

Testimony
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Department of Agriculture
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Good afternoon Chairman Harris, Chairman Grove, and the members of this committee.

Thank you for the opportunity to discuss agriculture with you today as we look forward to growing the industry and our communities through commonsense investments and solutions. We are working from common ground to support our farmers, ensure the health and safety of people and the environment, and put food on everyone's tables.

Agriculture's impact on Pennsylvania is undeniable. We know that this industry supports 590,000 jobs, creates \$132.5 billion in economic impact, and encompasses nearly 52,700 farms across 7.3 million acres. Pennsylvania leads the nation in farms and acres preserved, percentage of farmers under age 35. We have the only state-level Farm Bill, and three ports that link our markets to the world. We rank amongst the top states in both direct to consumer and organic sales, and are leaders in commodities like mushrooms, hardwoods, dairy, livestock, maple, craft beer, Christmas trees, and more. We have strength in diversity, not only in what we produce, but by who and where it is produced.

Agriculture's impact on the daily lives, and quality of life, of Pennsylvanians is hard to express in a few words. First and foremost, agriculture unites us all. It's a commonality in our daily lives – food, fuel, and fiber – to the food of our cultures and identities, the fuel of our economies, and the fibers that weave together to make our diverse communities.

At the Department of Agriculture (Department), we are dedicated to growing both the tangible and intangible benefits of agriculture for the common good. Governor Shapiro's budget proposal recognizes and furthers this goal. The Commonwealth must invest in our farmers and agriculture industry to keep its benefits growing for the common good. This budget proposal builds on our strengths and identifies new opportunities for growth and development through investments in stewardship of land and water resources, economic development, workforce, and the food system.

As much as agriculture is fundamental to sustaining our lives, protecting our land, water, and air resources is fundamental to sustaining agriculture. The Department is engaged across the Administration to ensure coordination in a comprehensive climate change mitigation strategy that prioritizes actions that have a measurable impact and then measuring those outcomes across the Commonwealth. The budget proposal furthers the Department's work to manage preserved farmland and increases conservation efforts, which are integral to food security, climate resiliency, and green space preservation.

For the more than 30 years, the Department has administered the Farmland Preservation Program in partnership with 58 counties. Today, Pennsylvania's program leads the nation with 6,149 farms and 622,238 acres. Protecting these farms in perpetuity is an important responsibility of the state and participating counties.

To support our farmers having the best outcomes for their preserved farms, Governor Shapiro has proposed \$2.5 million to ensure the integrity of the easement program by adding critical staff to provide technical and financial assistance and resources to counties to help protect their investments by ensuring that preserved farms are productive from generation to generation.

To further conservation goals and sustain and enrich our land and water resources, the State Conservation Commission (SCC) has begun administering the \$154 million in Agriculture Conservation Assistance Program (ACAP) funds through county conservation districts. This funding was a historic investment through American Rescue Plan Act (ARPA) funds, and a result of legislators, the governor, and stakeholders coming together for the common good. Conservation districts work with local agricultural operations to implement projects aimed at preventing nutrient and sediment pollution to improve water quality. We are confident in the success of this program, as it is modeled after several other successful SCC initiatives like Conservation Excellence Grants, and the Dirt, Gravel, and Low Volume Road Maintenance program, which leverage local expertise and resources with state dollars to amplify the impact. However, the ACAP program is funded through one-time federal resources, so we will need to find a sustainable funding source to continue this very important effort.

Our efforts to preserve and steward the land must be connected to smart land-use policies that balance the needs of development with environmental impact. The Secretary serves as a member of the State Planning Board and a partner to our farmers, agribusinesses, elected officials, and residents, we recognize the dynamic landscape of our Commonwealth as an asset to us all. We are working across our partnerships and within the Administration on strategies, policies, and guidance to ensure that efforts like solar fields, brownfield revitalization, and abandoned mine land rehabilitation are utilized to the maximum potential but not unnecessarily impacting our highly valuable agricultural land and soil.

All of these efforts in conservation and preservation are tied to local, state, and federal permitting regulations and processes. These permits, and their timeliness, are vital to farmers' ability to build, expand, and upgrade their operations efficiently, while protecting natural resources. Governor Shapiro has committed not only to moving permit applications more efficiently through this system but removing barriers and providing better customer service.

As part of the solution, the Governor has proposed new positions at the Department of Environmental Protection for permitting review. We have worked collaboratively with DEP, SCC, stakeholders, and farmers to understand the permit process, pain points for farmers, and areas for improvement, but the underlying cause remains a staffing issue. Although these positions are not in our budget, they do further our common goals with DEP to ensure that our farmers can grow their businesses while upholding standards of stewardship.

While recognizing the need for environmental permitting as a matter of conservation and preservation, the Governor's budget also recognizes the permitting process as it relates to economic development. When farms and businesses are delayed due to untimely permit review, this causes undue hardship and barriers to growth, and inhibit expansion and innovation.

