

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE HEARING
BUDGET HEARING

STATE CAPITOL
MAJORITY CAUCUS ROOM
HARRISBURG, PENNSYLVANIA

TUESDAY, FEBRUARY 19, 2008, 2:00 P.M.

VOLUME IV OF IV

PRESENTATION BY
PENNSYLVANIA DEPARTMENT OF AGRICULTURE

BEFORE:

HONORABLE DWIGHT EVANS, CHAIRMAN
HONORABLE MARIO J. CIVERA, JR., CHAIRMAN
HONORABLE STEPHEN E. BARRAR
HONORABLE STEVEN W. CAPPELLI
HONORABLE H. SCOTT CONKLIN
HONORABLE CRAIG A. DALLY
HONORABLE GORDON R. DENLINGER
HONORABLE BRIAN ELLIS
HONORABLE DAN B. FRANKEL
HONORABLE JOHN T. GALLOWAY
HONORABLE WILLIAM F. KELLER
HONORABLE THADDEUS KIRKLAND
HONORABLE BRYAN R. LENTZ
HONORABLE TIM MAHONEY
HONORABLE KATHY M. MANDERINO
HONORABLE MICHAEL P. MCGEEHAN
HONORABLE RON MILLER
HONORABLE JOHN MYERS
HONORABLE CHERELLE PARKER
HONORABLE SCOTT A. PETRI
HONORABLE SEAN M. RAMALEY
HONORABLE DAVE REED
HONORABLE DOUGLAS G. REICHLEY
HONORABLE DANTE SANTONI, JR.

1 BEFORE: (cont'd.)

HONORABLE MARIO M. SCAVELLO

2 HONORABLE JOHN SIPTROTH

HONORABLE KATIE TRUE

3 HONORABLE DON WALKO

HONORABLE JAKE WHEATLEY, JR.

4

5 ALSO PRESENT:

MIRIAM FOX

6 EDWARD NOLAN

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JEAN M. DAVIS, REPORTER
NOTARY PUBLIC

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1 CHAIRMAN EVANS: I would like to reconvene
2 the House Appropriations Committee.

3 The Secretary of Agriculture is here. As you
4 know, Mr. Secretary, the way that we work is that we
5 go right into the questions rather than into any kind
6 of a discussion.

7 And the Chairman is here, and I would like
8 for him, the Chairman of the Republicans, Mario
9 Civera, to make a few comments. So Representative
10 Mario Civera.

11 CHAIRMAN CIVERA: Thank you, Mr. Chairman.
12 Mr. Secretary, thank you for coming here
13 today.

14 SECRETARY WOLFF: Thank you.

15 CHAIRMAN CIVERA: One of the programs that I
16 have always been interested in, in Policy as the
17 Chairman and as a rank-and-file Chairman, could you
18 talk to us about this obesity and the Department of
19 Agriculture and the schools, Healthy Schools, because
20 that's something that seems to be, is it working or is
21 it not working? Just give us some type of an overview
22 of what is going on.

23 I think you have done a good job with it, but
24 I would like for you to give me some more input, if
25 you possibly can.

1 SECRETARY WOLFF: Well, thank you
2 Representative. It's good to be here this afternoon.

3 And there's no question that obesity is one
4 of the largest challenges in terms of pediatric
5 diseases and conditions today, and the Department of
6 Agriculture gets involved with that discussion in
7 several different ways.

8 One of those ways that we work with trying to
9 educate the next generation about what healthy choices
10 are about is a new program that's called Healthy
11 Farms, Healthy Schools, and that program has dollars
12 available for schools to learn about healthy choices
13 in the classroom and then actually go to the farm,
14 find and look and experience where their food supply
15 comes from, and educate them and hopefully bridge that
16 disconnect that we are seeing today between the
17 consumers and the producers of food. So that's one of
18 the ways that we certainly focus on and work on trying
19 to improve the choices that are in the school system.

20 The other program that we started last year
21 is called the Healthy Vending Initiative. That is a
22 program where we make available dollars for vending
23 machines to go in school districts that have healthy
24 Pennsylvania products in them. So those vending
25 machines may have low-fat milk; they may have apple

1 slices; they may have applesauce. They may have a
2 different kind of food choices that are non-typical
3 for vending machines. As you know, many times in the
4 past, vending machines have had potato chips, candy
5 bars, and soft drinks. These vending machines are
6 healthy choices, and they are from Pennsylvania farms.

7 CHAIRMAN CIVERA: You had requested, last
8 year it was \$500,000 in the last year's budget, and
9 you requested another \$500,000 for this program. Am I
10 correct?

11 SECRETARY WOLFF: That is correct. That is
12 what our request is this year, and we are excited
13 about this new program. We think it will do many good
14 things.

15 CHAIRMAN CIVERA: Okay. Thank you, Mr.
16 Chairman.

17 CHAIRMAN EVANS: Also, we have a special
18 guest with us today who is joining us. I don't think
19 in all my years of being the Chairman of this
20 committee that we have had the majority leader sitting
21 among us. I don't think he has ever been a member of
22 this committee, and it's an honor for him to be here.
23 So the majority leader, Bill DeWeese, is here. Do you
24 want to make comments this afternoon?

25 MAJORITY LEADER DeWEESE: No, just that I'm

1 glad to be here.

2 CHAIRMAN EVANS: What I would like to do is
3 go to Representative Myers. Representative Myers.

4 REPRESENTATIVE MYERS: Thank you, Mr.
5 Chairman.

6 Secretary Wolff, good afternoon.

7 SECRETARY WOLFF: Good afternoon.

8 REPRESENTATIVE MYERS: I was reading your
9 remarks, and there was something I had been reading
10 about for a couple of weeks now where you actually
11 made reference about the advanced energy portfolio and
12 the Governor's energy plan and how he wants to see
13 biofuel being developed here in the Commonwealth.

14 I have a couple questions in that regard,
15 because I have heard very little discussion with
16 regard to how this industry is going to look, you
17 know, once it gets up and running. What types of
18 feedstocks are we going to be looking for here in the
19 Commonwealth, and are they going to be regulatory and
20 statute policies that will have to be enacted in order
21 for this industry to grow, and grow in a fashion that
22 we are going to end up polluting the water and the
23 air?

24 Also, as I searched the literature, I found a
25 couple of interesting points. I'm not sure what

1 agriculture has gotten into and whether you guys have,
2 you know, a Commission study or if you have study
3 groups. Actually, we were talking about some of the
4 dynamics just on the take of this industry to get up
5 and running, because I understand that it takes like a
6 hundred pounds of biofuel to make a gallon of fuel.
7 So we are talking 10 billion gallons of food stock.
8 What are we going to grow it in?

9 And another question I had was, is there any
10 effort to develop a system to advance the development
11 of crops? I mean, for example, I know we talked about
12 switchgrass, but I also had heard of a grass, there's
13 a grass called Giant -- I'm not good with this word --
14 Giant Miscanthus. It isn't often that you would use
15 it, because for many of us it grows extremely fast and
16 produces three times the biomass of switchgrass.

17 I mean, are these kinds of issues being
18 looked at? I'm trying to wrap all this into like one
19 question.

20 SECRETARY WOLFF: Sure.

21 REPRESENTATIVE MYERS: Because they try to
22 move us out of here quickly.

23 The other issue that I have is around
24 educating the constituency in the Commonwealth as well
25 as educational programs that are going to provide

1 entry level and career track into this industry. I
2 mean, have you looked at that?

3 And then with regard to the supply system,
4 you know, have you looked into that? I mean, how this
5 stuff will be grown, how it is going to be harvested,
6 how it is going to be processed, how it is going to be
7 transported, and when we get to the end-use product,
8 then, you know, who is going to be set up to do all
9 this kind of stuff?

10 And my last question, my last question is,
11 you know, I'm from an urban community. My district is
12 probably the most urban agricultural district in the
13 Commonwealth, and one of the thoughts that crossed my
14 mind, with all of this urban infrastructure, what is
15 the possibility of hydroponic crop development as a
16 feedstock that could be used in the conversion of
17 energy and fuel?

18 I know it's a long one with many parts to
19 that question.

20 SECRETARY WOLFF: Well, let me just start by
21 addressing the new frontier that agriculture is a part
22 of, and that is from the tradition of growing food and
23 fiber, now including fuel to that list of commodities
24 that the farmers of Pennsylvania and the farmers in
25 the United States will be responsible for producing.

1 We think that it's a great opportunity for
2 farmers, and today we have biodiesel that basically is
3 the product of soybeans, processing soybeans, and
4 producing a fuel that can be used with diesel fuel.
5 The other is corn ethanol, and corn ethanol is the
6 ethanol that we have today, but we know that the next
7 generation ethanol is cellulosic ethanol. We know
8 that that technology is knocking on the door, and it's
9 just a matter of a few years away at most right now.
10 So we think that Pennsylvania should position itself
11 to take advantage of this new technology and this new
12 opportunity for agriculture.

13 There's no question that corn ethanol is
14 where we are today, and it is the ethanol that
15 Pennsylvania needs to start becoming involved with.
16 And I know we hear a lot of discussion about corn
17 ethanol and whether it is competitive with the food
18 supply, how competitive it is, what does that mean in
19 terms of the increased cost of the average consumer's
20 food bill every week, and it has certainly some impact
21 on that but not as much impact as it is given credit
22 for.

23 If you look at the corn prices in
24 Pennsylvania, just 18 months ago they were \$2.50 a
25 bushel. Today, corn prices in Pennsylvania are \$5.25

1 a bushel. The question is, how many ethanol plants do
2 we have in Pennsylvania today? We have none. It is a
3 global price, and that global price is established by
4 supply and demand on a global basis.

5 So whether the next ethanol plant goes in
6 Iowa or the next ethanol plant goes in Pennsylvania,
7 it is not going to change that fact, and we think it
8 would be good for the farmers and good for the
9 consumers to have that plant in Pennsylvania to keep
10 those dollars and those jobs here and keep that part
11 of our State's economy. So that is number one.

12 And number two, the other part that many
13 people don't appreciate is that when corn is used for
14 ethanol, the byproduct is still a very valuable feed
15 product that can be used for livestock agriculture.
16 It's called dried distillers grains, and dried
17 distillers grains actually have about 80 percent of
18 the same value that corn does. So in other words, for
19 every bushel of corn that goes into ethanol
20 production, the byproduct coming out is dried
21 distillers grain, and that dried distillers grain has
22 approximately 80 percent of the feed value that the
23 corn had going in. So it doesn't disappear and it
24 doesn't leave the food chain, so it continues to be an
25 important part of agriculture and an important part of

1 livestock agriculture in particular.

2 REPRESENTATIVE MYERS: Well, I wonder if you
3 could talk about, before the Chairman cuts both of us
4 off, I wanted you to talk a little more about grain as
5 opposed to corn, because that's the future, and where
6 are we and how do we see that industry developing and
7 all those points as they relate to grain. I
8 understand, and as a matter of fact, in order for
9 these systems to grow, we have got to get away from
10 corn and move to grain, so if you could talk a little
11 bit about that.

12 SECRETARY WOLFF: Well, you know, the feeling
13 is that the next-generation ethanol is not going to be
14 from grain. The next-generation ethanol is going to
15 be from cellulosic material, so that would be
16 switchgrass, waste woods, hybrid poplar. They are all
17 products that can be grown here in Pennsylvania, and
18 it is really why Pennsylvania has a tremendous
19 advantage over other States in terms of producing
20 ethanol, because we have an abundance of those
21 feedstocks here, and as we see that transition, it is
22 going to be important.

23 The other product that is the result of a
24 considerable amount of research at Penn State
25 University is fodder beets. They have been exploring

1 the potential and possibility of growing fodder beets
2 and the way that they produce a phenomenal amount of
3 ethanol.

4 So research is continuing as we discuss this
5 this afternoon, and it is the next generation of fuel,
6 and Pennsylvania is in a good position to be a part of
7 that. But the ethanol that is available today is corn
8 ethanol, and we feel that that is part of the journey
9 of getting to where we need to go, and corn ethanol
10 plants can be converted to other forms of ethanol as
11 that technology allows them to become more practical.

12 REPRESENTATIVE MYERS: Thank you, Mr.
13 Chairman.

14 CHAIRMAN EVANS: As I said this morning, we
15 have been doing these hearings joined with the
16 standing committees, and two people I want to
17 introduce, the Chairman of the Agriculture Committee,
18 Representative Chairman Mike Hanna, is here, despite,
19 sadly, the death of his mother last week, and a person
20 who has been in the forefront for an awful long time,
21 who is retiring this particular year, who always will
22 be with us, Chairman Art Hershey. Art, good to see
23 you.

24 Mike or Art, do you have any questions that
25 you want to ask the Secretary this afternoon?

1 REPRESENTATIVE HANNA: Let me start by
2 thanking the Chairman of the Appropriations Committee
3 for including both Chairman Hershey and myself and
4 allowing us to participate today. We certainly
5 appreciate that. It's valuable for our committee to
6 have input on this, and we are here because we are
7 really concerned. We are concerned with last year's
8 budget impact on agriculture and what we see this
9 year.

10 I have to tell you, when I looked through the
11 program recommendations in the Governor's Executive
12 Budget, you know, I see a lot of cuts and I see cuts
13 in areas that are going to hurt agriculture. We are,
14 of course, pleased to see that the crop insurance
15 dollars have been returned. We were also encouraged
16 to see that the Governor has recommended that we keep
17 the REAP program and keep those tax credits available.

18 But the cuts in other areas, I can't help but
19 believe that they are going to have a dramatic impact
20 on agriculture. I'm looking at things like nutrient
21 management; I'm looking at ag research, ag extension,
22 just a host of various--- I see that there is not
23 adequate, I don't believe adequate funds made
24 available, and I'd like the Secretary's thoughts on
25 those, and hopefully, you know, maybe we can address

1 those through this appropriations process.

