



Testimony

House Agriculture And Rural Affairs
Committee

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Oley, Pennsylvania

Offered by

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Good afternoon, and thank you for the opportunity to testify before you today. I am Joel Rotz, Director of State Governmental Relations for the Pennsylvania Farm Bureau. Farm Bureau represents over 42,000 rural and farm family members in the state. Pennsylvania Farm Bureau is a general farm organization directed and governed by its grassroots members comprising the entire scope of diversity in the type of farming operations we are blessed to have in the state.

Our farms produce milk, mushrooms, livestock, poultry, commodity crops, hay, fruit and vegetables, wine, equine, Christmas trees, honey and the list goes on. We represent farms consisting of a few acres to a few thousand acres. Our members market their produce by contracting with large corporations, through farmer owned cooperatives, open markets, direct markets and roadside stands. Many of our members utilize "conventional farm" practices which are far different than the conventional practices of prior generations of Pennsylvania Farmers. A growing number of farmers are adopting organic farming practices to meet the needs of expanding demand for that market.

Farmers make choices on the type of farm operation, its size, marketing methods and farming practices based upon what is most economically feasible, sustainable and environmentally compliant to continue as a viable business. Pennsylvania Farm Bureau as an organization has great appreciation for the value every type and size of farming operation brings to the agricultural industry and its infrastructure.

The stated purpose of House Bill 2347 is to encourage producers to make a long-term commitment to organic agriculture and to further develop and promote organic agriculture. After reviewing the bill in the context of existing statutes, our legal counsel commented that nearly all of the general powers that the bill proposes for the Department of Agriculture are already provided under the Sustainable Agriculture Act, established in 1994. And the make-up and function of the bill's Organic Advisory Task Force are similar to the make-up and function of the Act's Board of Sustainable Agriculture. The only feature that this bill would additionally authorize is for farmers who change their operations to organic production to receive payments for crop yield or revenue losses that would occur during the first four years the farmer is making the transition to organic.

While the Act has been in place for many years, admittedly it has not been funded. I don't need to explain the budget process to this committee. You all understand the difficulty in creating a balanced budget each year and the prioritization of funding requests that are made to achieve that balance. Pennsylvania Farm Bureau is not aware of any organized efforts to make funding of the Sustainable Agriculture Act a high priority.

Pennsylvania Farm Bureau believes a major reason why funding priority has not been given to organic programs is because organic producers are equally eligible as conventional producers in receiving financial assistance in programs trying to enhance conservation and environmental stewardship in agricultural production. Given the current struggle that Pennsylvania already faces in providing adequate funding for existing farm conservation programs, we believe it is more prudent for any additional needs that organic operations may have to be addressed through changes to existing

programs, rather than through the creation of another program that is also likely to be underfunded.

As mentioned earlier, HB 2347 does establish a fund that would compensate farmers for losses that may occur in transitioning from conventional farm practices to certified organic for up to four successive years. While Pennsylvania Farm Bureau has no policy position regarding such an incentive, the creation of this incentive in the bill does raise questions as to the cost of such a program, how it would be funded, and in the end, how successful the incentive will really be in causing farmers to make the serious commitment necessary for changing production practices to organic.

I would speculate the level of funding that would be required for a transition program as outlined in HB 2347 would need to be substantial to provide an adequate incentive. Pennsylvania Farm Bureau already has budget priorities that benefit all of agriculture production that are not being adequately met. We have shared those with you already, but if you would like a list I will be happy to provide. As I indicated earlier, we all know the budget process is about priorities and at this point in time Pennsylvania Farm Bureau does not have a policy position that supports funding for this initiative and certainly would oppose funding for the bill's program for transition payments, if the funding would prevent those budget items we have already identified as under-funded to continue to be under-funded in the future.

Three states have been cited as already adopting legislation to promote organic farming. Pennsylvania Farm Bureau contacted the Minnesota Department of Agriculture to learn more about what is being offered in that state. While there are programs in the state of Minnesota to promote organic farming, they do not attempt to address payments for any possible economic losses to a farmer making the conversion. A very limited annual fund provided from the state budget of \$85,000 is utilized for cost sharing up to 2/3 of items such as license and inspection fees, and any mandated soil and water tests that are required for the farmer to become certified organic. Another \$15,000 of state funds is committed for program administration. Meg Moynihan, who administers the program for Minnesota Department of Agriculture informed me that the funding level of \$85,000 was woefully inadequate and does not meet the demand even though there is \$350 cap per producer for a maximum of five years. She indicated that because of the limited funds, farmers were actually only receiving about 60 percent of the cap.

The state of Wisconsin adopted a very similar program to Minnesota's just last year with substantially more funding. Their program is funded at \$400,000 and it is too early in the life of the program to know how sufficient their funding is at this time.

Pennsylvania Farm Bureau also learned that federal monies were being utilized in the states of Minnesota and Wisconsin through the Natural Resources Conservation Service's Environmental Quality Incentive Program to assist farmers with costs associated with converting cropland from conventional practices to a higher level of environmentally sound practices, which would include organic. Those payment are only for the initial

conversion and are available to any farmer developing the higher level practices whether those practices are organic or not. No discrimination is made in the program eligibility between conventional and organic agriculture. The program can be used to benefit organic as well as conventional agriculture.

At the invitation of Representative Kessler, I recently spent a day at Rodale Institute and experienced firsthand the work that is being done there and the practices adapted to successfully farm certified organic. I was impressed with much of what I saw in the way of environmentally sound practices developed there. What I was most excited about was that these practices could be adapted to all farms, not just organic.

We can and do create incentives for these practices without distinguishing if the farmer is certified organic or achieving a higher level of environmental compliance as a conventional farmer. An example would be the recently adopted Resource Enhancement And Protection (REAP) tax credit program that leverages private sector dollars to assist farmers in reaching higher levels of environmental compliance. Farmers can use what is essentially a 50 percent cost share tax credit program to purchase equipment such as no-till planters and rollers to crush cover crops for planting. The practice of no-till planting in established cover crops is environmentally sound and being utilized by a growing number of organic and conventional farmers. It only makes sense to create incentives for all farmers, conventional or organic, to adopt these practices to benefit our environment.

In conclusion, Pennsylvania Farm Bureau believes most of the objectives of HB 2347 can already largely be met through established law dating back to the Sustainable Agriculture Act of 1994. However, substantial funding would be required to meet all the objectives of the bill. Currently organic farming operations can and do take advantage of all the same government sponsored programs that are available to conventional farmers. Many of those programs are already under-funded and remain a priority for the Pennsylvania Farm Bureau. Again, Pennsylvania Farm Bureau strongly supports all types and sizes of farm operations including organic, and our budget priorities remain focused on programs that benefit conventional as well as organic operations.

Thank you and I will be happy to take your questions.