To this end, the Governor has formed the Office of Transformation and Opportunity, and subsequently the Economic Development Strategy Group, to guide creating a one-stop-shop for businesses looking to grow and contribute to aggressively reigniting Pennsylvania's economy. The Department, in concert with other agencies focused on business and workforce development, will directly advise the Governor on economic development projects and processes to attract and retain employers, recruit innovation leaders, and create good-paying jobs in Pennsylvania, particularly in underserved communities. This message is clear – agriculture is a business, and access to capital, workforce, investments, and efficient and effective permitting are key to our success.

In addition to effective and efficient processes, economic development requires access to capital, identification of markets, and innovation to capture opportunities. Pennsylvania's reputation as a leader in agriculture is an asset to our industry on a global scale, and we are positioned to continue leading. But we need to make commonsense investments to keep our farmers competitive.

This proposal would fully fund the Pennsylvania Farm Bill for the fifth year at \$13.8 million. As the first and only state farm bill in the nation, the PA Farm Bill is living proof of the common good we can accomplish through commonsense and common ground. Through the PA Farm Bill and related programs, Pennsylvania has invested more than \$100 million to nearly 2,200 farmers, schools, non-profits, conservationists, and organizations, through grants, loans, tax credits, and other resources. From large no-till tractors in Lancaster, shovels on an urban farm in Philadelphia, pollinator gardens in Erie and transition planning in Lebanon, hemp houses in Butler to black cherry research in McKean, the PA Farm Bill has made significant advancements across the Commonwealth in keeping agriculture vibrant and growing.

While the 2019 PA Farm Bill has been a triumph, the Department has been asked by many legislators, stakeholders, and members of the agriculture community what is next. The federal Farm Bill is enacted every five years to capture and respond to the dynamic needs, opportunities, and challenges of this industry, building on the previous iterations, expanding scope, and adding funding. From improving farmworker housing and workforce development programming to urban land access and climate mitigation, the potential to build from the 2019 PA Farm Bill is there, and we look forward to collaborating with this body and our partners to grow this opportunity to keep Pennsylvania the premier state for agriculture.

There is tremendous potential ahead of us through the 2023 federal Farm Bill, with Pennsylvania in a leadership position on the U.S. House Agriculture Committee, and a strong seat on the U.S. Senate Agriculture Committee. The Department is engaged with stakeholders and across the Administration to identify and define priorities, build support, and find common ground. This work, and the outcome of the Farm Bill, will have immeasurable impacts on Pennsylvanians, and

I am eager to work in a bipartisan and proactive effort to ensure all voices have input into the development of this legislation and benefit equally from its resources.

This budget proposal supports economic and market development by funding our Hardwoods Development Council and Centers of Excellence for Beef, Dairy, and Poultry and Livestock. Each of these entities, and the sectors they represent, are critical to our agriculture industry and to Pennsylvania through the leadership, support, research, and programming they provide to our farmers, processors, agribusinesses, and stakeholders. Each of the existing centers has provided for coordination and advancement in their industries since inception and has supported animal industries as economic drivers in the Commonwealth. Funding these centers and council will allow for these invaluable services to continue and create great partnerships for the industry to capture opportunities and grow.

Pennsylvania has captured opportunities in organic, and the Department has been a pioneer in its approach to supporting this sector through research, partnerships, and on-farm support to farmers. Data from the United States Department of Agriculture's 2021 census showed that Pennsylvania farms produced and sold \$1.09 billion in organic commodities in 2021, up 48% from 2019, and the number of certified organic farms increased 7% to 1,125 farms. Pennsylvania currently ranks third in the nation in organic sales and fourth in organic farms, with great potential to continue advancing this sector.

Governor Shapiro has proposed the creation of the Center for Organic Excellence (Center) to help farmers during the three-year transition necessary to grow or produce organic agriculture, and to support the Department's food safety lab in testing products to uphold product integrity and increase consumer confidence. This Center for Organic Excellence will push forward the Department's ability to support farmers and processors interested in capturing these market prospects, while addressing consumer concerns.

The Department is eager to work with consumers and stakeholders to further shared goals and advance the food system for crop farmers and green industry through the proposed Center of Plant Excellence. Technological advances in plant science provide an unprecedented opportunity for the establishment of such a center, and the diversity of crop production and agronomic production in Pennsylvania will be uniquely served by a dedicated center. From biofuels and bioproducts to the revitalization of small farms in the context of Community Supported Agriculture (CSA), the industry around plants is a dynamic sector for economic growth.

A Center of Plant Excellence will serve Pennsylvania's plant industries through research and development, supply chain and market development, new high-value product design and development, processing infrastructure, and consumer safety and quality assurance. This center will provide a concentration and streamline of resources and interdisciplinary expertise to collaborate, research, create, promote, and disseminate specialized information and create a viable supply chain in order to better address the needs and challenges of Pennsylvania's plant industries.