2 SECRETARY WOLFF: Sure, I would be glad to,
3 and starting with agricultural research, the budget
4 this year goes from \$2.4 million down to \$2.1 million,
5 and with that change, that will allow us to fund about
6 \$500 million in new projects. Most times that we
7 accept research projects, they are funded over three
8 years, so some of the dollars become committed for
9 future years.

10 We think the \$500 million will allow us to
11 prioritize some of the very important projects that
12 are facing Pennsylvania agriculture, whether it is
13 renewable fuels or whether it is animal-health-related
14 issues in using those dollars as best we can, simply
15 by prioritizing the projects that we are looking at
16 and funding those projects.

17 You have mentioned crop insurance, and I
18 think that's a very good point in terms of one of the
19 line items that was increased, and it is a substantial
20 increase. Crop insurance goes from \$1 1/2 million to
21 \$3 million this year, and that is important for a
22 number of different reasons.

23 First off, when you look at the history of
24 crop insurance in Pennsylvania, for the \$17 million
25 between the years 2000 and 2007, the \$17 million that

1 Pennsylvania has invested in that, it has returned
2 \$214 million to the farmers of Pennsylvania.

3 The other reason that the crop insurance
4 program is important, and it is important to increase
5 it this year, is that every year that there is an
6 agriculture or Federal disaster program, to qualify
7 for that program, you must have crop insurance. So
8 once again, that leverages more Federal dollars that
9 are coming to our farms in Pennsylvania.

10 And the third part of that is that we are
11 working with the Congress right now on the 2007 Farm
12 Bill in trying to get language in there that States
13 that participate and put money in the crop insurance
14 program will be eligible for some additional dollars
15 for underserved States, and Pennsylvania is one of the
16 States that qualifies as an underserved State. So
17 that's a very, very important part of risk management
18 for the farmers of Pennsylvania and something that we
19 think is a great investment, because it's leveraged so
20 many times over with Federal dollars.

21 REPRESENTATIVE HANNA: I just would add,
22 though, that that increase for crop insurance is
23 really just a restoration of where the funding was in
24 the prior year, that we actually had cut last year,
25 and this year it has just been restored. Of course,

1 as you are aware, we had tremendous drought conditions
2 in parts of the State during the past growing season,
3 and it had its impact in the lack of that crop
4 insurance. Assistance was just, I think, a real
5 detriment to our farmers.

6 Let me also, I think you mentioned
7 conservation districts, and I'm really concerned with
8 the Governor's proposed funding for conservation
9 districts. I have heard from our county commissioners
10 back home that this has had an impact in prior years
11 and we are having a bigger impact, in fact, this year.
12 We continue to ask the conservation districts to do
13 even more and more things that are the responsibility
14 of the Commonwealth and yet we give them less State
15 support to do that, and I'm really concerned with
16 that, and I would like your take on the direction that
17 we are going.

18 SECRETARY WOLFF: Well, the conservation
19 districts play a very important role every year in
20 Pennsylvania. There's no question about that.

21 They are a grassroots type organization that
22 has the respect at the local community. They are kind
23 of a hybrid of DEP, agriculture, and local government.
24 So it is really a unique makeup as to the way that
25 they are structured, and the things that they do are

1 very important, as you mentioned.

2 But the Nutrient Management Fund this year
3 has continued to be funded at \$3.28 million, the same
4 as last year, and in looking at that, we know that in
5 previous years there have been dollars carried
6 forward. This year, there is a limited number of
7 dollars being carried forward. And the one line item
8 or the one part of that budget that would be decreased
9 this year would be grants, grants that are given out
10 to farmers and/or grants that are given out to do some
11 of the research projects.

12 The other line item that we have in our
13 budget is called the conservation district funding,
14 and that is being reduced from \$1.6 million back to
15 \$1.2 million. There again, that line item funds the
16 ACT, agricultural conservation technicians, salaries
17 as well as the ombudsman program, and it had some
18 dollars in there for leadership development as it
19 relates to the local conservation districts.

20 But by modifying the budget, our intention
21 would be that these dollars would not impact the
22 quality of service but that they would affect some of
23 the grants that are given out through those two line
24 items.

25 REPRESENTATIVE HANNA: Thank you, Mr.

1 Secretary.

2 Thank you, Mr. Chairman.

3 CHAIRMAN EVANS: Chairman Art Hershey.

4 REPRESENTATIVE HERSHEY: Thank you, Mr.

5 Chairman, for allowing me to make a few comments and a
6 couple of questions.

7 Mr. Secretary, thank you for coming. Thank
8 you for your service to agriculture.

9 I want to follow up on a comment that
10 Representative Chairman Hanna said. I said for years
11 and years that running the conservation districts was
12 some of the best-spent money in the Commonwealth.
13 This year, I chair the Tri-State Bay Commission, who
14 monitors Pennsylvania in the bay, and we see the
15 results of that, and that is one place that we need to
16 keep in the forefront because of all the good it has
17 done, and the money is well managed by the people out
18 in that country in their approach to what they are
19 doing, and I think it's very well spent.

20 But question number one, two years ago
21 Representative Myers and I introduced a bill known as
22 the Farmers' Market Development Act, which creates the
23 opportunity for the department to release mini-grants
24 to be available for the expansion of farmers' markets,
25 and as Representative Myers said, their city could use

1 several of those with the seniors that have a huge
2 need for fresh vegetables, and they don't have them
3 handy. Unfortunately, it was not funded in the
4 current year's budget, and then we got a memo saying
5 there was some money located, but unfortunately, it
6 never came about.

7 I would like to know if you can comment on
8 the status of the grants offered this year and the
9 intentions for funding this program for '08 and '09.

10 SECRETARY WOLFF: Well, Representative
11 Hershey, we did find some funds for the current fiscal
12 year, and we have around \$75,000 that we will be
13 making available.

14 We are in the process of taking applications
15 from different farm markets in Pennsylvania to help
16 them promote, and it is kind of like a how-to kit from
17 the standpoint of how you would start a new farmers'
18 market and/or if you have an existing farmers' market,
19 how you may be able to promote it and have a larger
20 book of business during the season, which typically
21 runs from May through November each year.

22 So as of this current fiscal year, we have
23 \$75,000. At the present time, we do not have dollars
24 in next year's budget that are earmarked for that. I
25 think we will see how well the program goes this year,

1 and maybe we can see if we can find some dollars
2 somewhere again next year to help promote the farmers'
3 market programs in Pennsylvania.

4 They have been very successful. As you are
5 aware, we are one of the leading States in the United
6 States in terms of direct marketing and the number of
7 farmers' markets that we have here.

8 So we would like to say that our
9 opportunities and our challenges sometimes are one and
10 the same. Our challenges are, every square foot of
11 farmland that is up for sale, it is a challenge to
12 keep it in agriculture because of the tremendous urban
13 pressure, and the benefits of that are that we have a
14 great market at our doorstep for the farmers that want
15 to do direct marketing.

16 So we agree with your bill and the philosophy
17 of having some dollars in there in terms of trying to
18 promote and help farmers' markets continue to grow and
19 new farmers' markets that want to be established.

20 REPRESENTATIVE HERSHEY: Thank you. That's a
21 win-win for the population of citizens and also for
22 the farmers, and I'm glad to see the emphasize on
23 fresh fruits and vegetables. With the permission of
24 the Chairman, I want to applaud you. Thank you.

25 As I understand it, since the line item

1 entitled "agricultural excellence" was created a
2 couple of months ago, the department has used it to
3 fund a variety of initiatives which are very, very
4 important. One was the dairy excellence. In the
5 '05-06 budget, the line item was \$430,000, and that
6 was cut to \$344,000. For this year, it is proposed to
7 cut back to \$300,000. Can you explain how these cuts
8 have impacted the program funding and what the
9 consequences of additional cuts would be?

10 SECRETARY WOLFF: Well, it's a fairly modest
11 cut this year, as you mentioned, and we have just
12 really focused on trying to find additional dollars
13 wherever we can. We have been successful in finding
14 some Federal dollars a couple of times to be able to
15 put into that program.

16 There is no question that the Center for
17 Dairy Excellence and the Dairy Task Force have shown
18 great results here in Pennsylvania. They have now
19 been modeled in two other States. New York and
20 Vermont both have similar programs that they are
21 rolling out and working for their dairy farmers.

22 We know that that budget has been cut a very
23 small amount, I think \$28,000. However, we think we
24 can continue to put out the good information to the
25 dairy farmers that we have in the past to keep them

1 profitable here in Pennsylvania.

2 REPRESENTATIVE HERSHEY: Thank you. I'm glad
3 to see that these farmers are getting together and
4 visiting and learning from each other. That was
5 something that I wish would have happened years ago
6 when I was a Chester County farmer back in the
7 seventies. We had to suffice, those who advertised
8 milk, and it was voted down, and I could never believe
9 that they were so broken.

10 But thank you for your service, and thank
11 you, Mr. Chairman, for allowing me to make some
12 comments.

13 CHAIRMAN EVANS: And I would like to on a
14 personal note thank Chairman Art Hershey. I've known
15 him for a long time. He has been very relentless
16 about the need for funding agriculture, so I thank
17 you, Art, for your time and service.

18 Vice-chair Bill Keller.

19 REPRESENTATIVE KELLER: Thank you, Chairman
20 Evans, and thank you, Mr. Secretary.

21 If the members of the committee will bear
22 with me, I have a question that relates to the Port of
23 Philadelphia. I do have other interests, but I don't
24 think I can discuss them in this public forum.

25 Mr. Secretary, I have been working with

1 Dr. Larry Samuels on the exporting of cattle. It's my
2 understanding that it's a very successful program.
3 And is it too successful? It's my understanding that
4 because of the volume we are doing now, it is putting
5 a stress on the State Laboratory. And the fees, the
6 exporting fees, which I understand are at a discounted
7 rate, when a private, when a Penn State does it or the
8 University of Pennsylvania does it, they keep those
9 fees. It's my understanding that now, because the
10 fees are not capped in the State Laboratory, it's
11 becoming harmful to the export of cattle in the State
12 of Pennsylvania.

13 Is there anything we can do legislatively or
14 we can do by regulation to fix this problem, because
15 I'll tell you, Dr. Samuels and the people that are
16 involved in this, they really go out of their way.
17 They have been exporting cattle through the Port of
18 Wilmington, Delaware, and they have done everything
19 that is humanly possible to direct that through so we
20 get the economic impact of going through the Port of
21 Philadelphia. So I would like to help them in any way
22 we can, and if you could give us a lead on how to
23 improve that, I would be very grateful.

24 SECRETARY WOLFF: Well, yeah, I agree with
25 you 100 percent. As someone who made the majority of

1 my living on my farm by exporting cattle and genetics
2 to different countries, I can appreciate and
3 understand how important that is to the farmers of
4 Pennsylvania.

5 The problem isn't that easy to solve, and
6 part of it is funding. The other part of it is that
7 when you have these large export orders that come
8 about on a very short notice -- we may receive a
9 14-day notice that we are going to have 40,000 samples
10 coming through the laboratory in Harrisburg --
11 obviously we don't have the luxury of having people
12 sitting there looking out the window wondering if the
13 next export order is going to happen or not. But we
14 have employees there that do a very good job in
15 carrying out their responsibilities in terms of the
16 monitoring and surveillance of animal health in
17 Pennsylvania.

18 So these large export orders are good for the
19 economy, but they put a tremendous amount of pressure
20 on our laboratory in terms of having qualified people
21 there to read the test, and obviously you need
22 qualified people so that you have a good quality
23 program in place to meet the needs of the export
24 testing.

25 So we are looking at possibilities as to how

1 you deal with that type of a surge coming in there.
2 Can we use the other two laboratories to take care of
3 some of that surge? Can we look to laboratories in
4 other States to help with that surge? It's about
5 trying to get these samples turned around in a very
6 timely manner, because the first sample is when they
7 go into quarantine, the second sample has to be after
8 they are in quarantine. Those turnarounds have to be
9 in a very short time frame so that the ones that
10 qualify for the surreality test can be loaded and
11 leave the country.

12 So it is about surge capacity, it is about
13 the capacity of our lab, and certainly some of it has
14 to do with the dollars that the State Lab has
15 received, for example, going into the General Fund and
16 not back into that laboratory budget. So it is a kind
17 of mix of many different things.

18 Our Animal Health Commission sets those fee
19 schedules and those fee structures, so that is not a
20 problem. But the number one problem actually is
21 dealing with that large surge of samples in our
22 laboratory on a very short notice and how we deal with
23 that and how we can make sure that we can turn them
24 around timely and meet the needs of the export
25 community.

1 REPRESENTATIVE KELLER: Well, if there's
2 anything that you and your department think we in this
3 appropriations process can help you with, just get it
4 to the Chairman so that we can stay on top of it, and
5 hopefully we can get some more exports through to
6 Pennsylvania.

7 SECRETARY WOLFF: Will do.

8 CHAIRMAN EVANS: Representative Brian Ellis.

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

11 Mr. Secretary, thank you for coming today.
12 I'm over here.

13 SECRETARY WOLFF: Okay.

14 REPRESENTATIVE ELLIS: Recently I had sent
15 you a letter, and Secretary Crawford responded on
16 behalf of all the Secretaries, but essentially I was
17 concerned about how we are spending the taxpayer
18 dollars, and certainly in the preliminary budget here
19 we have seen drastic cuts, as Chairman Hershey has
20 pointed out. They are really going to affect the
21 agricultural industry, which is the number one
22 industry back in my district as well. Obviously you
23 have been to Butler; you know what we do out there.

24 But my concern is and one of the questions
25 that I asked you was to identify some areas where you

1 may be able to cut some of the operational costs and
2 keep money flowing to the programs, and what I see in
3 this preliminary budget is the exact opposite. We
4 have cut over \$2 million worth of funding to the
5 programs, and your operational budget itself has
6 increased by over \$2 million where last year you had a
7 \$50,000 increase, and I'm just trying to understand
8 how that coincides with what the Governor has
9 requested of you as well, which is to find \$100
10 million worth of cuts in all the departments. Can you
11 just touch on that a little bit?

