

**House Agriculture and Rural Affairs Committee
Testimony of Secretary Dennis C Wolff, PA Department of Agriculture
August 20, 2008**

Good morning, Chairmen Hanna and Hershey. I would like to thank the House Agriculture and Rural Affairs Committee for allowing me to present my views on agriculture conservation in the Commonwealth and how Pennsylvania can best utilize new Farm Bill funding for the conservation efforts in Pennsylvania and the Chesapeake Bay Program. Governor Rendell's Farm Bill advocacy effort began in the fall of 2005, when the Governor directed me to tour the Commonwealth to solicit comments on how this new legislation could better serve our state's agriculture industry.

Across the Commonwealth, stakeholders called for greater support in efforts to restore water quality in the Chesapeake Bay Region and that Pennsylvania's agriculture industry to be provided assistance to help maintain its legacy environmental stewardship objectives. Here in the Commonwealth, Governor Rendell has been extremely supportive of these goals through ACRE, Growing Greener, REAP and other conservation programs.

Growing Greener is the largest single investment of state funds in Pennsylvania's history and aims to address Pennsylvania's critical environmental concerns of the 21st century. The total dollar commitment to the Growing Greener Program is \$1.3 billion through 2012. This multi-faceted program addresses farmland-preservation, protects open space, maintains state parks, cleans up abandoned mines and restores watersheds. It also provides funds for recreational trails and local parks; helps communities address land use challenges; and provides new and upgraded water and sewer systems. Growing Greener is a partnership between four state agencies: the Department of Agriculture to administer farmland preservation projects; the Department of Conservation and Natural Resources for state park renovations and improvements; PennVest for water and sewer system upgrades; and the Department of Environmental Protection for watershed restoration and protection projects, abandoned mine reclamation, and abandoned oil and gas well plugging projects.

The REAP program has brought unprecedented focus and funding to conservation in Pennsylvania. Farmers and businesses are eligible for REAP tax credits in exchange for implementing best management practices that will enhance farm production and protect natural resources. The amount of tax credit available to a recipient is dependent on the type of best management practice implemented. The REAP law passed with abundant legislative support and was signed by Governor Rendell in July 2007 and became effective on October 23, 2007. The State Conservation Commission (SCC) released REAP program guidelines and application in December 2007 and began accepting applications in January 2008. Within 10 days, the SCC received applications exceeding the FY 07-08 \$10 million appropriation and applicants began receiving REAP

tax credit awards in March 2008 from the Department of Revenue. Best Management Practices were approved for REAP tax credits in 48 Pennsylvania counties and approved eligible REAP applications include 645 individual Best Management Practices, including no till planters and drills, and conservation and nutrient management planning.

This year has been no different. The SCC received over 400 applications totaling \$13.5 million in REAP tax credit requests on the first day. To date, over 450 applications totaling \$14.3 million have been received and are being reviewed on a first-come, first served basis.

A strong example of REAP program success is that of a Perry County farmer who was approved in the 07-08 REAP program for the following: a voluntary Act 38 Nutrient Management Plan, Manure Storage, Manure Transfer, a No-till drill, a No-till planter and an Access Road. The farmer had previously applied for PDA Act 6 funding for Manure storage, DEP Chesapeake Bay Program funding for Manure storage, and NRCS EQIP funding for Manure storage, but funds were not available to him in any of these programs to obtain financial help in completing his project, and he was unable to justify the costs without some assistance. The REAP tax credit has enabled him to develop an Act 38 Nutrient Management Plan, build a Manure Transfer and Storage for his dairy herd in summer 2008, purchase his own no-till grain drill (rather than hiring a custom operator) as well as upgrade to a new no-till planter. The project is now complete, with the help of REAP.

For Pennsylvania farmers, land stewardship is a daily concern and a key priority, and they made this clear to me in the success and strong demand for conservation programs and in each of the Farm Bill listening sessions that I held. For Pennsylvania's conservation efforts- the Farm Bill was a victory and thanks to our partners in Congress, there is new funding available to promote conservation objectives in the Commonwealth.

