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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
AGRICULTURE AND RURAL AFFAIRS COMMITTEE

Penn Township Community Building
260 Lewis Road
West Grove, Pennsylvania

Thursday, April 22, 2010
10:30 A.M.

PRESENTATION ON
HOUSE BILL 2260

BEFORE:

- HONORABLE MICHAEL K. HANNA, CHAIRMAN
- HONORABLE THOMAS HOUGHTON
- HONORABLE DAVID R. KESSLER
- HONORABLE H. SCOTT CONKLIN
- HONORABLE RICK MIRABITO

ALSO PRESENT:

- JAY HOWES, REPUBLICAN STAFF HOUSE COMMITTEE
- DIANE W. HAIN, EXECUTIVE DIRECTOR OF THE AGRICULTURE AND RURAL AFFAIRS COMMITTEE
- ALYCIA M. LAURETI, LEGISLATIVE ASSISTANT

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1 P R O C E E D I N G S

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3 MR. CHAIRMAN: Good morning, everyone. Let me
4 encourage everyone to find a seat and we will get started.

5 Good morning; I'm Mike Hanna, Chairman of the
6 House Agriculture and Rural Affairs, and on behalf of the
7 Committee, I thank you all for being here today.

8 We'll start on our far left and let everyone
9 introduce themselves here at the head table.

10 Dave.

11 REPRESENTATIVE KESSLER: Sure. I'm Dave
12 Kessler, from Berks County.

13 MR. HOWES: Jay Howes; I am the Republican Staff
14 for the House Committee.

15 REPRESENTATIVE CONKLIN: Scott Conklin; I'm from
16 Centre County.

17 REPRESENTATIVE HOUGHTON: Tom Houghton.

18 MR. CHAIRMAN: Mike Hanna.

19 MS. HAIN: Diane Hain, Executive Director of the
20 Agriculture Committee.

21 REPRESENTATIVE MIRABITO: Rick Mirabito,
22 Representative from Lycoming County, Williamsport.

23 MS. LAURETI: Alycia Laureti, representative of
24 Mike Hanna's office.

25 MR. CHAIRMAN: Before we get started I want to

1 thank the Penn Township supervisors for allowing us to use
2 this beautiful building. It certainly is an excellent
3 forum for us to conduct our hearing.

4 I also want to give special thanks to
5 Representative Tom Houghton, who represents this
6 legislative district, for his leadership in introducing
7 House Bill 2260, to establish the Pennsylvania Preferred
8 Program in the statute.

9 Pennsylvania is a leading producer of
10 agriculture commodities and products.

11 Representative Houghton's legislation will
12 provide the statutory framework for the continuation of
13 the program, which is currently administered by the
14 Pennsylvania Department of Agriculture, by providing a
15 recognizable trademark and marketing assistance. The
16 program promotes Pennsylvania agriculture benefiting
17 farmers, dairies, nurseries, processors, grocery stores
18 and restaurants across the Commonwealth.

19 The legislation also provides a stable funding
20 base for its future liability through the Pennsylvania
21 Preferred Trademark Licensing Fund, a special fund in the
22 State Treasury.

23 We are honored to have Russell Redding,
24 Secretary of Agriculture, with us today to discuss the
25 program.

1 But before I turn to Secretary Redding for his
2 testimony, I will turn it over to Representative Houghton
3 for some brief introductory comments.

4 Representative Houghton.

5 REPRESENTATIVE HOUGHTON: Thank you, Mr.
6 Chairman. Thanks for everybody coming.

7 First, I would like to thank, of course,
8 Chairman Hanna and his staff for helping me set this up
9 and giving me the opportunity to sponsor this
10 legislation. I am certainly proud to do so.

11 Agriculture, as we know, is the number one
12 industry in Pennsylvania, and certainly is huge in my
13 district.

14 I have 21 townships, and we have a lot of
15 farmland here, the best soils on the planet earth. So I
16 am proud to be part of any legislation that helps to
17 promote our agriculture products.