12 SECRETARY WOLFF: One of the best-kept
13 secrets, I think, is that the Pennsylvania Department
14 of Agriculture's budget, around 80 percent of it, is
15 our regulatory work. So whether we are doing samples
16 at the laboratory for an export order or whether we
17 are trained to keep up with the current needs of
18 weights and measures where county programs are
19 continually dropped and the Department of Agriculture
20 is, by statute, responsible for picking them up, or
21 whether it is the continual increase in the eating and
22 drinking establishments in Pennsylvania that the
23 Department of Agriculture is responsible for
24 inspecting, and if you recall, two years ago we were
25 looking at a report from the Auditor General and his

1 concern with the lack of timeliness of those
2 inspections, but we have made significant changes in
3 all those areas. But we didn't make those significant
4 changes, though, without some additional personnel.

5 So we think that the department runs in a
6 very efficient and effective manner, but those
7 regulatory responsibilities of public health and
8 safety are at risk, and we need to be responsible and
9 make sure that we carry out our statutory
10 responsibilities and having people on the ground that
11 can deal with those situations.

12 REPRESENTATIVE ELLIS: So essentially you are
13 saying that you are not going to be able to operate
14 unless you get the additional \$2 million for the
15 general operating funds, and we have to do that?

16 SECRETARY WOLFF: That is correct.

17 REPRESENTATIVE ELLIS: Okay. Well, then my
18 second question that I had posed to you in the letter
19 was, in your humble opinion, and I know it is not an
20 easy question, but are there underperforming programs
21 under your jurisdiction?

22 Now, certainly the Governor has taken some
23 hits in some of the programs. Are these indicative of
24 programs that maybe aren't producing the results that
25 we had originally intended, or do you think that these

1 are just the same, it's his intention to go ahead and
2 take the same ones out that we always end up putting
3 back in?

4 SECRETARY WOLFF: Well, you know, the
5 Governor looks at the budget and, you know, he amends
6 it, and in some of the areas he has additional
7 dollars, in some areas he has some dollars that are
8 taken away, and it is about trying to have a good
9 balanced budget and carry out the responsibilities
10 that the department has, and that is promoting
11 agriculture and protecting the consumers of
12 Pennsylvania on many different levels.

13 So I think the budget that we have before us
14 is a responsible budget, and I think it's a budget
15 that can carry out our statutory responsibilities and
16 it is a budget that can help promote agriculture and
17 ensure that the next generation will have a food
18 supply that is grown right here in Pennsylvania.

19 REPRESENTATIVE ELLIS: And, Mr. Chairman, if
20 I could just follow up with one final thought.

21 You know, last year we in theory passed a
22 two-year budget and projected into the future that we
23 wouldn't need to increase certain things because we
24 were doing it for two years. I'm just curious, and I
25 think you have done a good job of explaining why we

1 need the increase in the general operating, but do you
2 anticipate a need for an increase again next year or
3 do you think this will kind of put us into a position
4 where we will have enough people working within your
5 department that we can continue on with the mission of
6 the department?

7 SECRETARY WOLFF: Well, we don't have a very
8 good crystal ball in terms of what the next situation
9 is going to confront us, whether it is the meat recall
10 that is on the national news every day, whether it is
11 an outbreak of high-path avian influenza, whether it
12 is new challenges as it relates to export potentials
13 for the agricultural community in Pennsylvania. So
14 there are so many unknowns there, it would be anything
15 but responsible for me to try to outguess what we may
16 be looking at in the next fiscal year.

17 REPRESENTATIVE ELLIS: Thank you, Mr.
18 Chairman.

19 CHAIRMAN EVANS: Representative Ron Miller.

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

22 Hello, Mr. Secretary.

23 SECRETARY WOLFF: Hello.

24 REPRESENTATIVE MILLER: I would like to go
25 back to the nutrient management fund questions. I

1 listened carefully to the answers you gave about the
2 alternative fuels and also to the amount of money in
3 this fund, the \$3.2 million being requested, and I
4 believe the expenditures have been running about \$4.9
5 million. So we are going to cut some funding for some
6 grants and some funding to conservation districts.

7 My concern is that as we approach greater
8 reliance on alternative fuels, we are going to put
9 marginal land back into production agriculture, and
10 that could have the potential for tremendous impacts
11 on our Chesapeake Bay program and everything else if
12 the nutrient management program is not funded to the
13 full amount. And certainly I would advocate for
14 increased funding to our conservation districts
15 because there is going to be greater pressure on them
16 than ever before to do ENS programs and things like
17 this. I don't understand how we can justify a cut.
18 We should be looking probably at that magnitude of
19 increase, at least.

20 SECRETARY WOLFF: Well, you know, it's a very
21 lean budget for that organization, and as I mentioned
22 earlier, the State Conservation Commission and the
23 conservation districts do a great job in Pennsylvania.
24 It's just a matter of prioritizing the dollars and
25 taking some of the dollars away from the grant

1 programs in order to meet the budget that is presented
2 right now.

3 REPRESENTATIVE MILLER: Well, I would hope
4 that as we go through this process, the budget process
5 here, I mean, I represent an area where we have
6 tremendous pressure with immigration into this State,
7 people moving in. I know my colleagues from the
8 Lehigh Valley have the same issue, and, you know, if
9 we start cutting funds that might work with
10 over-management and things like this, we are creating
11 all kinds of conflict between our new residents and
12 the existing farm community, and I just think we are
13 being, you know, very imprudent when we do that.

14 So if there is any way that we can shift
15 funds or find a way in this budget, Mr. Chairman, I
16 think we need to increase that funding. We certainly
17 can't allow a decrease.

18 Thank you, Mr. Secretary.

19 SECRETARY WOLFF: Thank you.

20 CHAIRMAN EVANS: Just a gentleman that I want
21 to introduce to you, and particularly when you talk
22 about funding, he may write you out a check himself --
23 Representative Barley. He should be sitting over here
24 with me. I mean, he will probably take his pocket
25 change out of his pocket, right, Representative

1 Barley? It's good to see you here.

2 Representative Jake Wheatley.

3 REPRESENTATIVE WHEATLEY: Thank you, Mr.
4 Chairman, and good afternoon, Secretary Wolff.

5 SECRETARY WOLFF: Good afternoon.

6 REPRESENTATIVE WHEATLEY: Since I am one of
7 those individuals that doesn't necessarily mind
8 spending more money than the Governor, I'm going to
9 ask about a program that I think definitely deserves
10 more money but it has been level funded or decreased
11 over the last couple of years, and that's the State's
12 Food Purchase Program. My question to you is, have
13 you seen or are you seeing at the department or is
14 someone monitoring a decrease in people needing
15 assistance with the food program, or are you seeing an
16 increase?

17 SECRETARY WOLFF: Well, there is no question
18 that we are seeing a change in Pennsylvania in terms
19 of people that really need the surplus commodities
20 food program, the State Food Purchase Program. That
21 part of society is called the working poor, and it is
22 the folks that are, you know, looking to this program
23 to help them get through the week or help them get
24 through the month, making sure that they have good
25 nutrition for their families.

1 This program is funded, as you mentioned, at
2 \$18 million. It's a level fund from last year. It is
3 a very important program, but I think it is also
4 important to note that Pennsylvania is one of only a
5 few States that has a program like this, a statewide
6 program, that helps with supplying nutrition to those
7 at risk.

8 We have looked at how we can try to leverage
9 and leave no stone unturned in terms of what we can do
10 to help make food available to those in need, and that
11 would include programs like the Blueprint to End
12 Hunger that is the result of the Inter-Agency Council
13 on Food and Nutrition exploring different ways that we
14 can use public and private as well as government
15 agencies to work together to try to make food
16 available to people in need.

17 Another program that is new this year is the
18 PASS program. That is the Pennsylvania Agricultural
19 Surplus System program. It was the result of a
20 Federal grant for \$50,000, and we are working with
21 Rice apple company to carry that program out, where
22 they would have an off-grade product that they will
23 donate, and we will see that people in need receive
24 that program.

25 And the other program that we are working

1 with this year is called the Pennsylvania Neighborhood
2 Assistance Program, where it offers tax credits up to
3 50 percent for a company that processes or makes food
4 and that donates that to those in need.

5 So it is a very tight budget. We know that
6 the economy is certainly in difficult times right now.
7 We know that the poverty level in Pennsylvania is at
8 11 percent, and we know that the State Food Purchase
9 Program is vital and critical to those folks in need.

10 So we are looking at trying to make the \$18
11 million work the best we can, and we are trying to
12 explore all new programs and/or Federal programs that
13 are out there that can help assist those people.

14 REPRESENTATIVE WHEATLEY: Okay, and I can
15 appreciate that response, Mr. Secretary, and I
16 certainly know that you and your staff probably wish
17 you can do all that you could do. However, I'm
18 stressing on the one point, and I'm not sure if you
19 answered it or not: Are we seeing an increase in
20 people needing assistance or a decrease in people
21 needing assistance?

22 SECRETARY WOLFF: Well---

23 REPRESENTATIVE WHEATLEY: Because it was my
24 understanding that we are seeing an increase, and if
25 we are seeing an increase and if in fact this program

1 was set up and other programs like the Farmers Market
2 Nutrition Program are set up to try to help ease some
3 of the burden on the working poor, then help me
4 understand how we can level fund and in essence pretty
5 much cut funding for support.

6 SECRETARY WOLFF: Well, I think you are
7 correct. I think we are seeing an increased need for
8 this program, and the way that we are trying to deal
9 with that with level funding, as I mentioned, is to
10 look at any program, Federal program, and any
11 innovative way that we can find to access more food
12 for those in need.

13 REPRESENTATIVE WHEATLEY: And switching gears
14 for a moment, and I am going to be real brief with
15 this question, and you can supply the answer, if we
16 don't have time, in writing later.

17 A year ago I talked with members of your
18 staff around the whole idea of what are we doing as a
19 department and as a Commonwealth to prepare the next
20 generation of farmers or individuals who are working
21 in the agricultural community, especially those who
22 may not be exposed to all the opportunities that this
23 industry has, primarily looking at what is going on in
24 Philadelphia with the Saul School and trying to really
25 incentivize or explore options for individuals in

1 urban areas. Have you given any thought to how we can
2 do that?

3 And the second part to that question really
4 goes along the lines of the undocumented workers or
5 immigrant workers who come into the Commonwealth. At
6 that time I was being told that many of them have
7 documents, they are working on farms now, and this
8 whole issue around undocumented workers is really
9 starting to put some of these farms in jeopardy, not
10 because they have undocumented workers but because it
11 is making it so hard to get the actual workforce
12 necessary to keep some of these farms going. What are
13 we doing around that area as well?

14 SECRETARY WOLFF: Well, let me answer the ag
15 education question first.

16 I think the Healthy Farms, Healthy Schools
17 Initiative is a great step forward in terms of
18 introducing urban students to production agriculture,
19 because part of that program is to learn about
20 nutrition, the other part is actually to go out and
21 visit the farm.

22 Another program that we have started that we
23 are working with the Dauphin County Technical School
24 right here in Harrisburg on is called the Vet
25 Assistant Program. It is addressing two issues. One

1 is, it is looking at many urban students and
2 introducing them to veterinary medicine at a level
3 that would help offset the shortage of veterinarians
4 that we have here in Pennsylvania. So we are trying
5 to actually solve two problems at once: expose urban
6 students to this program, and help with the shortage
7 of veterinarians that we have out there.

8 So those type programs, you know, the Farm
9 Show, the county fairs, they are all ways that we try
10 to bridge that disconnect between the urban setting
11 and production agriculture, and hopefully in bridging
12 that, we will stimulate an interest by some of the
13 young adults looking at agriculture as a career.

14 You mentioned Saul High School. That's a
15 great example of a school that does so many things
16 well. They are a school that the list of
17 accomplishments that the students that have graduated
18 from there is certainly impressive, and many of them
19 follow up with a career in agriculture or agribusiness
20 in some way.

21 So I agree with you, I think it's a good
22 initiative, and I think it is something that we have
23 tried to address and something I think we need to
24 continue to put the time and energy in in the future.

25 The other question as it relates to the

1 challenges of immigrant labor and agriculture,
2 currently the program that's in place is the H2A
3 program, and I know the roundtable that we had with
4 the agricultural community, that program, they think
5 it should be modified and streamlined in some ways.
6 It has created some challenges for them to be able to
7 take advantage of that at the level that they would
8 like to.

9 There's no question that agriculture as well
10 as many other industries in the United States rely on
11 immigrant labor, whether it is in agriculture, in the
12 fruit industry, the mushroom industry, the dairy
13 industry, the landscape and nursery industry. You
14 certainly have a wide array of other businesses
15 outside of agriculture that rely on that, and, you
16 know, hopefully the Federal government is going to
17 come forward with some solutions to that.

18 You know, the millions and millions of
19 immigrants that are here are not going to magically
20 disappear. I mean, they are here and they are serving
21 an important purpose. At least I know from the
22 standpoint of agriculture the important role that they
23 play. So hopefully the Federal government will come
24 up with some kind of a program in the very near future
25 that deals with that and helps solve the problem.

1 REPRESENTATIVE WHEATLEY: Thank you,
2 Mr. Secretary.

3 And just to highlight a point that you made
4 and that I'm trying to make with the Chairman, that
5 Saul High School should be replicated in Pittsburgh
6 and in central Pennsylvania as well, so thank you for
7 adding your voice to that request.

8 CHAIRMAN EVANS: Representative Santoni.

9 REPRESENTATIVE SANTONI: Thank you, Mr.
10 Chairman, and good afternoon, Mr. Secretary.

11 My question is, and you actually touched on
12 it in answering a question from a previous member,
13 with regard to the news report about last week
14 regarding the beef recall, the national news. I
15 watched it on CNN.

