



**Joint Senate and House Agriculture and Rural Affairs Committee
Testimony of
Secretary Russell C. Redding, Pennsylvania Department of Agriculture
August 15, 2018**

Good morning Chairman Vogel, Chairwoman Schwank, Chairman Causer, Chairman Pashinski, and distinguished members of the Senate and House Agriculture and Rural Affairs Committees. Thank you for the invitation to provide an update on Pennsylvania agriculture. Ag Progress Days is an ideal backdrop to celebrate successes and opportunities, to educate and inform and to discuss collectively the challenges we face and the solutions.

The growth and success of Pennsylvania's agriculture industry is dependent upon a strong network of partnerships. These remarks will highlight a few of many significant accomplishments in agriculture during the Wolf Administration and the opportunities available to maximize the positive impacts of this year's agriculture budget.

The 2018-19 budget directly supports agriculture in the commonwealth and the communities that rely on it, providing continued investments in programs that benefit all Pennsylvanians. From protecting our land and products from invasive pests and ensuring consumer safety, to preparing students and workers for careers in agriculture and putting food on tables across the state, agriculture touches us all. The funding provided in the 2018-19 budget reflects a commitment to preserving, protecting, and advancing agriculture in the commonwealth.

In this most recent budget, the Penn State College of Agricultural Sciences is the recipient of an increase in funding adding to the more than \$6 million increase over the past three and a half years – a bipartisan effort that is helping to restore the 19 percent cut the college endured back in 2011. This recent increase in funding will allow the college to provide research and extension services and to continue with their legacy of a commitment to agriculture and the food and fiber sector.

This budget also included continued support for the operations of the department. Governor Wolf proposed a nearly 7.4 percent increase. This represented a 32.2 percent or \$8.14 million, overall increase in our GGO appropriation since 2015. At the same time, we have worked diligently to control spending, saving an estimated \$6.2 million over the past three and a half years through initiatives that are making better use of technology, shifting functions to the private sector, and cross-training employees to make better use of existing personnel. Combined, these additional dollars and savings are enabling the Pennsylvania Department of Agriculture to meet our core mission of protecting public and animal health, food safety and consumers.

Additionally, \$5 million was approved to help the dairy industry struggling amidst a persistently challenging market. I want to thank Governor Wolf and the General Assembly for working together to provide this first-of-its-kind investment in Pennsylvania dairy. Now that we have secured the investment, we must be sure to use it wisely. The departments of Agriculture and Community and Economic Development are working together to develop guidelines for grants that will be administered by the Commonwealth Financing Authority. These grants will invest in research and development, value-added processing, marketing and promotion, and organic transition assistance to support our dairy producers.

The department and partners most recently collaborated to create the Pennsylvania Dairy Development Plan, which identifies short and long-term strategies that the commonwealth, the legislature, and partners can take to support dairy. The administration has been working since 2015 to bring together partners to support Pennsylvania's dairy industry. Recognizing the unprecedented market challenges, including global oversupply, chronically depressed prices, and shifting consumer trends, the department and the Center for Dairy Excellence commissioned leading U.S. dairy economists to examine the market and provide expert views on a path forward for Pennsylvania dairy. Vitaly important programs like the PA First Industries Fund have been utilized to invest more than \$36 million to expand agribusinesses, including 22 dairy projects. The Governor's Action Team continues to pursue processing investments aggressively across the state. The departments of Agriculture, Education, and Health recently sent a joint letter to schools to encourage them to offer the low-fat (1%) flavored milk that is now approved for the 2018-19 school year through the U.S. Department of Agriculture's interim final rule for Child Nutrition Programs. In recognition of the vital role that schools play in both nourishing children and supporting local economies, the departments also asked schools to consider choosing Pennsylvania producers and vendors when selecting the healthy products they offer our students. In SY 17-18 a waiver was required to participate in this effort, and 244 school districts and 64 independent schools (private, charter, intermediate units, etc.) made the decision to provide this healthy source of calories to thousands of students.

The governor signed a budget that included \$3 million of state funding that Pennsylvania will dedicate toward combatting the Spotted Lanternfly, an inch-long black, red and white spotted insect native to Southeast Asia. The funding will be utilized to bolster regulatory compliance, increase control efforts for high-risk properties within the quarantine, and support the suppression of concentrated populations. This fulfills the dual roles of stopping the spread of the Spotted Lanternfly outside of the quarantine while also assuring our trade partners that the insect will not find its way to their neighborhoods. This funding supplements the \$17.5 million in federal funding from USDA, received earlier this year. Since it was first identified in Pennsylvania in 2014, the Spotted Lanternfly has spread to 13 southeastern Pennsylvania counties. This invasive pest threatens to destroy \$18 billion worth of agricultural commodities produced in the state, such as apples, grapes and hardwoods. It has also impacted commerce and threatens the quality of life of our residents. Through the proactive approach of our Bureau of Plant Industry—coupled with coordination and funding at all levels of government and including the resources of Penn State's College of Agriculture Science and Extension—a strategy has been implemented to control and contain this pest.