Now that the Farm Bill has passed, I continue to advocate for Pennsylvania agriculture. I provided testimony to the NRCS Conservation Title listening session in Annapolis, MD last month and I would like to share with you the points I made to them about the best plan of action with regard to Farm Bill Conservation Title funding in Pennsylvania.

I believe that by establishing four main objectives, Pennsylvania and the Bay Region will be able to efficiently and effectively utilize the \$438 million in Chesapeake Bay Program Funding over the next ten years, including the \$188 million made available through the Commodity Credit Corporation in the next five years. The objectives are: 1. Implementation of additional streamside buffers; 2. planting of additional cover crop acreage; 3. stabilization of highly erodible land through no-till and other conservation practices, and 4. provision of additional nutrient management and conservation planning, implementation and technical assistance. In accordance with these four objectives, practice priorities should include livestock stream exclusion and riparian buffers, continuous no-till and implementation of comprehensive nutrient management plans including feed management when appropriate.

First, the implementation of additional streamside buffers will help to restore over 12,500 miles of Pennsylvania streams already degraded by the effects of pollution and erosion. Pennsylvania has made a tremendous investment of state dollars in helping to restore and create streamside buffers and we deserve federal leveraging of funds and assistance since streamside buffers are a key means of protecting the bay from farm point-source pollution.

Second, additional cover crop acreage is an essential means of protecting the bay as well as the soil resources in the bay region. But many farmers require assistance when developing plans to plant cover crops for the first time. Third, federal dollars should continue to target the problem of soil erosion and to support current programs that do so. Pennsylvania has invested tremendous time and financial resources in our farmland preservation program, but to truly preserve farmland we must also protect it from damages due to erosion and improper nutrient management.

Fourth and finally, Pennsylvania has a substantial need for additional technical assistance and nutrient management planning and implementation assistance in order to ensure that programs are deliverable statewide and in a timely and efficient manner. It is therefore essential that some of the Chesapeake Bay Program funding is used to ensure that adequate staffing and technical assistance are available for farmers. I recommend that a portion of each year's allocation be used towards expenses for Technical Service Providers to ensure that funds are able to result in program delivery on the ground as quickly and efficiently as possible. Along with program delivery, communication and messaging to farmers regarding emerging conservation practices and planting techniques is needed to ensure that farmers can implement new and more effective conservation techniques soon after they become available.

In Pennsylvania, state government has invested heavily in building the technical capacity of conservation districts to provide agricultural conservation services to landowners. In FY 2007-08, Pennsylvania state government provided \$6.3 million to conservation districts to support 120.5 full-time staff equivalents that are dedicated to various forms of agricultural technical assistance. These programs include Agricultural Conservation technicians, Chesapeake Bay Program technicians and engineers, Nutrient Management Program technicians, and PACD engineers and engineering technicians. We have also pioneered a "boot camp" training program, in cooperation with NRCS, to help train and equip these conservation districts based agricultural technicians.

Pennsylvania conservation districts, in cooperation with state government, are ready and able to increase their technical capacity if technical service provider funds are made available through cooperative agreements. Pennsylvania's conservation districts should not be penalized in the TSP rules or process for its ongoing state support of agricultural conservation technicians and engineers. The TSP process should recognize the ongoing state commitment to agricultural conservation work efforts and allow TSP funds to build on this successful and substantial state effort.

In closing, I am optimistic that this new funding will enable Pennsylvania to adopt an integrated approach to conservation programming and I look forward to seeing it result in continued conservation enhancements and achievements for the Commonwealth. Thanks to the House Agriculture and Rural Affairs Committee for holding this public meeting here at Ag Progress Days and for coming out to show your support of the state's agriculture industry. I look forward to working with you all, as well as our partners in the state Senate, especially in our upcoming efforts to ensure that Farm Bill dollars are used to the maximal benefit of Pennsylvania agriculture. I am happy to answer any questions you may have.