16 I guess my question is, has that affected
17 anything here in Pennsylvania as far as food coming
18 in? I know that in some of the local reports that I
19 have read, it has gotten into some schools, into some
20 restaurants, fast food specifically. So my question
21 is, what are we doing about it? Has it hit
22 Pennsylvania and to what effect?

23 And because we are here talking about
24 budgetary items, I guess the follow-up to that would
25 be, is there proper funding in the budget in the past

1 and as we move forward to deal with those issues, not
2 just issues dealing with beef but also avian issues
3 and other issues related to agriculture?

4 SECRETARY WOLFF: Well, yes. We are working
5 on the food recall. We are doing spot checks in
6 grocery stores, as well as we know that in
7 Pennsylvania, approximately 140 schools have received
8 products from the plant in California where the recall
9 was issued. We have made phone calls to all those
10 schools and notified them of that and are in the
11 process of helping them to sort through and make sure
12 that they have, if they have any of that product left,
13 that they dispose of it.

14 I might add that certainly the Federal
15 government is being very, very careful. I think the
16 risk that's involved here is very minimal, because the
17 particular condition that they are concerned about is
18 BSE, which is known as Mad Cow Disease. That has
19 shown up in the United States a couple of times in the
20 past six years. That disease is one that is tested
21 for on a regular basis, and we haven't seen a case of
22 it now for a couple of years.

23 And the further away from changing the
24 protocol and standards with how livestock feed is
25 mixed and/or the way that meat is processed, where

1 higher risk materials are separated from the products
2 that are sold, really make it, you know, certainly
3 something that I think USDA is being responsible. But
4 just to let the consumers know that this is something
5 that I don't think they should call for alarm on this.
6 It is something that is of very little risk of
7 affecting someone.

8 So from the standpoint of what we are doing,
9 as I mentioned, we are talking to the schools and we
10 are talking to the grocery stores as it relates to how
11 that should be recalled.

12 REPRESENTATIVE SANTONI: Thank you, Mr.
13 Chairman.

14 One quick question I was just thinking of on
15 the another issue. The milk labeling, where are we
16 and what is the situation on that? I know that the
17 department made a ruling and then something else came
18 forward, and I'm just wondering, if I drink a certain
19 kind of milk, will I be able to hit a baseball
20 further, I guess is the question.

21 SECRETARY WOLFF: Yeah; a couple of things
22 aligned all at the same time there, and it was a
23 little confusing to the general public as to what we
24 were talking about sometimes.

25 But the milk labeling is the result of

1 basically looking at a trend for the last two years
2 that we were concerned with. One of the things that
3 the department is very proud of and we take very
4 serious is ensuring that the food that is on the
5 grocery store shelf is safe, and we were concerned
6 that some of the processors of food were implying that
7 some products were safe and some products were not
8 safe and putting that on the label and marketing that
9 way.

10 So we felt that there needed to be some
11 discipline and uniformity there, and we developed a
12 standard that was reviewed and the consumers had a
13 considerable amount of input, that they felt that we
14 had gone too far in terms of the way that we had
15 regulated that. We came back and modified the
16 standard so that the labels would imply a good
17 complete message and it would talk about the way that
18 these products were produced but stay away from the
19 food safety component of it, because the food products
20 in the grocery store are safe. There is not a safe
21 and a non-safe product; they are all safe.

22 So we think we have reached the standard and
23 a good compromise that makes good public policy. It
24 informs the public as to how some of these products
25 are produced, and it does not imply that there is a

1 health risk or a food safety issue with one product
2 over the other product.

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

5 CHAIRMAN EVANS: Representative Scott Petri.

6 REPRESENTATIVE PETRI: Thank you, Mr.
7 Secretary.

8 On the State Food Purchase Program, the \$18
9 million, what is the formula used to disburse the
10 money among the counties?

11 SECRETARY WOLFF: Well, the allotments are
12 basically figured on unemployment, they use the food
13 stamp statistics from the county, and they use the
14 medical assistance statistics. So those three
15 together become the formula as to how the distribution
16 for the State Food Purchase Program is used.

17 REPRESENTATIVE PETRI: Okay. And then who in
18 the counties actually administer then the program?

19 SECRETARY WOLFF: Well, each county can be
20 somewhat different. There is a lead agency that does
21 the purchasing, and then the food is distributed in
22 different ways throughout the county. Some of it is
23 the regional food bank and some of it is more
24 localized.

25 REPRESENTATIVE PETRI: One of the areas that

1 seems to be growing, not only in the southeast but
2 across the entire State of Pennsylvania, and it is a
3 real niche agricultural product, is the wine industry,
4 wineries and grape-growing. Where in the budget is
5 the State agent that provides some very valuable
6 assistance to the, I think it is almost 90 wineries we
7 have across the State now? Is that right?

8 SECRETARY WOLFF: Over 100 wineries.

9 REPRESENTATIVE PETRI: Over 100 wineries?

10 SECRETARY WOLFF: Right.

11 REPRESENTATIVE PETRI: Where in that budget,
12 is that in the research money that is being cut by 12
13 1/2 percent?

14 SECRETARY WOLFF: It would be in the Bureau
15 of Markets---

16 REPRESENTATIVE PETRI: Okay.

17 SECRETARY WOLFF: ---and it would be in the
18 line item that was cut, yes. That would be the ag
19 promotion, education, and exports.

20 REPRESENTATIVE PETRI: Okay. And with this
21 proposal and the proposed cut, will there still be
22 enough money to fund that State agent so that the
23 100-plus wineries have a consultant available to them?

24 SECRETARY WOLFF: The specific language in
25 last year's budget that proposes \$100 million just for

1 the wineries would not be in the current budget.

2 REPRESENTATIVE PETRI: Okay. So they
3 would---

4 SECRETARY WOLFF: The \$100,000; yeah.

5 REPRESENTATIVE PETRI: So they would not be
6 affected or they would be out?

7 SECRETARY WOLFF: They would not receive the
8 \$100,000 that was in last year's budget.

9 REPRESENTATIVE PETRI: Okay. So that could
10 have a negative impact on those 100-plus wineries?

11 SECRETARY WOLFF: Well, those wineries do a
12 great job, and they have a checkoff program that is
13 both focused on marketing and research, that those
14 dollars obviously would continue to go forward, and
15 the other dollars that are in those programs we would
16 make available to them like we would any other
17 commodity here in the Commonwealth.

18 REPRESENTATIVE PETRI: Okay. Well, I will
19 express my concern about that issue, you know, in
20 Bucks County where we have, I think, 10 wineries. It
21 becomes a real open-space issue as well, as do all
22 agricultural uses. It's not time to be chasing our
23 farmers away when developers are looking to replace
24 that land rather rapidly.

25 The other question I had was with regard to

1 the \$300,000 research dollars, as I understand that,
2 that money is used by Penn State Delaware Valley, the
3 University of Pennsylvania, to do research for the
4 Commonwealth. Is that correct?

5 SECRETARY WOLFF: That is correct.

6 REPRESENTATIVE PETRI: So if we cut \$300,000
7 from them, can we assume that they would not be
8 obligated to do the research, and then if so, who
9 would do the research?

10 SECRETARY WOLFF: Well, the research comes to
11 the department via proposals, with one-third going to
12 animal agriculture, two-thirds going to
13 non-agriculture projects, and each has a committee
14 that looks at the proposals as presented and ranks
15 them and prioritizes them. So it is, you know, from
16 the standpoint that it can be a project that is very
17 expensive, if the committee feels that it is timely
18 and important, that may be the project that gets
19 accepted and funded, even though it is, you know, a
20 fairly large budget number. So it is all about
21 looking at the current issues that are facing
22 agriculture and prioritizing those dollars to address
23 those needs.

24 REPRESENTATIVE PETRI: A final question on
25 this topic.

1 Was all the money allocated for research and
2 spent this year, or do you think that there is room to
3 make the suggested cut?

4 SECRETARY WOLFF: We used all the dollars
5 that were in that line item of the budget last year,
6 and we will do the same this year. We will look at
7 the proposals and live within the budget.

8 REPRESENTATIVE PETRI: Thank you.

9 CHAIRMAN EVANS: Representative Craig Dally.

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

12 Good afternoon, Mr. Secretary.

13 SECRETARY WOLFF: Good afternoon.

14 REPRESENTATIVE DALLY: I noticed in the
15 Governor's proposal this year and also in recent
16 subsequent fiscal years the drop off in Growing
17 Greener funds that are funneled through your
18 department for the purpose of acquiring agricultural
19 easements, and I know that there are additional
20 dollars from the cigarette tax and the tipping fee
21 that are used for the same purposes. I am just
22 wondering whether you considered the impact that this
23 reduction in funds is going to have on your overall
24 program of acquiring open space?

25 SECRETARY WOLFF: Well, the budget will be

1 somewhat lower this year. Obviously we have had a
2 couple of extremely good years with Growing Greener II
3 having 80-plus million dollars in it for the Farmland
4 Preservation Program, and actually for the first time
5 in the history of the program having over \$100 million
6 in one fiscal year to allocate to farmland
7 preservation.

8 This program is going to allow us to go over
9 3,500 farms this year and 400,000 acres, which makes
10 us the leader in the United States in terms of
11 preserved farmland.

12 We are looking at a year where the farmland
13 preservation dollars are somewhat lower, but it is
14 interesting in that this is a partnership, and match
15 dollars come from local governments and counties, and
16 many times it appears like they are really stepping up
17 to the plate, and they in fact will have over \$40
18 million available this year for the program.

19 So it's a budget that is somewhat less, but I
20 think when you look back and you look at the amount of
21 dollars we spent the last couple of years, it is still
22 quite a commitment on behalf of the Commonwealth in
23 investing and buying those easements.

24 REPRESENTATIVE DALLY: So when you consider
25 the State dollars and the county and local dollars,

1 what is the total amount that is in the open space---

2 SECRETARY WOLFF: I think it is around \$70
3 million? Does that sound right? Maybe someone here
4 has got that -- \$77 million. That would be the exact
5 dollar amount.

6 REPRESENTATIVE DALLY: I see. Okay. Thank
7 you.

8 My follow-up question, unrelated: One of the
9 concerns that I hear from restaurant owners as far as
10 the inspection of their facilities is that -- there
11 are two things. One is that at times they will get
12 different inspectors that will interpret the rules
13 differently and impose different requirements on them;
14 and secondly, they were not aware of any due process
15 rights that they had in terms of, you know, appealing
16 a decision of an inspector. You know, is there any
17 venue for them to express their differences with an
18 inspector and not fear, you know, retribution? And
19 could you just explain that process briefly.

20 SECRETARY WOLFF: Well, hopefully they don't
21 feel retribution from our inspectors. You know, we
22 have really taken a lot of pride in trying to have
23 uniformity among our inspectors, and we have taken a
24 lot of pride in our inspectors going out of their way
25 to try to help the restaurant owner get in compliance,

1 not close his door. So if we have a restaurant owner
2 that is in a position where we are going to close his
3 restaurant, he is not doing a very good job.

4 REPRESENTATIVE DALLY: Right.

5 SECRETARY WOLFF: The due process on that, we
6 would issue a citation for his violation. And I know
7 he has the right to appeal that, I think at the
8 district justice.

9 Is that right? He can appeal it to the
10 district justice.

11 REPRESENTATIVE DALLY: Well, at what point in
12 time does that become a public record? I mean, the
13 citation then becomes a public record, but if a
14 routine inspection is done and they are asked to
15 correct something, say they may not agree with it,
16 their only relief then would be a way for a citation
17 to be issued and then it becomes a public record, and
18 then they argue about it, I guess.

19 SECRETARY WOLFF: Those records are published
20 on line almost immediately following inspections.

21 REPRESENTATIVE DALLY: Okay. So just the
22 results of an actual inspection are published?

23 SECRETARY WOLFF: That's right.

24 REPRESENTATIVE DALLY: I see.

25 SECRETARY WOLFF: That is part of a new

1 program. Digital Health, it's called, and it is
2 tablet PCs with realtime information, and those
3 records are published on line. And it's been very
4 popular, the consumers really like it, and I think it
5 has, you know, encouraged better management in some
6 cases.

7 REPRESENTATIVE DALLY: I imagine it would.

8 Okay. Thank you very much, Mr. Secretary.

9 CHAIRMAN EVANS: What I would like to do is I
10 have three more members to ask questions, but what I
11 would like to do is have the panel join the Secretary
12 of Education.

13 As I indicated from the beginning, we are
14 going to have individuals give reaction to that. So
15 those people on the panel, can they join right next to
16 the Secretary. I want to make sure that that is Tim
17 LaSalle, the Honorable Archie Trader, Sheila
18 Christopher, Brian Dietrich, John Bell, and MaryAnn
19 Warren, and I think there's Dave Kessler, too. Can
20 they all join--- The Secretary can stay right there,
21 and those people can join right around him so we can
22 get through everybody.

23 Let me apologize for the record --
24 Agriculture. I don't know why I have education like
25 stuck in my brain. Thank you, Mr. Chairman. Thank

1 you. I keep saying education.

2 As most of the members know, we have been
3 trying to have individuals and groups give reaction to
4 the Governor's budget and what it exactly means to
5 their particular areas and communities. So this is
6 something new, the first time we have done this, so we
7 are simultaneously trying to have reaction from those
8 who pay the bills and receive the benefits of this
9 budget.

10 So I know I have three more members to finish
11 with the Secretary, and then I'll go down the line and
12 have everybody introduce themselves for the purpose of
13 the record, and then the person I have is John
14 Siptroth, then I have Representative Reichley, and
15 then Bryan Lentz, and then I'll go to the panel.

16 Representative Siptroth.

17 REPRESENTATIVE SIPTROTH: Thank you very
18 much, Mr. Chairman.

19 Mr. Secretary, thank you for joining us
20 today.

21 My question evolves around the Dog Law
22 administration, and I understand that the Governor has
23 the authorization to provide the funding for that, and
24 I notice this year that that's about \$400,000 less
25 than last year. Is that correct?