18 And, of course, I want to thank Secretary
19 Redding for making the trip here.

20 I know that he's killing a couple of birds
21 here.

22 You have an Earth Day Event in the district at
23 1:00 at a dairy farm in Knottingham?

24 SECRETARY REDDING: That's correct.

25 REPRESENTATIVE HOUGHTON: That is the Mason

1 Farm?

2 SECRETARY REDDING: Correct.

3 REPRESENTATIVE HOUGHTON: Yes. So, anybody that
4 is interested in that, drag him out of the building and
5 find out the location or just bug us after the hearing.

6 Again, I just want to thank everyone for coming
7 here.

8 And we just spent three days trapped in the
9 building in Harrisburg as it was beautiful out. We got
10 out last night and it was rainy and miserable. So it is
11 a beautiful day today and I really do appreciate
12 everybody coming here and spending a little time indoors.

13 Thank you.

14 MR. CHAIRMAN: Thank you, Tom.

15 All right. Well, let's start with the
16 Honorable Russell Redding, Secretary of Agriculture.

17 Secretary Redding, the floor is yours.

18 SECRETARY REDDING: Good morning. It is great
19 to be here, Mr. Chairman and distinguished Members of the
20 Committee.

21 Thank you for the opportunity to come down and
22 talk about the Pennsylvania Preferred Program and give
23 our thoughts on the legislation.

24 The inspiration of the PA Preferred legislation
25 is an important step in looking at how we can assist the

1 Pennsylvania farmers and our vibrant food sector connect
2 with consumers in the very meaningful way.

3 I also would like to thank the Committee and
4 Representative Houghton for initiating the conversation
5 which would designate PA Preferred as the official
6 branding program for food and agricultural products in
7 the state.

8 This designation would be invaluable to our
9 agriculture industry as well as the millions who live and
10 eat here.

11 It is appropriate that we are in Chester
12 County, because this area, as it was noted, is very
13 diversified agriculturally.

14 It is also close to that consumer base that we
15 talk about so often.

16 Later today, as it has been mentioned, we'll
17 spend some time hosting an Earth Day Event here in the
18 county as well.

19 But probably most important is the anchor in
20 this agricultural community is the mushroom industry, who
21 are here. We are in mushroom land. But they're the
22 folks who, from the very beginning, have been great
23 partners with the Department of Agriculture in promoting
24 Pennsylvania product and, also, really launching the
25 Pennsylvania Preferred Program.

1 I want to say thank you to them for their
2 tireless efforts in assisting PPA being a great promoter
3 of agricultural products, a great supporter of the
4 Pennsylvania Preferred Program.

5 The witness list also includes some other
6 Pennsylvania companies that have been partners with the
7 Department of Agriculture PPA Program, and I just want to
8 say thank you to them as well, and to the Committee and
9 Representative Houghton for including them in this
10 conversation today.

11 As you can see from the group of Pennsylvania
12 companies the diversity of company and product that is in
13 the Pennsylvania Preferred Program and currently exist.

14 You have my written testimony, and I will just,
15 sort of, pick a few highlights for discussion today, and
16 then we can pick up with questions if you like.

17 There is a lot that we could talk about, but
18 when you look at Pennsylvania's ranking in terms of
19 agriculture production, we are home to a diverse
20 agricultural industry, ranking in the top ten in states
21 in production of nearly 30 different commodities in
22 Pennsylvania.

23 We lead the nation in Christmas trees, farms,
24 hardwoods, mushrooms have been noted.

25 And one of the most interesting facts that I

1 could share is specific to the branding program in
2 agriculture products is, that we are also within days of
3 a days drive of nearly 50 percent of the U.S. population
4 here in the U.S. as well as Canada.

5 So, if you think about our strategic location
6 from both an agricultural production standpoint and a
7 strategic spot to market, it is here in Pennsylvania.

