commission, we are grateful to Senator Vogel for championing this legislation, strengthening consumer choice in the marketplace and reducing milk waste. With laboratory testing, dairy processors can seek approval from the Bureau of Food Safety to label milk with best-by dates that more appropriately reflect shelf life. In October, Turner's Dairy in Pittsburgh was the first processor to be granted this approval from the Department, extending their shelf-life to 25 days. We continue to work with Pennsylvania processors for labeling approvals.

I am very glad to look back on the successes that have come from the General Assembly and the Department working together to modernize antiquated procedures that are still in Pennsylvania statutes, such as how Act 62 modernizes our dairy industry. There are other fields in agriculture that need the same attention. For the last several years, we have been working to update the Fertilizer Law in Pennsylvania, and, after many different iterations, I believe that Senate Bill 251, which is before the House chamber at present, is ready for a final vote on the House floor. Additionally, there are many needed changes to the Dog Law, such as House Bill 526 and Senate Bill 232, that would increase the licensing fee, modernize operations and fully fund the Bureau of Dog Law Enforcement while improving the lives of dogs and safety for all Pennsylvanians. I look forward to working with you on these initiatives, as we have on so many others during my time as Secretary.

I would be remiss to not mention that this testimony, though comprehensive, is only a sliver of the work done by the Department. Throughout my career at the Department, I have been privileged to work with an outstanding team, dedicated to public service, whose knowledge and talents drive progress every day. I am extremely grateful to be surrounded by colleagues who care deeply about this industry and share a commitment to making our commonwealth a better place. Through their stewardship, civility, and accountability, the Department continues to improve and adapt to rapidly changing situations and meet the needs of the diverse constituency we serve. This work has led to agriculture being recognized for all the services it delivers to society – not just what is on our tables. It is an honor that humbles me that I represent this Department, which always holds a distinguished place in conversations in the commonwealth and nationally.

The Pennsylvania Department of Agriculture is proud to protect, promote, and preserve the commonwealth's agriculture industry.

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

Thank you.