1 What kind of an impact is that going to have
2 on especially our districts, which is extremely fast
3 growing, Representative Scavello's and mine, and we
4 have had a number of infractions regarding dog laws,
5 unresponsiveness from the dog officers that are
6 appointed. How are we going to deal with that? Is
7 that going to be on a per capita basis, the cut, or is
8 it going to be on a straight across the county or
9 across the State by county? Just exactly what impact
10 is that going to have on us?

11 SECRETARY WOLFF: Well, the Dog Law authority
12 should not be cut in any way. The Bureau of Dog Law,
13 in fact we have increased three kennel compliance
14 specialists that go out and oversee and inspect the
15 large kennels in Pennsylvania. We also have a special
16 prosecutor that works for Dog Law now to go with the
17 wardens to the J.P.s, the justices of the peace, if
18 someone is fighting a citation that they have been
19 issued.

20 So Dog Law has done a great job, I think, in
21 the last year in terms of improving the way they carry
22 out the existing regulations. We have revoked 16
23 licenses this year, and we certainly from the
24 standpoint of the budget, the budget for Dog Law is a
25 very strong budget.

1 REPRESENTATIVE SIPTROTH: Okay. Thank you
2 very much. I appreciate your answers.

3 SECRETARY WOLFF: If you have some wardens
4 that aren't carrying out their responsibilities, I
5 hope you give me their names.

6 REPRESENTATIVE SIPTROTH: Okay, and I will be
7 more than happy to refer that to you, if there is
8 anything.

9 CHAIRMAN EVANS: Representative Reichley.

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

12 Mr. Secretary, I want to follow up initially
13 on one of the points that Representative Keller raised
14 with the export of livestock.

15 I understand your concern about perhaps
16 getting inundated with a large shipment and then
17 having to process the laboratory examinations, but you
18 proposed trying to go to other labs or even
19 out-of-State labs, and I was just speculating -- maybe
20 Representative Keller and I are along the same lines
21 in this -- wouldn't it be more appropriate to put in
22 language in the budget restricting the fee revenue
23 back to the State Laboratory rather than it going to
24 the General Fund so that you are able to hire the
25 personnel or have an expansion of facilities as needed

1 to deal with what seems to be a growing export market
2 for Pennsylvania?

3 SECRETARY WOLFF: Well, the generation of
4 fees is only part of the problem. The other part is,
5 as I mentioned earlier, that when we have these large
6 export orders, there is a surge that comes through the
7 laboratory, and the question becomes, what are you
8 going to do with those employees in between the two or
9 three large export orders during the year and, you
10 know, what are their responsibilities going to be? So
11 part of the problem is in looking at what resources we
12 have and other ways that we can help with that surge
13 capacity to make sure we have a quick and accurate
14 turnaround for the exporters that are taking advantage
15 of the laboratory.

16 So the fees are part of it, but actually a
17 bigger problem and issue is how you deal with the
18 surge when you get that many samples in a short period
19 of time.

20 REPRESENTATIVE REICHLEY: And maybe the
21 funding, if you restrict the fees back to the State
22 Lab, they could use it on an ad hoc basis to hire
23 folks from the other two labs.

24 Lastly, on Representative Siptroth's point,
25 he has made specific reference to the Dog Law, and I

1 am concerned about the Dog Law Restricted Account,
2 which based upon the data we have indicates that in
3 the 2006 calendar year, there was a balance of over,
4 almost actually \$14 million, but yet through that
5 year, the spending on Dog Law enforcement, I guess out
6 of that account, exceeded the balance by almost a half
7 a million dollars, that in 2007 you saw dog license
8 sales decrease by \$27,000, meaning you had less
9 revenue coming in, and I think the question that some
10 of us have, because I'm not sure if you are privy to
11 them but certainly we get a lot of e-mails from people
12 not only from Pennsylvania but throughout the country
13 who are very concerned about Dog Law enforcement on
14 the kennels, and the question is, if the Dog Law
15 Restricted Account continues to spend funds at the
16 rate of which you are doing but you don't have the
17 sufficient revenue, how are we going to avoid that
18 from becoming bankrupted, and what contingency do you
19 foresee to take care of that situation?

20 SECRETARY WOLFF: Well, we still show about a
21 \$14 million balance in the account currently. So it
22 looks like that problem may be off in the distance,
23 and I think we can address that as we get to that
24 point if we need to make some adjustments there.

25 But certainly as you mentioned, you know, we

1 have heard an outcry from the public in saying that
2 they were concerned about the welfare of dogs,
3 particularly in large commercial kennels, and we have
4 put in place some measures to ensure that that quality
5 of inspection and the quality of care that those dogs
6 are receiving has improved significantly.

7 REPRESENTATIVE REICHLEY: Thank you,
8 Mr. Secretary, and thank you, Mr. Chairman.

9 CHAIRMAN EVANS: Thank you.
10 Representative Bryan Lentz.

11 REPRESENTATIVE LENTZ: Thank you, Mr.
12 Chairman.

13 Good afternoon, Mr. Secretary.

14 I just wanted to first comment on the issue
15 of the food banks, specifically the food banks, and
16 I'm glad to see we have a representative here; I can
17 read the shirt from here. And I don't know what
18 testimony you are going to provide, but I would
19 imagine she is going to tell us what the food banks in
20 my county, Delaware County, have told me when they
21 come to visit me, that the funding last year was
22 insufficient for the need that they are facing and
23 that, as you described, this is a very diverse cross
24 section of our society, families, you know, people
25 that are, as you said, working poor, and that the need

1 was increasing and is only going to dramatically
2 increase as we go into an economic downturn.

3 So I appreciate that you are doing everything
4 you can and being creative in trying to increase the
5 access of these people in need to food, but I really
6 think that if there is one area of the budget we
7 should consider increasing, it would be that,
8 particularly, again, at this time in our economy.

9 But I also wanted to follow up on some of the
10 questions about the dog laws. I was glad to see in
11 your testimony the dramatic increase in enforcement.
12 I, like many of the members, received e-mails. I also
13 have a lot of dogs in my district. I happen to live
14 with one, so I'm interested in this.

15 And you mentioned in there that you are
16 looking forward to introducing legislation. I just
17 want to make sure that we don't lose the level of
18 urgency that this has been pursued with since the many
19 newspaper articles covering the puppy mills, et
20 cetera. Do you have some sense of the timing of the
21 introduction of that legislation?

22 SECRETARY WOLFF: Yes. The Bureau of Dog Law
23 is kind of working with the Governor's Office, and
24 they are looking at making some changes to the Dog Law
25 as well as the animal cruelty statutes, and our best

1 guess on that would be the first half of March. So it
2 is something that the Governor is very committed to
3 seeing those changes introduced, and the timeline is
4 very near.

5 REPRESENTATIVE LENTZ: Okay. Thank you very
6 much.

7 CHAIRMAN EVANS: Representative Mario
8 Scavello.

9 REPRESENTATIVE SCAVELLO: Thank you, Mr.
10 Chairman, and thank you, Mr. Secretary.

11 I want to first talk about the dog
12 ordinances, and Representative Siptroth spoke about it
13 briefly. Our population in Monroe doubled in the last
14 15, 20 years, and we have got one warden for two
15 counties, and that number hasn't changed. I think
16 that's one of our biggest issues, you know, that
17 Carbon and Monroe share a warden. I think he might
18 even have some other duties as well, and I think if
19 possible, Monroe should be looked at just to have the
20 one warden for Monroe, and I think that will solve a
21 lot of our problems.

22 The question I have, and I know I have been
23 told that we grow very little wheat in PA, with the
24 price of flour escalating the way it is, and we have a
25 tremendous amount of conservation easements, you know,

1 are we missing the boat here? Should our farmers be
2 looking at wheat? Especially the cost of it. You
3 know, most of the flour is consumed on the East Coast.
4 The trucking is the huge cost. Should we be looking
5 into farming more wheat?

6 SECRETARY WOLFF: I think, you know,
7 certainly products that are grown in Pennsylvania
8 correlate directly with the profitability of growing
9 those products.

10 REPRESENTATIVE SCAVELLO: Yes.

11 SECRETARY WOLFF: And I know that many of the
12 farmers are looking at wheat as the crop that maybe
13 they have grown in the past and may fit very well into
14 their crop rotation currently and in the future,
15 because wheat prices are very good, soybean prices are
16 very good, and corn prices are very good. So our
17 grain farmers are dealing with very expensive input
18 costs, but they are also seeing a stronger market than
19 they have seen in many years.

20 REPRESENTATIVE SCAVELLO: So it's a
21 possibility that a lot of our farmers will consider?

22 SECRETARY WOLFF: I'm sure that you will see
23 an increase in wheat production.

24 REPRESENTATIVE SCAVELLO: Thank you.

25 CHAIRMAN EVANS: Thank you.

1 Let me now explain this to the members of
2 what we intend to do and ask the Secretary, Mr.
3 Secretary, as a result of talking to the majority
4 leader and the Chairmen of the Agriculture Committee,
5 we decided to have a more global discussion about
6 agriculture and what it means to the Commonwealth of
7 Pennsylvania.

8 We have various representatives who are here
9 from different elements of the Commonwealth of
10 Pennsylvania who will be able to give their
11 perspective regarding maybe the current year's budget
12 and as we look forward relating to agriculture and
13 understanding how important agriculture is to the
14 Commonwealth of Pennsylvania as well as the United
15 States, and this is something that I don't think we
16 have really done in the past as a committee.

17 We have the Chairmen of the Agriculture
18 Committee here and we have the majority leader here,
19 so we are really trying to have a real fruitful
20 discussion about the importance of what agriculture
21 means to the Commonwealth of Pennsylvania.

22 So what I would like to do is have the people
23 go down the list, introduce themselves for the record,
24 and then I would like to start off, since he is our
25 guest and the majority leader had the pleasure of

1 inviting him, I will start with him, but I want
2 everybody to go down the list and introduce
3 themselves, and then I'll go from there.

4 And can we move the mike over to each person,
5 and then they can say their name and the organization
6 they are from.

7 MR. BELL: Good afternoon, Mr. Chairman and
8 members of the committee. I'm John Bell. I'm counsel
9 for governmental affairs with the Pennsylvania Farm
10 Bureau, and I am accompanying our witness today, Brian
11 Dietrich.

12 CHAIRMAN EVANS: Brian.

13 MR. DIETRICH: Good afternoon, Mr. Chairman,
14 members of the committee.

15 Brian Dietrich. I'm a dairy farmer from
16 Lehigh County.

17 CHAIRMAN EVANS: Okay. Mr. Trader.

18 MR. TRADER: Archie Trader. I'm a county
19 commissioner in Greene County and also a sheep farmer.

20 DR. LaSALLE: I'm Tim LaSalle, the CEO of the
21 Rodale Institute and, as long as I am sitting next to
22 Secretary Wolff, I should say a past dairy farmer, but
23 my brother has part of his genetics and his herd way
24 in California.

25 MS. WARREN: Good afternoon. I'm MaryAnn

1 Warren. I'm the second vice-president from the
2 Pennsylvania Association of Conservation Districts and
3 also a county commissioner in Susquehanna County.

4 MS. CHRISTOPHER: Hi. Thank you.

5 Sheila Christopher with the Pennsylvania
6 Association of Regional Food Banks.

7 CHAIRMAN EVANS: Okay. Representative.

8 REPRESENTATIVE KESSLER: I'm State
9 Representative Dave Kessler. I have introduced a
10 piece of legislation on organic farming. The
11 objective of this legislation is to make it more
12 profitable for farmers.

13 Yesterday I visited an organic dairy farmer
14 milking 120 head and farming approximately 330 acres.
15 He is more profitable than conventional, and I would
16 answer any questions on that as well as Tim LaSalle
17 from the Rodale Institute, whom I have been meeting
18 with for the last eight months. Thank you.

19 CHAIRMAN EVANS: Is there one other person?
20 Are you---

21 MS. MARQUART: Susan Marquart, Executive
22 Director of the Pennsylvania Association of
23 Conservation Districts. I am accompanying our member,
24 MaryAnn Warren.

25 CHAIRMAN EVANS: Okay; sure.

1 So, Commissioner, would you like to start,
2 from your perspective?

3 MR. TRADER: Yes.

4 I'm a past president of the Penn State
5 extension in Greene County and a board member of the
6 Farm Bureau of Greene County.

7 In reviewing the proposed budget for
8 2008-2009, it was good to see the funding for crop
9 insurance back to the level it was two years ago.
10 With some of the dry years we have had in the past, I
11 think this is a great response to that.

12 But I do have concerns over some of the other
13 areas of the budget in funding conservation districts,
14 ag excellence programs such as the Center For Dairy
15 Excellence, and agricultural research at the State
16 Department of Agriculture.

17 It becomes very important for all farmers --
18 soil testing and recommended fertilizer and lime per
19 acre; research of sprayers and training on the proper
20 use; orchard sprays and marketing of that product; bee
21 keeping, and with the damage we have seen in the past
22 two years, the loss of the bees has been tremendous;
23 breeding and testing of animals to be used to improve
24 our herds -- these are just some of the things that
25 are very helpful to the farmers.

1 Penn State extension programs for the past
2 few years have been reduced or level funded. We
3 cannot continue at this level of funding. At the
4 present time in Greene County, half of the salary is
5 what we pay for the educator in Greene County, half of
6 the education salary, just so that we can have a 4-H
7 agent there. It's so important that we fund the Penn
8 State situations -- education and the research.

9 I'm going to deviate a little bit from my
10 thing.

11 I am a sheep farmer, and as you just
12 mentioned, corn is, what, almost double this year. My
13 feed bill has doubled from last year. How do I offset
14 that? Well, I have to have research into genetics,
15 better rate gain per pound of feed that I feed. Those
16 are things that are so important to me.

17 I don't think that you can look at, if you
18 want to keep agriculture number one in this State, and
19 which it is, we have to spend money on research. We
20 have to predict for the future. How are we going to
21 feed the people here, those types of things.