8 Most produce and agricultural products are
9 harvested four to seven days before being placed on the
10 supermarket shelves and shipped nearly 1500 miles before
11 being sold. And this takes into account only the
12 domestic product. Those distances are substantially
13 longer when looking at foods imported from other
14 countries.

15 In addition to extreme food miles, it is
16 important to recognize the connection between locally
17 produced foods and our energy independence.

18 You can say that Pennsylvania farms and
19 companies both make sense at the dinner table as well as
20 the gas pump.

21 This increasing desire to really connect with
22 consumers is the emphasis for the Pennsylvania Preferred
23 Program.

24 Beginning in 2004, when we first launched the
25 program, we had 75 member companies, today there are

1 nearly 2,200 companies, with 4,800 locations in
2 Pennsylvania.

3 Just to put it in perspective, over the course
4 of five, five and a half years, we have added a
5 significant number of Pennsylvania companies. So the
6 companies themselves add value.

7 Of course, you can talk a little bit later, the
8 consumer can see the value in it as well.

9 By looking for the brand, consumers know that
10 they are supporting Pennsylvania farmers, and agriculture
11 helps to keep the food sector both vibrant and the jobs
12 in that sector here in Pennsylvania as well.

13 On the food product side, the small
14 Pennsylvania-based companies can afford access through
15 the PA Preferred Program to a larger market, which I
16 think is an important part of the conversation.

17 A small company can use the Pennsylvania
18 Preferred Brand and be recognized in the larger
19 marketplace. And I will talk a bit about that.

20 Some have direct connections to those
21 retailers. In some cases those connections are done
22 indirectly. But either way, they get a chance to really
23 be in the venues, in the marketplace, where you and I, as
24 consumers, are purchasing the goods.

25 Certainly, an important part of any branding

1 initiative is the icon or the image used to visually
2 represent that. You have word brochures this morning
3 that shows that PA Preferred seal.

4 I mentioned the Blue and Gold Keystone, the
5 checkmark logo, this image is important to us. As you
6 drive up and down Cameran Streets, you know that we have
7 a traveling display of the department on the signage as
8 well.

9 But as we work with the companies, they are
10 authorized to use this logo.

11 That's an important point. It isn't simply for
12 the asking, there are some real qualifications that go
13 with the program.

14 That they actually sign a use agreement with
15 the department and that is monitored to make sure that
16 is, in fact, Pennsylvania Preferred. And there is some
17 qualifications with that.

18 So, it not only has recognition as value added
19 for consumers, but within the PA company, we also know
20 who is buying, producing and marketing Pennsylvania
21 products. It is an important distinction.

22 And we can go through those qualifications, but
23 I just wanted to note that there are qualifications with
24 this.

25 So, part of the legislation not only protects

1 the brand, it also protects the integrity of that
2 program. So we would appreciate your consideration.

3 We know that Pennsylvania products have a
4 reputation both here at home and around the world, as
5 many of you have heard in the department, and we
6 personally say at budget hearings and other hearings
7 about the benefits of Pennsylvania product. We talked
8 about the location of the market.

9 As we do work around the world in the
10 international marketplace, that Pennsylvania name means
11 something. With the Pennsylvania Preferred label on it,
12 it means even more.

13 So, it is very important to have both the
14 domestic recognition and international as well.

15 Many companies have not only made the move to
16 join the PA Preferred Program, but have embraced the
17 option to connect consumers with local products.

18 One of those organizations, and there are many,
19 but I will just pick one out, Metz and Associates, which
20 is a leading food service management group that feeds
21 hundreds of thousands of people every day, based in
22 Dallas, Pennsylvania.

23 The company has hosted PA Preferred Day in
24 events that allow, both, the companies interested in
25 doing business with Metz, but also the consumers to

1 connect, the companies organized and events to include
2 Erie Insurance, Pocono Medical Center, Shadyside Academy.
3 All of those folks are part of the Metz and Associates
4 clientele.

5 These events feature tasting stations so that
6 folks not only get a chance to look at the product, but
7 to taste the product and get a chance to see the real
8 quality that is apparent for these products.