A number of existing programs also received an increase in funding in the 2018-19 budget. The Pennsylvania Agricultural Surplus Program, or PASS, received \$1.5 million—an increase of \$500,000—to help connect charitable food systems with more farmers willing to provide food to hungry families across Pennsylvania. Over the past three years, the PASS program has sourced more than 7.2 million pounds of surplus food products that have gone to serve an average of 390,000 low-income households experiencing hunger in every county of Pennsylvania. PASS is used to offset the picking and packing costs of surplus product, providing another market for Pennsylvania's growers. Products have been sourced across 39 counties, providing 115 farmers, growers, processors, and regional food banks a method to connect excess wholesome food with communities in need. The additional funding provided in the 2018-19 state budget will be used to help expand the reach of this program by sourcing products from new producers and counties. This additional funding will also provide added support to Pennsylvania's dairy industry, enabling the sourcing of more surplus milk that can be processed into dairy products and distributed to low-income Pennsylvanians.

The University of Pennsylvania's School of Veterinary Medicine received a 3 percent increase in the 2018-19 budget. PennVet is a critical partner of the department in protecting the human, animal, plant

and environmental health of the state. They are a vital part of the state's diagnostic lab system, and manage the equine toxicology lab, and over 30,000 samples per year.

Growing Pennsylvania's agriculture industry is a strategic priority for Governor Tom Wolf. Over the past three years, the Wolf Administration has invested more than \$50 million in agriculture-related economic development projects and increased support for workforce development and agricultural education to help prepare students and workers for the 75,000 anticipated job openings in the industry over the next decade.

In June 2018, the departments of Agriculture and Education appointed 13 members to the newly-created Commission for Agricultural Education Excellence. The members were selected from recommendations provided by the legislature pursuant to Act 55 of 2017. The departments also jointly released the 2017 "Report of the PA Agriculture Education Advisory Committee," including recommendations that will inform the work of the commission. The departments are working to hire a staff person to help coordinate the commission's efforts and lead it through the process of hiring an executive director. Once a candidate is selected to lead the administrative work and strategic direction, the commission will be convened for its first meeting.

Governor Wolf recognizes that we must ensure industries, such as agriculture, have access to a skilled workforce. A recent \$30 million investment in workforce development through the PAsmart initiative will bring together Pennsylvania's public education and workforce development systems to support students and workers of all ages, prioritize outcomes, and align to 21st century business needs. In the last year, the department, in partnership with industry and educational institutions, developed a registered apprenticeship program to prepare Agriculture Equipment Service Technicians for 'Jobs that Pay' by developing hands-on skills in science, technology, engineering, and math (STEM). This initiative will provide career pathways to prepare students for STEM careers that pay and will help fill an anticipated gap of 1,000 job openings for Farm Equipment Mechanics and Service Technicians as retirements occur by 2027.

Pennsylvania is a leading state, second only to California, for organic agriculture and is fortunate to have the Rodale Institute, a driving force in popularizing organic farming in the United States, located in Kutztown, Berks County. Rodale is one of a few organizations conducting independent agricultural research in the field and has been instrumental in providing tools and knowledge to farmers in areas such as soil health, crop quality and yields. Our commitment to growing Pennsylvania's organic agriculture sector was demonstrated in the 2018-19 budget through a \$500,000 investment for organic research at Rodale. These funds will allow Rodale to continue its cutting-edge organic farming research; build upon state-of-art laboratory and field facilities to showcase existing long-term trials; strengthen farmer training programs for transitioning farmers, military veterans and beginning farmers; and foster additional collaborative partnerships with universities and other leaders in the Pennsylvania agriculture community. This research will provide new opportunities to farmers and chart a course for Pennsylvania to become the top state in the country for organic production and sales. These goals are within reach, but we must continue to invest in research and diversification moving forward.