22 Now you got me excited. Thank you.

23 CHAIRMAN EVANS: We like a little passion; we
24 like a little passion.

25 MR. TRADER: I got that from Bill.

1 CHAIRMAN EVANS: You got that from Bill.

2 Well, let me go to Brian since you are next
3 to him and you are a farmer, too, Brian, and you said
4 you wanted to speak also?

5 MR. DIETRICH: Sure. Thank you, Mr.
6 Chairman.

7 I won't go through each of the items that I
8 have listed in my document that I submitted, but I
9 will highlight what appears to be a strong effort
10 being made by the administration and the General
11 Assembly to restore the State appropriation level for
12 crop insurance to the \$3 million level provided two
13 years ago.

14 Crop insurance has been a blessing to farmers
15 who have suffered such devastating crop losses from
16 drought and other natural disasters, but the cost to
17 obtain crop insurance has been too high for many farm
18 families to realistically afford without some outside
19 help.

20 Pennsylvania's State assistance has provided
21 the type of financial help that makes crop insurance
22 affordable to these families. Do you remember the
23 severe losses that Pennsylvania farmers suffered in
24 '99 and the State commitment of the \$65 million that
25 year to provide payments to drought-stricken farmers?

1 After that year, the agricultural community agreed to
2 encourage farmers to self-insure rather than rely on
3 direct assistance from public funds to financially
4 recover from the weather-related losses.

5 In return, the General Assembly agreed to
6 provide modest but meaningful commitments in
7 appropriation funding to help farmers obtain crop
8 insurance. We strongly would encourage you to succeed
9 in this effort to restore the crop insurance
10 assistance appropriation to \$3 million. We are
11 seriously concerned about the continually decreasing
12 priority given in recent years' appropriations to help
13 farmers meet their obligations for sound environmental
14 management of their farming operations.

15 Numerous changes have recently been made to
16 environmental laws and regulations, and these changes
17 have both expanded the scope of farms subject to
18 regulatory standards and have increased both the
19 number and degree of standards that must be met. As a
20 result of these changes, the scope of Pennsylvania
21 animal operations that must be obtain Federal water
22 quality permits is broader than what Federal law
23 itself requires. State-regulated animal operations
24 must comply with the same setback and buffer
25 requirements that federally regulated animal

1 operations must meet.

2 Farmers operating larger animal operations
3 must not only develop and implement nutrient
4 management plans for storing and land-applying animal
5 manure on their farms, but must also account for and
6 manage manure they would move and land apply to all
7 farm sites.

8 Whether it is accounted through a nutrient
9 management plan or through a nutrient balance sheet,
10 the farmer must demonstrate that the manure will not
11 cause any excess of nutrients to be applied to land
12 and runoff into the streams.

13 Farmers must not only plan and take action to
14 control nitrogen pollution, but also must plan and
15 take action to control phosphorus pollution.

16 The expansion and regulation to include
17 regulation of phosphorus has made it substantially
18 more difficult and costly for farmers in more
19 phosphorus-rich areas to manage manure on their
20 farming operations.

21 These are just a few of the examples and
22 requirements that farmers face now that they did not
23 face several years ago.

24 Don't get me wrong, the overwhelming majority
25 of farmers want to do the best job that they can to

1 maintain environmental quality on their farms. This
2 is clearly shown by the fact that some 1,200 farms are
3 voluntarily complying with the State requirements and
4 standards for nutrient management planning and
5 implementation imposed on the larger animal farms. It
6 has also been shown more recently by Pennsylvania
7 farmers' efforts to claim the entire \$10 million in
8 tax credits for farm conservation practices made
9 available for 2008 under the REAP program in the span
10 of one single month.

11 Unfortunately, because of the cost of
12 environmental improvements, REAP's tax credits for
13 this year will only service about 300 improvement
14 projects. For many farm families, the problem is not
15 knowing what needs to be done environmentally to
16 improve their farms, it is having the technical and
17 financial resources to implement these environmental
18 improvements.

19 Despite the expanded regulation of
20 agriculture, fewer and fewer appropriation dollars are
21 being committed each year into helping farmers help
22 themselves in meeting these environmental challenges
23 and goals.

24 In particular, appropriations for nutrient
25 management programs have not kept pace with the

1 increased regulatory demands that have been placed on
2 farms, and appropriations made for farming operations
3 of conservation districts have not only been
4 inadequate but have continued to receive cuts in
5 annual funding.

6 Conservation district officials perform a
7 vital role in helping us farmers develop and implement
8 farming practices to improve environmental quality of
9 farming operations in a practical and economical
10 manner. It provides farmers with a credible and
11 practical source in evaluating what needs to be done
12 to solve environmental problems. They also provide
13 farmers with the needed guidance in achieving economic
14 and environmental goals.

15 But personnel and resources in many
16 conservation districts have been spread thin for a
17 number of years. These resources have been spread
18 even thinner by the increased demands that local
19 farmers have made upon conservation districts in
20 response to the increased regulatory demands placed on
21 agriculture.

22 But appropriation levels for conservation
23 districts have continued to be substantially cut, and
24 the Governor's proposed budget for fiscal year 2009
25 would call for another substantial cut in

1 appropriations to conservation districts. This just
2 does not make sense.

3 The Farm Bureau strongly urges you to
4 increase State appropriations in program areas that
5 help farmers secure the technical and financial
6 assistance needed to comply with increased regulatory
7 responsibilities and provide farmers with greater
8 opportunities to improve the environmental management
9 of their farms.

10 Thank you, Mr. Chairman.

11 CHAIRMAN EVANS: As a result of Brian's
12 comments, since he was talking about conservation
13 districts, I would like to go to MaryAnn Warren and
14 then have you piggyback on the conversation by Brian.

15 MS. WARREN: Thank you, Mr. Chairman.

16 Again, my name is MaryAnn Warren. I'm the
17 Second Vice-President for the PACD and a county
18 commissioner in Susquehanna County.

19 I would like to thank the House
20 Appropriations Committee for allowing me to speak.

21 In June of 2005, the Legislative Budget and
22 Finance Committee released a report on conservation
23 districts. After a review of the report, conservation
24 districts quickly realized that the LBFC stated what
25 they have been saying all along: Conservation

1 districts have been doing more with less for quite
2 some time. They provide landowners with the knowledge
3 and the experience to successfully implement State law
4 and regulatory requirements on their land and
5 agricultural operations.

6 One of the largest programs conservation
7 districts administer is the erosion and sediment
8 control program. Conservation districts have
9 delegated agreement with the Pennsylvania Department
10 of Environmental Protection to review plans for
11 earth-moving activities across the State.

12 In some cases, conservation districts can
13 charge review fees for construction activities.
14 However, this agreement will not allow conservation
15 districts to charge for their services to State
16 agencies, such as the Pennsylvania Department of
17 Transportation, so districts cannot recoup the costs
18 associated with these activities.

19 To give you a better idea of the scope of the
20 programs conservations work with, you will see them
21 listed in your handout.

22 As you can see, the conservation districts
23 are vital to the environmental stewardship programs on
24 the State and local level. Keep in mind that most of
25 these programs do not have State funding associated

1 with them. As a result, many districts are struggling
2 for funds.

3 The LBFC report refers to funding issues.
4 These references include meeting the State
5 Conservation Commission's policy for 50-percent
6 funding for the Conservation District Fund Allocation
7 Program, which supplies the financial support to
8 partially staff conservation districts. In fact, it
9 is the primary and most flexible source of
10 conservation district funding. These funds are
11 intended to cover 50 percent of the district manager's
12 salary and benefits, 50 percent of the district's
13 first technician, and 50 percent of the second
14 technician.

15 Currently in Susquehanna County, the State
16 contributes 44 percent of our district manager's
17 salary and benefits, 38 percent of the first
18 technician's salary and benefits, and 14 percent of
19 our second technician's salary and benefits.

20 Unfortunately, other counties are
21 experiencing similar county and State budget
22 breakdowns. In Lehigh County, the State provides 32.6
23 percent of the manager's salary and benefits, 21
24 percent of the first technician's salary and benefits,
25 and only 13.1 percent of the second technician's

1 salary and benefits.

2 Westmoreland County's operating budget
3 consists of 76 percent funding from the county, 14
4 percent from the State, and 10 percent from other
5 sources. The bottom line is that the SCC and LBFC
6 recommendation to provide 50 percent max between the
7 county and the State has never been appropriated by
8 the Pennsylvania General Assembly.

9 Consequently, conservation districts are not
10 receiving the necessary State dollars to fully service
11 their county residence and businesses. Adequate
12 funding for the line item in the budget of PACD is a
13 top budgetary priority.

14 Last year, the State appropriated \$3,120,100,
15 while a 50-percent max would have been \$5,515,823.
16 Clearly, a deficiency in funding for the line item
17 hinders the activities of local conservation
18 districts.

19 The table provided in your report provides a
20 summary for the funding of conservation districts in
21 the Commonwealth budget identified as "local soil and
22 water district assistance" in the budgets of the
23 Pennsylvania Department of Environmental Protection
24 and the Pennsylvania Department of Agriculture.

25 As a result of Act 110 of 2006, the funds

1 appropriated in these lines items were deposited into
2 the Conservation District Fund.

3 The bottom line is that our priority is a
4 50-percent cost share of district managers, first
5 technicians, and second technicians. For fiscal year
6 ending 2007-2008, the allocation was \$3,120,100, and
7 additional funding needed was \$2,395,723.

8 Attached to my testimony is the entire PACD
9 budget request. This complete report will give you a
10 more detailed explanation of each line item in the
11 budget request.

12 The 2005 LBFC report also stated that future
13 considerations should be given to providing districts
14 with a dedicated source of funding. Dedicated funding
15 would greatly simplify the district's annual budgeting
16 processes.

17 In addition, any new delegated and/or
18 contracted programs the conservation districts are
19 asked to administer on behalf of the Commonwealth of
20 Pennsylvania must be accompanied by sufficient funding
21 to provide the costs covered in administration and
22 delivery.

23 PACD has researched other State funding
24 sources for conservation district activities and
25 possible avenues Pennsylvania could consider. One

1 such idea is to add a surcharge onto DEP's
2 environmental fines and penalties to partially fund
3 conservation district activities.

4 This fund, similar to the CAT Fund, assessed
5 to those who violate speeding limits on Pennsylvania's
6 roadways, would not diminish the fines/penalties
7 collected by DEP; it would be an additional charge to
8 those who violate the environmental laws and
9 regulations.

10 Representative Ron Miller plans on
11 introducing legislation to provide the mechanism
12 needed for the implementation of this program. So the
13 funding source would not be sufficient for all
14 conservation district activities. It is estimated it
15 would provide approximately \$1.8 million in new funds
16 per year.

17 Recently, PACD has distributed a paper
18 entitled "Achieving Pennsylvania's Energy Independence
19 Goals While Strengthening Conservation in
20 Pennsylvania; The Critical Role of Pennsylvania's
21 Conservation Districts." The report is attached to my
22 testimony.

23 In essence, the paper shows that conservation
24 district services will be increasingly necessary as
25 emphasis on biofuel production alters farm operations

1 and the need for updated and improved conservation
2 plans. Technical assistance will be needed to keep
3 pace with increased biofuel crop production, including
4 training and assistance pertaining to conservation
5 practices.

6 Additionally, new technologies to generate
7 energy from combustion, digestion, and gasification
8 from manure and other feedstocks need to be
9 accompanied by proper nutrient management. Increased
10 biofuel crop production will add to nutrient pollution
11 if not accompanied by conservation measures and should
12 be seen as an opportunity to greatly expand cover
13 crops and support for other agricultural best
14 management practices.

15 To accomplish the technical assistance
16 necessary to implement the renewable energy programs
17 in Pennsylvania, PACD recommends the following budget,
18 and that's attached. To sum it up, we would need \$10
19 million per year for five years.

20 In conclusion, the Pennsylvania Association
21 of Conservation Districts appreciates every cent that
22 the State provides for conservation district
23 appropriations. We are hopeful that you will consider
24 the information I have discussed today and
25 significantly increase the State portion of our 66

1 county conservation district budgets.

2 Thank you for your consideration, and I will
3 be happy to answer any questions you may have at this
4 time.

5 CHAIRMAN EVANS: Thank you.

6 I know that I got the food bank and I got
7 Rodale, and I know that the Secretary may have to
8 leave, but let me be clear: This is not in the hands
9 of the Secretary. I mean, the Budget Secretary makes
10 recommendations, but it is in our hands now as the
11 General Assembly, Democrat and Republican.

12 A proposal has been made to us. At the
13 requests that we hear, it is up to this General
14 Assembly to decide how we apportion those allotments,
15 financial allotments, and not necessarily the
16 Secretary of Agriculture, who has given us his
17 testimony.

18 But do you want to say any last thing,
19 because I know you have to leave, or are you going to
20 stick around to hear the rest of the comments? It is
21 your choice. Okay, it's up to you if you want to; I
22 know you have to leave.

23 The food bank, and then I'll go--- Yes, you
24 wanted to speak? Introduce yourself.

25 MS. CHRISTOPHER: Sheila Christopher. Hi.

1 Thank you.

2 In recent years, this scholarly community has
3 developed methods to measure "cost burdens" which are
4 the direct and indirect societal costs of the adverse
5 outcomes associated with a particular problem,
6 practice, or illness.

7 Each year, around 1.2 million Pennsylvanians
8 live in a household that does not get enough to eat.
9 Research has shown the annual cost burden of hunger in
10 Pennsylvania at a minimum of \$3.6 billion.

11 It is customary to believe the origins of
12 problems such as obesity, lower-income employment, and
13 lack of higher education are individual choice.
14 Mounting evidence now suggests that this view is much
15 too simple. Individual choice is the result of
16 complex interaction of factors, often external to
17 individuals: advertising, social norms, economic
18 opportunities, and genetic factors.