9 We are pleased to have a number of PA Preferred
10 members, Giant Food Stores, for those -- that is one just
11 off the pike here, as well as great partners, 148 stores.

12 They have a Pennsylvania Preferred rack, which
13 is, sort of, an intriguing idea, because you have a lot
14 of small companies that would find it difficult maybe to
15 service 148 stores at one time.

16 And this was an opportunity presented several
17 years ago through a special buyer-vending show that we
18 did in Harrisburg to give the Giant Food organization a
19 chance to really see what companies, the variety of
20 companies, diversity of those companies who are in the PA
21 Program a chance to really place the product, take a look
22 at the company and meet the management.

23 And that was done in, sort of, a forum so that
24 they can meet each other and really decide what is the
25 best placement of the product, does it make sense for

1 Giant? Would it work? Is there a buyer?

2 So, that has really been a nice development. A
3 number of companies have bid on that PA Preferred rack.

4 If you have been in some of the Giants Stores
5 you can see them.

6 The rack is really a chance for the company to
7 experiment with just to see what kind of interest there
8 is. And each of those stores could be a little different
9 based on the demographics.

10 We have in addition to the success shared by
11 the company, we have 24 participating companies that have
12 received their products.

13 So, you're taking these small companies with PA
14 Preferred that are now on the shelves of Giant.

15 Outside of the retail market, the PA Preferred
16 Program provides a way for producers to evaluate a
17 process, differentiate themselves in the local
18 marketplace. You will see it at the farmers market where
19 consumers are conscious about buying local as well.

20 So, it has both a retail setting at grocery
21 stores as well as a farm market opportunity.

22 We promote it through the point of sale
23 materials, banners, tabletop signs, marketing materials,
24 et cetera.

25 Whether the logo is hung with pride at a farm

1 stand or is printed on a product package or affixed to a
2 restaurant window, it is easily recognizable and helps
3 consumers identify with Pennsylvania product.

4 We have done some work as well with the Health
5 Department, health at schools. As many of the Members
6 are aware, we have used the Pennsylvania Preferred
7 Program to be a linkage between the Department of Health
8 and the Department of Agriculture to identify healthy
9 products.

10 That program links, both, schools and
11 elementary schools with the farm community, the objective
12 being to build, both, a recognition of Pennsylvania
13 Product, but also to provide healthy products to the
14 schools.

15 The PA Preferred saw that bridge, because we
16 have this reservoir of companies that are now committed
17 through the Pennsylvania Preferred Program, to easily
18 identify within the schools within that program who is,
19 in fact, producing and marketing Pennsylvania products.
20 There really is a nice bridge.

21 There is many success stories, some of which
22 are in the testimony here as well. So I just point your
23 attention there.

24 We think it is important to the point of
25 today's hearing, it is important that after many years of

1 working to develop a brand that all of us are sensitive
2 to the amount of money and time and effort and commitment
3 that it takes to really do that, particularly with the
4 divest agriculture we have in Pennsylvania is that we
5 spent that time, and we have 2200 companies who want to
6 participate, has great appeal and the cost for
7 agricultural products is, that we need to protect that
8 brand, protect that program.

9 It has taken a lot of public money, a lot of
10 private money, and most importantly, we have a public
11 recognition of Pennsylvania's diverse agricultural
12 diversity in that Pennsylvania program.

13 So, having that protected in the legislation we
14 think is absolutely critical.

15 Pennsylvania, too, has made an extensive
16 investment, as I mentioned, we think it is worth
17 protecting.

18 Some of the companies you will hear from today
19 will attest to that. Having been part of these
20 conversations over time, it is really nice to see a
21 program that has broad appeal.

22 And from a commodity standpoint, just because
23 you're trying to include Christmas trees, in the poultry
24 industry, in the products and mushrooms, and if you put
25 all of that together, because sometimes it's tough to get

1 the right program right where everybody feels that
2 they're connected to the effort.