The Centers of Excellence are also integral to a safe and secure food supply, working to educate agriculturalists on best management practices and working in tandem with the Department through the Bureaus of Animal Health, Plant Industry, and Food Safety to ensure that Pennsylvania's farm products remain safe from farm to fork.

The Department has seen the value of partnerships as it responds to threats to the food system. For nearly a year, the Department has been mitigating the spread of Highly Pathogenic Avian Influenza (HPAI), which continues to impact poultry producers throughout the Commonwealth. By leveraging resources from the U.S. Department of Agriculture (USDA), Pennsylvania Emergency Management Agency (PEMA), and industry, we have responded to 62 confirmed positive locations in 16 counties, providing on-farm support, incident management teams, and laboratory services through the tripartite Pennsylvania Animal Diagnostic Laboratory System (PADLS).

While this disease is present in 46 other states, Pennsylvania is the only state that has established a fund to assist farmers directly impacted by HPAI that have suffered demonstrable financial losses due to inclusion in a control or quarantine zone. Governor Shapiro has proposed an additional \$34 million to the Agricultural Preparedness and Response line to help affected poultry producers recover from losses sustained from responding to the disease. The budget also continues to support the animal diagnostic laboratory system's increased workload and capacity needs.

All of these components build towards a more reliable, resilient, and safe food system. But the Commonwealth must also ensure that this food system is built to uphold equity and access in our rural and urban communities alike. Food insecurity and access to fresh, nutritious foods affect people from all demographics and every district in the Commonwealth. These issues are not about just having food but about having nutritious, healthy food.

Addressing food insecurity requires not only great products available through the charitable food system, but coordination across many partners to address the unique and diverse needs within the system. Building from the work of our Bureau of Food Assistance, the Department has worked collaboratively across the Administration and with stakeholders to establish the Pennsylvania Food Policy Council (Council). The Council now has an Executive Director who has worked diligently in this space for many years, and will develop and implement strategies, coordinate public-private efforts, and work with our partner agencies to improve food security and nutrition. The Council and its partners recognize that as we look to advance the common good through commonsense solutions, we have opportunities to address these disparities by connecting the power and products of our agriculture industry to those in need.

Recently, federal emergency benefits from the Supplemental Nutrition Assistance Program (SNAP) ended, leaving the charitable food system and families overwhelmed, with PA food banks, food pantries, and soup kitchens filling the void and feeding Pennsylvanians in need. The Governor proposed a new state investment in SNAP to raise the minimum monthly benefit by 50 percent to help families have access to enough fresh, healthy food. This increase is necessary to support our most vulnerable populations, including seniors, children, families, and veterans.

Funding for Pennsylvania's Agricultural Surplus System (PASS) and the State Food Purchase Program (SFPP) are two programs that have had tremendous impact in the Commonwealth and have become national models for nutrition programs. These efforts connect production agriculture to the non-profit sector to get more nutritious food into the hands of Pennsylvanians at risk of hunger.

PASS provides an efficient mechanism for Pennsylvania's agricultural industry to donate safe, wholesome food products while being reimbursed for the costs involved in harvesting, processing, packaging, and transporting these foods. Without PASS, these food products would likely otherwise be left in the field, be plowed under, be dumped, or be landfilled. This budget proposes \$4.5 million in funding to multiply the work of this incredibly effective program.

Pennsylvania leads all states in providing food assistance for those in need under the SFPP. The program, funded at \$20 million, provides cash grants to counties for the purchase and distribution of food to low-income Pennsylvanians. It is intended to supplement the efforts of food pantries, soup kitchens, food banks, feeding programs, shelters for the homeless, and similar organizations to reduce hunger.

Pennsylvania is one of a small number of states in the nation to provide state revenue for an emergency assistance food program for its low-income residents. This is the largest program of its kind and it reflects the Commonwealth's determination to address problems related to nutrition and hunger. Grants are allocated to the County Commissioners for the purchase of food at wholesale, competitively bid prices, or better.

Building local food systems is a priority for the Department and the Administration. This budget proposes \$2 million for the Fresh Food Financing Initiative, which provides grants to eligible food retailers in order to increase access to healthy, affordable grocery food options and to improve economic opportunities for underserved communities in urban, rural and suburban areas across the state. This program builds on the success of the original initiative in Pennsylvania which has been celebrated for its flexibility and impact, and its success has influenced the creation of similar programs in over 13 states and at the federal level. In its last iteration as a response to the COVID-19 pandemic, this program provided resources to expand grocery stores, bodegas, farmers and on-farm markets, meat processors, and other retailers to provide needed food during a critical time and build resiliency long term.