19 People do not choose to skip meals when they
20 are hungry, and parents do not elect to put their
21 children to bed without enough to eat. The cost of
22 hunger is involuntary on the part of its victims and
23 quite preventable by society as a whole.

24 There are 372,000 Pennsylvanians that
25 experience hunger. Again, 1.2 million Pennsylvanians

1 experience "food insecurity," which means they are not
2 quite sure where their next meal is going to come.
3 There are 470,000 children that live in poverty, and
4 156,000 seniors live in poverty in Pennsylvania.

5 Individuals typically do not go hungry due to
6 choice or bad habits. Food insecurity is associated
7 with low wages, part-time jobs, loss of employment,
8 and high costs of housing and medical care. The
9 single fastest growing group of people having to rely
10 on food banks is the working poor: households where
11 both parents may be working; however, the pay they
12 receive for their hard work is inadequate to meet
13 household needs.

14 Hunger is not typically associated with
15 individual pathology or bad judgment but exists due to
16 external factors, both economic and political in
17 nature, which leaves a significant portion of people
18 deprived of one of our most basic needs, enough food
19 to eat, a basic right according to the United Nations.

20 The annual cost burden of charitable efforts
21 to feed hungry Pennsylvanians ranges from \$76 million
22 to \$150 million, with a total cost of \$290 million
23 each year.

24 The cost of medical care for food-deprived
25 individuals has higher rates for various adverse

1 conditions: almost two times more likely to have iron
2 deficiency anemia, frequency of colds, activity
3 limiting health impairments, four times more likely of
4 nutrient deficiencies, three times more likely of
5 overall poor health, all because of lack of good
6 nutrition.

7 The annual cost burden for Pennsylvania of
8 hunger-related illnesses such is migraines, colds,
9 iron deficiencies, other hospitalizations, and general
10 poor health is \$701 million.

11 A family of four with two children needs to
12 earn twice the 2006 Federal poverty level of \$20,000
13 simply to meet the basic needs of their household.
14 The average person receives only \$92.60 in food stamps
15 per month, barely \$1 per meal.

16 The food stamp benefit amounts are based on
17 the USDA's Thrifty Food Plan, which does not adhere to
18 the Surgeon General's most recent nutrition
19 recommendations and no longer reflects the real cost
20 of food in some areas.

21 As was mentioned earlier, the price to eat is
22 going up and up. A family of four, it would cost them
23 \$181 per week to eat a nutritious, well-balanced meal,
24 while food costs have increased 6.2 percent over the
25 last year, which in essence shows an increase in what

1 we purchase also.

2 For elderly persons who already use
3 substantially more health, medical, and other services
4 than the general population, food insecurity can bring
5 further physical and emotional and economic burdens to
6 the elderly persons themselves, their formal or
7 informal caregivers, and the health-care system.
8 Numerous studies have confirmed a negative consistent
9 association between food insecurity and nutritional
10 and health status for the elderly.

11 In recent years, some of the more remarkable
12 findings about the consequences of food insufficiency
13 pertains to the capacity of the brain to perform most
14 favorably as children enter their educational and
15 social environments.

16 Hungry children do less well on tests of
17 mental ability and school performance and are more
18 likely to fail, to be held back, and drop out.
19 Thirty-one percent are more likely to have had a past
20 hospitalization, and 90 percent are more likely to be
21 in poor health.

22 School-age children from food insecure
23 families are more likely than their peers to suffer in
24 peer learning, behavior, and development. Children
25 who start school already behind are likely to stay

1 behind throughout their educational career.

2 Children from food insecure households will
3 more times than not perpetuate the cycle of poverty as
4 they enter adulthood.

5 The annual cost burden for Pennsylvania of
6 less education and lower productivity is \$184 million
7 per year. In their adult years, children so affected
8 will face greater likelihood of limited employability,
9 lessened workforce productivity, and poorer judgment
10 and job performance. The value of educational
11 investments is squandered when children are unable to
12 learn due to the lack of proper nutrition.

13 The total bill, again, for Pennsylvania for
14 hunger is \$3.6 billion. There are three programs that
15 are currently sponsored in an agriculture
16 appropriation bill: the State Food Purchase Program,
17 which is currently funded at \$18 million; the Farmers
18 Market Nutrition Program, funded at \$2 million; and
19 the Pennsylvania Agricultural Surplus System,
20 currently not funded other than a Federal grant.

21 With the State Food Purchase Program for the
22 year 2006-2007, there was an appropriation of
23 \$18,750,000. For the current year, the appropriation
24 went down to \$18 million. To even maintain the same
25 buying power as last year, we would have needed \$19.9

1 million, so we are already behind.

2 For the current year coming up, we need \$21.2
3 million to maintain the same buying power as two years
4 ago. With the need of food assistance increasing in
5 some areas by over 14 percent, we can't continue to go
6 backwards. That's why our organization and other
7 anti-hunger organizations in Pennsylvania are
8 respectfully requesting an appropriation of \$22
9 million to not only maintain the increase in food
10 costs and transportation but also to help us increase
11 the service that we are providing to folks.

12 The Farmers Market Nutrition Program was also
13 cut again. We are asking for \$3 million, an increase
14 of \$1 million. The senior citizens particularly
15 benefit from this program, and we all know how
16 important it is to have fresh vegetables and produce
17 in our diets.

18 And the Pennsylvania Agricultural Surplus
19 Program, which is currently funded by a Federal grant,
20 we are asking for \$750,000 in this program, which
21 would be distributing fresh apples to all of our
22 households, over 400,000 households in Pennsylvania,
23 six times a year, providing nice fresh fruit for
24 children and the families themselves and, at the same
25 time, helping out Pennsylvania agricultural growers

1 and packers.

2 Thank you.

3 CHAIRMAN EVANS: After we have heard that, I
4 think we need to now talk about the future and hear
5 about farming. Do you want to talk about that, Dr.
6 LaSalle?

7 DR. LaSALLE: Yes. My name is Tim LaSalle,
8 CEO of Rodale Institute, and I am here in support of
9 more expert testimony with regard to Representative
10 Kessler's initiative on suggesting that we help dairy
11 farmers in the State of Pennsylvania transition to
12 organic.

13 Just a little bit. This is not about trying
14 to hold funds; it is actually trying to look at how to
15 make an investment literally in the future ecological
16 challenges that we face as farmers but also with
17 regard to profitability for farmers.

18 We have worked in collaboration with Penn
19 State. What I think is beautiful about the Rodale
20 Institute, and I'm new to the State to take this role,
21 but when I got here I learned that for 60 years, the
22 Rodale's have invested in organic and sustainable
23 regenerative agriculture, knowing about its increased
24 health for people, increased ecological health, and
25 also what we are learning, of course, is increased

1 profitability for farmers, particularly in today's
2 marketplace. With that, there was no land grant
3 university doing research in this arena and they had
4 to initiate it, and that's why the nonprofit institute
5 was established.

6 Penn State now, I think, has 10 to 12
7 researchers in this area, and recently when I was
8 key-noting I was pleased to see they were showing one
9 of the inventions that took place in a sustainable
10 regenerative agricultural format, to put nitrogen, in
11 essence free, back into the soil where we are not
12 having to buy external forces, and that was the
13 roller/crimper, and I brought that research and that
14 model here for anybody if they are at all interested
15 and want to share it.

16 In essence, Penn State was saying, here's
17 Penn State's roller/crimper, and then they saw me in
18 the audience and they said, well, this was invented at
19 Rodale Institute, so I appreciated that. But the
20 point is, Michigan State and other entities, the
21 University of California Davis, are understanding the
22 capacity of these technologies to help in
23 environmental realms and also particularly in carbon
24 sequestration.

25 Let me just mention here clearly that what we

1 found, what the Rodale Institute has found with regard
2 to carbon sequestration, and this is a global climate
3 change question, is that we can put away between 1,000
4 to 2,000 pounds of carbon per acre. This equates to
5 really millions of cars in this State of negating
6 their impact on the environment if we turned to these
7 regenerative formats. They typically are less
8 expensive and eventually bring more profit to the
9 farmer.

10 I want to say also that scientists at Cornell
11 have worked with us and have shown that there's a
12 great reduction in energy use, so therefore energy
13 costs, that farmers have to put into their production
14 if in fact they moved to these more regenerative
15 methodologies that, again, have been researched here.

16 Modern agriculture, we know, is applying
17 about 12 million tons of synthetic fertilizers, which
18 is a huge cost, not just to the environment because of
19 nitrous oxides that eventually volatize back into the
20 air and the loss of organic matter in the soil, but
21 its source comes from fossil fuels. So what we are
22 trying to do in this research is to begin to equate
23 the reduction of energy by going to the regenerative
24 methods, and we have some pretty profound statistics
25 that, again, in collaboration with Cornell, we were

1 able to bring forward.

2 When Representative Kessler stumbled upon our
3 work, we began to brief him, and one of the things he
4 is concerned about is the profitability for farmers,
5 particularly in his district, and he has taken this
6 understanding to Pennsylvania statewide: How do we
7 improve the profit margin for, in this case, dairy
8 farmers?

9 In fact, it pushed us to do that research
10 more deeply and work with farm economists across the
11 country, and we do know that there are economic
12 returns. At the same time, we are improving the soil,
13 and what we know in improving the soil is that we have
14 begun to reduce soil erosion, and that has been
15 proven. We have some pictures in the handout that we
16 have given to you that begins to show you how soils
17 are deeply improved in our biology, which in my own
18 soil science training, we never talked about soil
19 biology, but soil biology will improve soil structure
20 to reduce erosion.

21 There is a static that came out recently that
22 1 percent of topsoils are being lost annually in the
23 United States, actually in the world. There actually
24 are four tons of topsoil per person being lost
25 annually on the whole globe, and it is basically based

1 upon many of our unsustainable processes.

2 We know that not only can we improve soil
3 structure, we retain water by putting this organic
4 matter back in the soil. And we are talking so much
5 about crop insurance, which is crucial for farmers.
6 It's a very important element in those really tough
7 drought years.

8 One of the rather curious things that the
9 Rodale Institute uncovered and now is replicated
10 across this country at research institutions is that 1
11 pound of carbon will hold 40 pounds of water, thus one
12 of the pictures in the back shows a conventional
13 fertilizer-based field next to one of our organic
14 fields, because we run comparison studies in our
15 nonprofit institute, and it will show that the organic
16 crop is surviving and thriving while the conventional
17 synthetic-fertilizer crop is wilting. We know this to
18 be important internationally and why we have addressed
19 it on an international level as well. But here in
20 Pennsylvania---

21 CHAIRMAN EVANS: Tim, can you do one favor
22 for me?

23 DR. LaSALLE: Yes.

24 CHAIRMAN EVANS: Now, can you translate that
25 into how much of a savings that that could be to the

1 Commonwealth of Pennsylvania? Do you have numbers
2 where you can cost out what that would mean in returns
3 and savings to the taxpayers if we look at policies
4 such as this?

5 DR. LaSALLE: Do we have numbers today? No.
6 Should we? We should. Do we have the resources to do
7 it right now? We don't, and we need a collaborating
8 with people to get those, because that should help you
9 and actually is a national policy question that we are
10 beginning to engage. And we know that our people can
11 help us work those numbers; we just need some research
12 to pull it off.

13 CHAIRMAN EVANS: So what would you think you
14 would need, because I would be interested in, and the
15 Chairman and I haven't had a chance to talk, but we
16 can, bipartisan, because I think this is the kind of
17 policy change that we should start to make so that we
18 can see three, five years out that kind of savings,
19 which would be less pressure on the budget. When you
20 talk about crop insurance, it would be less pressure.
21 So that's what I'm interested in, if you can translate
22 that into dollars.

23 DR. LaSALLE: Mr. Chairman, that's part of my
24 deep interest, too. You are looking out for
25 Pennsylvania. I have been to over 80 countries, and I

1 have seen the degradation of soils and the degradation
2 of landscapes, and I know we are not on a sustainable
3 run. So where do we make the investments that are
4 going to regenerate and rebuild?

5 And the systems, what I have learned, because
6 I came from conventional farming, the system that the
7 Rodale Institute has been researching rebuilds and
8 regenerates. It cleans up waterways as well, because
9 it pulls the chemicals out of the system. So the
10 Chesapeake Bay issue, this just begins to be savings
11 in this question as well. This is an investment in
12 the future, and you would certainly know better as to
13 what those costs are for Pennsylvania and what that
14 may mean particularly to the whole country if we begin
15 to pull these chemicals out of the system and create a
16 regenerative approach to this. So I would be
17 delighted to have further conversations around those.

18 The carbon sequestration piece is one that we
19 are going to deal with even on a national basis and
20 have international conversations, because agriculture
21 is a contributor to global warming now in our current
22 methodologies, but it can be a great sequester of
23 carbon. What we do know through this research is
24 farmers not only are heroes for feeding us; they soon
25 can be, once we can translate this work to them and

1 help them make the transition, like Representative
2 Kessler's bill is asking us to begin, they can become
3 our heroes with respect to global climate change. And
4 this is a really important thing, that we need to
5 begin to reimburse them and reimburse them handsomely
6 with respect to how they can clean up our water, begin
7 to sequester carbon in the soil, as well as provide us
8 healthy-nutrient and more nutriently-dense food as we
9 are learning also through nutrition research.

10 I wanted to see if there's another piece that
11 we need to add. I just want to say that one of the
12 things that I learned when I got here was what a
13 national treasure. One of my board members is a
14 researcher from Michigan State, and he said, people
15 don't know about the Rodale Institute. It's a
16 pleasure to be here in Pennsylvania and see it is a
17 national treasure. We need to do a better job of
18 disseminating our information. The science is sound;
19 it is being replicated, and if I can respond to any
20 questions with regard to particularly Representative
21 Kessler's proposal, I would be delighted.