3 I think that we've done that through
4 Pennsylvania Preferred Program. It is the good
5 housekeeping seal of approval on Pennsylvania products,
6 and it needs to be protected.

7 Much we can talk about, but I just want to say
8 thank you to the Committee, to the Chairman,
9 Representative Houghton, Members, thank you for taking
10 the step to have this conversation about Pennsylvania's
11 marketing efforts and how do we, in this time when the
12 economic agriculture is such that we need to find every
13 market that we can to keep agriculture vital in this
14 state and ensure that, really, it is a part of our
15 future, just to make sure that we use the efforts of
16 identity in the marketplace in the Pennsylvania Preferred
17 Program.

18 So, I'd be glad to entertain your questions or
19 thoughts that you have, Mr. Chairman.

20 MR. CHAIRMAN: Thank you, Mr. Secretary, that
21 certainly is helpful in understanding of the evolution, I
22 guess, of the PA Preferred Program.

23 And we have time for questions, and I'll start
24 with Representative Houghton.

25 Do you have any questions?

1 REPRESENTATIVE HOUGHTON: Yeah. I may have one
2 or two.

3 Thank you, Mr. Secretary, thanks for that
4 testimony.

5 Mr. Chairman, if I may?

6 Walt Moore is a longtime farmer here.
7 Actually, his family just celebrated their 100th
8 anniversary here in the district, and we had a meeting,
9 Senator Pileggi and Representative Ross and myself about
10 a month ago with sedentary dairy farmers and we were
11 discussing a lot of topics, but we were discussing this
12 legislation, and I am still, you know, learning a lot, of
13 course, as a freshman about the dairy industry from Mr.
14 Moore.

15 But we had some questions about, and I had
16 conversations with Diane about the percentage of, you
17 know, the legislation under Title -- under Section 4610
18 talks about the 75 percent figure, the 75 percent of the
19 production cycle in terms of being a Pennsylvanian, and I
20 was trying to get my head around how difficult it is for
21 a dairy farmer who may get, and, you know, try to figure
22 out what the percentage of the products comes from
23 Pennsylvania, because they co-mingle milk with the dairy
24 farms from out of state.

25 So, is there something that you could tell us

1 in terms of how to help them get into the program in an
2 easier fashion than what it seems?

3 SECRETARY REDDING: It is a great question
4 because, as I mentioned, this use agreement that is -- each
5 of the companies agreed too are part of that use agreement
6 outlines, sort of, what the product concept must include,
7 and we are very specific with the use agreement that it is
8 product specific and not company specific.

9 So, you can have a company like Land O'Lakes,
10 which is a good example, there may be product lines made
11 in the plant in Mount Holly Springs that produces butter
12 which would be appropriate to have the PA Preferred on
13 it, but there may be cheese that is marketed through Land
14 O'Lakes and some Pennsylvania product that may not be.
15 But you'll see in the marketplace some products that will
16 carry that.

17 So, your question is specifically, I think any
18 place that we can bring the Pennsylvania produced
19 products into the program, we want to do that. And that
20 has been a point of conversation with each one of those
21 companies.

22 I can tell you that the program has worked
23 well, but we have to, sort of, look at, how do you handle
24 an industry like dairy?

25 Where it is interesting that we don't have more

1 fluid milk, which you would think would be of 100
2 percent. In many cases, PA, that doesn't carry the PA
3 Preferred, but to have some other manufactured product
4 which may be more difficult to clearly identify as PA
5 Product is carried.

6 So, we just need to be sensitive as we move
7 forward that that is probably something to keep our eye
8 on to work with, but we want to bring the dairy trade
9 into that conversation in a bigger way.

10 I would say that there's, you know, a real
11 opportunity for a PA Preferred milk. We have a lot of
12 conversations about the milk marketing board not to
13 co-mingle issues here, but we're talking about identity;
14 right, and who is, in fact, producing.

15 Part of our challenge, of course, making sure
16 that the consumer understands that, that -- in that
17 instance where Pennsylvania Premium is attached and they
18 are paying that, that that is going back to Pennsylvania
19 farmers, Pennsylvania producers.