Another key provision of Governor Shapiro's budget is the universal school breakfast proposal. The Department fully supports this measure and strongly advocates that all children need to be fed, nourished, and ready to learn, not focused on hunger throughout the school day. All children deserve the same opportunities and access to food, and our farmers can provide Pennsylvania-produced food to schools and serve our children the very best products.

In the discussion of school meals and nutrition, the Department must recognize the role of Pennsylvania's dairy industry, particularly as it relates to milk. Due to federal policies around nutrition, we have encouraged Congress to review this issue and find a balance between providing choices and wholesome nutrition without jeopardizing federal funding that subsidizes

school meals. We stand ready to work with the Department of Education and our federal partners to move a solution forward for our students and our dairy industry.

Education is critical to the future of agriculture from workforce needs to innovation and technology, related fields that support the industry, and research and critical analysis for continuous improvement. The proposed budget calls for increased funding for all levels of education, with an increase in Career and Technical Education resources being of particular interest to the agriculture industry. The Department welcomes the opportunity to discuss how this funding can be used to further the work of the Commission for Agricultural Education Excellence.

All Pennsylvanians should have the freedom to chart their own course and to succeed through affordable options to pursue secondary education. Pennsylvania's diverse postsecondary institutions create a wealth of options for career pathways in agriculture. This budget provides an increase to both Penn State, a land grant university, and the University of Pennsylvania, a veterinary medical school. Both are cornerstones in our industry, and the Commonwealth is fortunate to have them as partners to guide the industry through research, education, and support.

Building the workforce requires the investments that this budget puts forth through a diverse set of pathways, like apprenticeships and internships, and connecting those seeking a new career to resources. Pennsylvania currently has seven agriculture apprenticeships and two pre-apprenticeships. The Department is eager to work with the Department of Labor & Industry to explore ways to make these funds more accessible to agriculture employers. Additionally, the budget proposal invests \$300,000 to continue supporting military veterans who, after serving their country, continue to serve their communities through agriculture.

Workforce needs also must be discussed in the context of seasonal farmworkers, and we must work with our federal partners, L&I, and stakeholders to find equitable solutions to addressing issues within this system so that farmers and employers can obtain the workforce they need. Seasonal farmworkers are critical to Pennsylvania's agricultural industry, and bring a broad array of skills, knowledge, and cultural diversity to the farms where they work. By recognizing and respecting these important contributions as we advocate for improvements, we can make Pennsylvania a leading exemplar of practices that support our farmworkers.

As we invest in the next generation of agriculturalists, entrepreneurs, and industry leaders, the Commonwealth must also invest in their health and well-being. Farming can be a challenging, stressful, and dangerous vocation. Through a USDA grant, the Department has established a robust array of services to support the mental health, safety, and wellness of farmers and the agriculture community. From training for health professionals to a 24/7 hotline, this effort has provided much-needed resources for the agriculturalists who provide so much for each of us. However, more USDA funding for this effort is not guaranteed, and being able to continue these services is critical to support our farmers so the budget proposes \$200,000 dedicated for this issue.

These investments in the industry must be coordinated with investments in the Department. As we look to the future of agriculture, fueled by innovation and technology, the Department must

modernize facilities, ensure staff complement is commensurate to system demand and upgrade IT infrastructure, while continuing to provide unwavering service to Pennsylvanians.

One area in particular where we need to invest is in our Bureau of Dog Law Enforcement, which has struggled due to licensing fees not keeping pace with more than a quarter century of inflation. This session we are looking forward to working with the General Assembly's Dog Law champions, Senator Vogel and Representative Pashinski, to streamline and modernize the licensing and fee structure.

On that note, I would like to recognize the outstanding team at the Department, whose passion, expertise, and dedication never cease. Every day, we tackle unimaginably challenging issues through their innovativeness, knowledge, and collaboration. Their work has such an incredibly direct impact on the daily lives of Pennsylvanians and every single bureau's contributions are appreciated, valued, and exceptional. I am beyond honored and humbled to represent the Department, and our agriculture industry, in my role as Secretary.

From supporting our farmers to supporting our future, this budget is a strong commitment to the vitality and longevity of agriculture in the Commonwealth. While agriculture is a commonality between us, what we have here in Pennsylvania agriculture is uncommon. Our partnerships and collaborations, across distinctive regions and diverse rural and urban communities, bring together innovative businesses and individuals to produce superior agricultural products that feed Pennsylvanians and the world. We do this with great pride, intention, and civility, giving agriculture a voice at every table, and everyone a seat at agriculture's table.

Throughout his budget address, Governor Shapiro stated time and time again that he is interested in bringing people together to find commonsense solutions – an appeal to find common ground to move Pennsylvania forward. The Department looks forward to working with you throughout this budget process to make investments in agriculture for the common good. In agriculture, we know how immeasurably valuable good ground is to ensure that what you have planted not only grows but thrives.