Industrial hemp growth has been a success so far, and it has the potential to again be an important crop for Pennsylvania. This year, hemp is growing on nearly 800 acres on more than 50 sites in 22 counties across the commonwealth. Some harvesting and market research is already beginning, while growers and interested processors, restaurants, and beverage companies are partnering and exploring new uses for various parts of the crop. The department is exploring the creation of a PA Hemp Steering Committee, and conversations are ongoing to explore the potential for large-scale uses and future markets, as well as determining the research needed to access industries such as automotive, medical, and others. Diversifying the uses of this crop and creating viable markets will be critical for hemp to be of

greatest value to Pennsylvania farmers. In the second year of research, the departments expanded the research guidelines, allowing researchers to study the entire plant, including the production of cannabidiol, or CBD, oil from the flowers. More than 50 percent of the projects for the 2018 growing season are studying CBD production, in addition to projects studying seed and fiber production. While the department continues to advocate for federal resolution regarding industrial hemp's status as a controlled substance, we remain encouraged by the possibilities and interest in industrial hemp.

As I stated earlier in my testimony, I would also like to highlight some additional accomplishments for Pennsylvania agriculture that have occurred during the last three and a half years. These successes are great examples of our work together and a reminder of strong partnerships.

Promoting the Viability of Farms

Water Quality and Conservation Stewardship continue to be a priority for the administration. This is demonstrated by the joint efforts of the departments of Agriculture, Conservation and Natural Resources, Environmental Protection and the State Conservation Commission to work with other key stakeholders--including the tremendous leadership and expertise of the Penn State College of Agricultural Sciences--to develop a comprehensive strategy to improve water quality in the commonwealth and Chesapeake Bay watershed. This strategy recognizes two key, co-equal goals for success: clean water and viable farms. The department has been the recipient of two grant awards: \$632,319 from the National Fish and Wildlife Foundation to support conservation and water quality efforts in three sub-watersheds in Fishing Creek, Lancaster County, and a \$6.3 million NRCS Regional Conservation Partnership Program award to assist farms on the waiting list for preservation, ensuring that they have the necessary conservation practices in place when funds are available to purchase their easement.

Pennsylvania remains the nation's leader in ***Farmland Preservation***, preserving 597 farms and 50,039 acres of farmland since January 2015. To date, 552,703 acres on 5,329 farms in 58 counties have been preserved for future agricultural production. On February 15, 2018, the commonwealth's total commitment to farmland preservation topped \$1 billion. Protecting farmland guarantees a future food supply and contributes to a healthier economy. It also ensures that a way of life that Pennsylvanians cherish will be preserved for generations to come.

Safeguarding Public Health

The ***Governor's Food Security Partnership*** was formed in September 2015 for the purpose of addressing the needs of more than 1.7 million Pennsylvanians who are food insecure. The partnership includes the departments of Aging, Agriculture, Community and Economic Development, Education, Health, and Human Services. The partnership established nine goals in a refreshed "Blueprint for a Hunger-Free Pennsylvania" and has engaged more than 100 public, charitable, and private leaders in food security to address these goals. It seeks to identify opportunities to close the meal gap while eliminating the underlying causes of food insecurity.

Safeguarding and Promoting Plant Health

The Governor's Invasive Species Council was expanded by Governor Wolf to bring additional expertise and resources to bear in protecting the commonwealth from new and existing invasive species. The new council will be better able to coordinate resources, develop plans, engage with partners, and implement response strategies to new threats.

Controlled Plants and Noxious Weeds are a serious threat to the health of our farms, the environment and, in some cases, can be harmful to animals and humans. The department administers the

Controlled Plant and Noxious Weed Act (Act 46 of 2017) and implements federal and state eradication or control programs when a noxious weed of limited distribution in the commonwealth is targeted by federal or state funding for suppression, control, or eradication. Noxious weeds are separated into three classes (A, B, and C), and it will fall under the purview of the newly-created Controlled Plant and Noxious Weed Committee to modernize the list of weeds that are having a negative impact on economic profitability or the use of waters and lands of the commonwealth. In addition, Act 46 created a category of controlled plants that require a permit to distribute, cultivate, or propagate. The committee is tasked with establishing criteria for individual permits for noxious weeds and individual and general permits for controlled plants. The first meeting of the Controlled Plant and Noxious Weed Committee was held on July 24, 2018.

These are extraordinary times for the agriculture industry. We have accomplished so much over the past three and a half years, and looking forward, there are tremendous opportunities within our reach. Our ability to capitalize on the momentum brought forth by these accomplishments depends on partnerships like the ones on display here at Ag Progress Days. Thank you to the Senate and House Agriculture and Rural Affairs Committees for holding this public meeting here today and for your continued demonstration of support of the state's agriculture industry. I look forward to working with you, as our partners, to further Pennsylvania agriculture. I appreciate the time we had together this morning, and I am happy to respond to any questions.