22 CHAIRMAN EVANS: Thank you.

23 Representative Kessler.

24 REPRESENTATIVE KESSLER: As I said earlier,
25 yesterday I visited an organic dairy farmer that is

1 milking 120 head and farming approximately 330 acres.
2 On Sunday I visited an organic crop grower, growing
3 approximately 150 acres in corn, soybean, wheat, and
4 rye. They are more profitable than conventional, the
5 reason being because they are getting a higher price
6 for their crop, but more importantly is that they are
7 saving money in fuel consumption, because with
8 Rodale's system, an organic farmer only has to pass
9 through a field 2 times versus 7, 8, 9, 10 times, the
10 reason being is because Rodale invented a roller. Did
11 you talk about the roller?

12 DR. LaSALLE: I just mentioned it.

13 REPRESENTATIVE KESSLER: Okay.

14 Well, what the roller that they have invented
15 does, the roller goes in front of the tractor, seed
16 box behind the tractor.

17 In the fall, a cover is grown on all fields,
18 which keeps erosion from happening, and what happens
19 is, the cover goes dormant and then it grows about
20 knee high in the spring, and what the roller does is
21 the roller knocks over the cover and kills it, the
22 seed box puts the seed in the ground, and then in turn
23 you have a two-inch mat that is laid out on the field.
24 As the corn grows up through it, it keeps the weeds
25 down and it keeps the ground in place.

1 When it rains, the water stays there, because
2 once you put the nutrients back into the ground, the
3 earthworm comes back, you get the air pockets in the
4 ground. And in all the years of research with Rodale,
5 I think there were four or five years of drought where
6 they were getting a significantly higher yield on the
7 organic versus the conventional.

8 The State spends millions of dollars on
9 cleaning the Chesapeake Bay, keeping our air and water
10 clean, on conservation districts. We talked about
11 healthier people; we talked about the Chesapeake Bay.
12 What organic farming does is it helps all of those
13 issues, and it's time that we helped the farmer.

14 What my bill does is when a farmer goes
15 organic, in the first two or three transition periods
16 while they are putting the nutrients back into the
17 ground, their yields may go down some. What my bill
18 does is subsidize the farmer through that transition
19 period. But once the nutrients are back into the
20 ground, after that two-, three-year period, you will
21 see yields the same if not better.

22 So we have a lot of programs that we offer
23 the agricultural industry. We offer them grants. We
24 offer them low-interest loans. We also offer the
25 program where we buy the development rights. But a

1 lot of these are just a one-time fix. We need to make
2 it more profitable for the farmer in order to preserve
3 farmland, and by organic farming with my legislation,
4 we can do that.

5 CHAIRMAN EVANS: Dave, can you answer one
6 question?

7 In the ballpark of subsidies, what would you
8 be talking about when you talk about over a two- to
9 three-year period? How much would you be talking?

10 REPRESENTATIVE KESSLER: I'm looking to have
11 set aside about \$5 million over a five-, six-year
12 period.

13 CHAIRMAN EVANS: That is \$5 million per year?

14 REPRESENTATIVE KESSLER: Yes; that is
15 correct.

16 CHAIRMAN EVANS: Okay.

17 REPRESENTATIVE KESSLER: And this way we can
18 help several hundred farmers go organic.

19 And we really need to look not just at
20 tomorrow, a year from now, 5 years from now; we need
21 to look 10, 15 years down the road, because if we are
22 stopping using the pesticides and chemicals, we are
23 going to have cleaner water, cleaner air, and we are
24 spending many, many times that amount of money with
25 conservation districts, cleaning the Chesapeake Bay,

1 conserving energy, cutting down on CO2 emissions. We
2 need to look 5, 10, 15 years down the road, and we can
3 spend money now to save a lot of money later on.

4 CHAIRMAN EVANS: Is any State at this point
5 doing what you are describing? At this point.

6 REPRESENTATIVE KESSLER: Yes; yes.

7 CHAIRMAN EVANS: Which State?

8 REPRESENTATIVE KESSLER: Minnesota,
9 Wisconsin, New Hampshire, Vermont.

10 Minnesota has been the most aggressive, where
11 they are paying the farmers X amount of dollars per
12 acre to make up for that loss in yield through that
13 transition period.

14 CHAIRMAN EVANS: So Minnesota, Wisconsin---

15 REPRESENTATIVE KESSLER: Yes.

16 CHAIRMAN EVANS: Those are two States?

17 REPRESENTATIVE KESSLER: Yes. Minnesota has
18 been the most aggressive, and my legislation is being
19 modeled after the Minnesota legislation.

20 CHAIRMAN EVANS: Any reaction? Is there
21 anything that anybody has heard? Any reaction from
22 your perspective on it?

23 MR. DIETRICH: Yeah. Again, this is Brian
24 Dietrich from the Farm Bureau.

25 In all due respect, I think organic farming

1 is something that is becoming more popular. I think
2 there would be some issue as far as yields go and as
3 far as, I know the Representative said that the yields
4 would come back to the levels over a period of a
5 couple of years. I'm not 100 percent sure about that.

6 I know there are some farmers that have gone
7 to organic and that they haven't gotten the yields
8 over a period of several years and have gone back to
9 conventional farming, and my biggest concern is,
10 American farmers feed the world, and with organic,
11 there is no way that they would be able to feed the
12 world.

13 As far as one pass, with our conventional
14 farming, we do no-till planting, and that is one
15 pass-through, too, and we are saving a lot of fuel and
16 a lot of fossil fuels by doing it with no till. So
17 there are a lot of conventional farming tools that you
18 can implement that are going to do that.

19 REPRESENTATIVE KESSLER: And it's great, the
20 no till, but this could be taken a step further with
21 the covers and the roller. I would be more than happy
22 to take you to farms that are organic and their yields
23 are back up.

24 Rodale Institute has 50 acres of conventional
25 corn beside 50 acres of organic corn and have been

1 keeping the statistics on that for 27 years and has
2 the proof, and there are farmers out there that have
3 proof, that in a two- to three-year transition period,
4 they can get their yields back up, and they save a
5 substantial amount of money on fuel, pesticides, and
6 chemicals.

7 Tim, would you like to add to that?

8 CHAIRMAN EVANS: John Siptroth.
9 Representative Siptroth, do you have a question?

10 DR. LaSALLE: I would just like to add
11 please, and I am sorry---

12 CHAIRMAN EVANS: Go ahead.

13 DR. LaSALLE: Just one comment.

14 I really would be concerned, particularly as
15 I came from conventional farming, in saying that
16 moving to organic, wait a minute, it can't feed the
17 world. What we found in the research, and I'll tell
18 you, other people doing research now, Norman Uphoff of
19 Cornell in the Systems of Rice Intensification has
20 really shown that actually putting organic matter back
21 in the soil is not only more regenerative and
22 sustainable, in the long term it can outproduce, and
23 in rice, and now they are finding in wheat, we can
24 greatly outproduce what conventional agriculture can.

25 And as Representative Kessler mentioned, in

1 wet years and in dry years, we way outproduce
2 conventional agriculture, and we stay steady and
3 competitive with chemical synthetic-based farming.

4 So we have 27 years of data, and other people
5 do as well, but I think for farmers to make this
6 transition, what Representative Kessler is trying to
7 do is, it is a transition of culture and knowledge,
8 and so it may take time to make that adaptation. And
9 I can understand why some farmers would revert,
10 because of training, education, and habit, and that's
11 logical, and we have to do a better job of helping
12 train and educate and help them make that transition,
13 and the buffer that Representative Kessler suggested I
14 think is important.

15 REPRESENTATIVE SIPTROTH: I'll tell you what,
16 I don't know, Mr. Chairman, will you allow the
17 discussion to go on, because I don't want it to turn
18 into a debate.

19 CHAIRMAN EVANS: What I'm going to do is, I'm
20 going to do it for about five more minutes, because we
21 got the appetites wet.

22 I see Chairman Mike Hanna and Chairman Art
23 Hershey, who will be taking this ball. But we just
24 wanted to wet the appetite, because our interest is
25 the savings of dollars, so that's what I'm most

1 interested in. If you can figure out how we can do
2 more with less and make the investment, that's what
3 I'm interested in.

4 DR. LaSALLE: Right.

5 CHAIRMAN EVANS: I'll leave the others up to
6 Mike Hanna on that other part.

7 REPRESENTATIVE SIPTROTH: Mr. Chairman?

8 CHAIRMAN EVANS: Yes, Mr. Siptroth?

9 REPRESENTATIVE SIPTROTH: Mr. Chairman, I did
10 not get an opportunity to ask my question, but if you
11 would allow me---

12 CHAIRMAN EVANS: Okay; you can go ahead and
13 ask your question.

14 REPRESENTATIVE SIPTROTH: Thank you very
15 much, and this goes to, this is directed to the young
16 lady that gave us the presentation on hunger.

17 I think one of the statistics you had given
18 us was that we have seen an increase, did you say 6.2
19 percent, 6.2 percent annually this past annual---

20 MS. CHRISTOPHER: For cost.

21 REPRESENTATIVE SIPTROTH: For cost. How much
22 of that 6.2 percent is attributed to the
23 transportation costs of food? Do you have that
24 statistic, or--- Okay; I just wanted to ask that.

25 MS. CHRISTOPHER: No, I do not, but I believe

1 it is in there.

2 REPRESENTATIVE SIPTROTH: Okay. I didn't see
3 it in the handout that I have, okay?

4 MS. CHRISTOPHER: Well, it is factored in
5 that.

6 CHAIRMAN EVANS: Do you want to use the mike,
7 please.

8 MS. CHRISTOPHER: Normally the manufacturers
9 do incorporate that, all their expenses, in their food
10 costs. So I don't know what part of the 6.2 percent
11 is transportation, but there is some.

12 REPRESENTATIVE SIPTROTH: Okay. Well, we
13 have seen a significant increase in transportation
14 costs and also the fuel that the farmers need to use
15 to produce the products, so---

16 MS. CHRISTOPHER: Correct.

17 REPRESENTATIVE SIPTROTH: Okay.

18 MS. CHRISTOPHER: So they have to put that
19 somewhere, and then it goes back out to us.

20 REPRESENTATIVE SIPTROTH: Okay. One other
21 question, Mr. Chairman, if you will indulge.

22 Do the food banks currently receive donations
23 from major corporations such as Kellogg's? Years ago,
24 I remember that those corporations used to furnish a
25 significant amount of product to food banks for

1 distribution.

2 MS. CHRISTOPHER: And those donations have
3 significantly gone down because of the secondary
4 market, which is the dollar stores -- the Family
5 Dollars, the Odd Lots, the Big Lots. The
6 manufacturers are selling their surplus to them now as
7 opposed to donating.

8 REPRESENTATIVE SIPTROTH: Okay. Thank you
9 very much. I appreciate that.

10 CHAIRMAN EVANS: Chairman Hanna.

11 REPRESENTATIVE HANNA: Thank you, Mr.
12 Chairman.

13 This is a unique opportunity to have two
14 folks that are involved with county government here to
15 talk to us about the impact of the ag budget.

16 I would like to hear Commissioner Trader and
17 Commissioner Warren tell us what type of impact they
18 feel this year's budget proposal might have on county
19 budgets, particularly with respect to conservation
20 districts and ag extension.

21 MR. TRADER: Well, basically ag extension, as
22 I mentioned before, we are now paying half of that
23 salary in order to--- Penn State, the extension
24 budget does not give them enough money to support all
25 of the 4-H educators, so we are paying half that

1 salary just to have that person in our county.

2 The conservation area of it is a tremendous
3 impact to us. I think in our area of Greene County,
4 we have coal mining, et cetera, so we have slips for
5 different types of things. So the conservation budget
6 is extremely important to us from a county standpoint,
7 and we are supporting a big portion of that
8 conservation budget by the employees that the
9 conservation district has.

10 MS. WARREN: In Susquehanna County, our Penn
11 State extension budget has been cut significantly, and
12 it has impacted the county budget.

13 We have partnered with Penn State as a whole
14 to try to pay 50 percent of the educators to bring
15 them into Susquehanna County, which, again, takes away
16 money from, you know, the county budget. But it's
17 important that we have those educators there in our
18 county to help with and work with our conservation
19 district and other partners, our Planning Commission
20 and other things there.

21 We are also trying a pilot program in
22 Susquehanna County with our children and youth
23 services with family resiliency, and we are hoping to
24 get that off the ground. And it is a pilot program,
25 and Susquehanna County is the pilot for that.

1 But as for the conservation districts, it is
2 impacting the county budget, and as I think everyone
3 knows, Susquehanna County is the second poorest
4 economic county in Pennsylvania. It's a rural county.
5 We don't get much funding up there for much of
6 anything. We are like the stepchildren of the
7 Commonwealth, sometimes is what we feel, and we have
8 to struggle and fight for everything that we get.

9 We were hit with a flood in 2006, and our
10 conservation district had to work overtime to work
11 with those problems, and that took a big strain on the
12 budget. So we are always, you know, struggling in
13 Susquehanna County, and hopefully you will consider
14 our budget request.

15 Thank you.

16 MR. HANNA: Thank you.

17 CHAIRMAN EVANS: I would like to thank all of
18 you for coming and just kind of wetting our appetite
19 with this discussion.

20 As you know, we did the Secretary for an
21 hour, and we had you for an hour, and all of the
22 members, in my view, are very much interested in this
23 subject. I mean, it's just the beginning, and I want
24 to thank Chairman Mike Hanna of the Agriculture
25 Committee and Chairman Art Hershey, as well as the

1 majority leader, Bill DeWeese, you know, for bringing
2 you all together in conjunction with my staff. Again,
3 I would like to thank you for this time.

4 This meeting now will be adjourned, and we
5 will reconvene at 9 a.m. tomorrow morning with the
6 Department of State.

7 Thank you very much.

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9 (The hearing concluded at 4:10 p.m.)

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1 I hereby certify that the proceedings and
2 evidence are contained fully and accurately in the
3 notes taken by me on the within proceedings and that
4 this is a correct transcript of the same.

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Jean M. Davis, Reporter
Notary Public

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