20 What better way then to have the milk
21 delineated on the shelf as Pennsylvania Preferred?

22 So, it is a great question. Now, maybe not an
23 answer on the percentage question there, but I just think
24 that for each one of the products, when we talk to the
25 companies we can look at that.

1 So, if the issue is that the percentage may be
2 too high in some cases or difficult to either determine
3 or maintain, then we should talk about that.

4 REPRESENTATIVE HOUGHTON: And my final question,
5 this legislation deals with, of course, marketing
6 Pennsylvania's products to consumers. Other than my
7 newsletter and general reaching out to my constituents,
8 does the Department have any ideas in terms of marketing
9 this program to the agricultural industry?

10 In other words, actually sitting down like I
11 did, and there was some gentlemen there that were not
12 aware of it. I mean, other than, maybe, like, a
13 newsletter or something online, is there any, I guess it
14 is all about money, what we can do in the budget in terms
15 of what you're allowed to spend?

16 SECRETARY REDDING: Yeah.

17 REPRESENTATIVE HOUGHTON: I just answered my own
18 question.

19 SECRETARY REDDING: No. It's a good question.

20 We looked at, you know, how do we -- two
21 things. One, promote the company participation through
22 the 2200 member companies that are in, and we do that
23 through, sort of, a contact with them just to keep them
24 in the loop of what we're doing in terms of marketing and
25 outreach and farm shows and such.

1 The second piece is more complicated and
2 expensive, is promoting that to the consumer. We do it
3 online, we do it at the farm shows.

4 You'll see a lot of what we do now, everything
5 from the sign, marketing and Department of Agriculture's
6 presence to Camerian Street to inside the farm show
7 complex to our letterhead, every place that we can tuck
8 that blue and gold checkmark and Keystone, we do it. But
9 it takes money.

10 And I will tell you, that if you really want to
11 have aggressive marketing campaign to now promote this to
12 what I've talked about in my testimony, it takes
13 resources.

14 And whether we do that through the computer or
15 print media or television, that is a part of the
16 conversation.

17 Again, I think, you know, it is important as
18 you move into protecting this through the legislation and
19 really protecting that seal, the brand, for more reason
20 to do your legislation is, it is not going to go away;
21 right?

22 That is part of the concern with both the
23 member companies and the consumers is, that we don't want
24 to spend a lot of money promoting it if there is some
25 chance in this transition of government that this would

1 somehow not be the official seal of Pennsylvania
2 agriculture.

3 REPRESENTATIVE HOUGHTON: And one quick comment
4 if I may, if the Members are interested, there is a local
5 restaurant we can have some lunch at after this hearing,
6 when you go in there they brag about, you know, this is
7 mushroom soup from Kennett Square.

8 Almost every product they mention, they mention
9 the town where they got the ingredient.

10 So, when I tell them about this, they have no
11 clue about this program. They're essentially doing it
12 without the trademark, so...

13 SECRETARY REDDING: It is great. That's a good
14 point, because a lot of folks, I think they're doing
15 Pennsylvania product, presenting it in different settings,
16 but our local participants should be.

17 REPRESENTATIVE HOUGHTON: Thanks.

18 MR. CHAIRMAN: Any other questions from Members?
19 Representative Conklin.

20 REPRESENTATIVE CONKLIN: Yes. Just very quick,
21 Mr. Moore, for farming for over a hundred years, you look
22 wonderful.

23 Mr. Secretary, one question that I have for
24 you, a few years back I was very impressed with the "Buy
25 Fresh, Buy Local," promotion that you've done, especially

1 up in my area, Penn State University.

2 How has this, working along with the, "Buy
3 Fresh, Buy Local," promotions that you're doing that use
4 this as well doing along with it? Is it being effective,
5 or is it being used in two different ways?

6 SECRETARY REDDING: Well, we look at the
7 Pennsylvania Preferred Program as, sort of, the super
8 structure, you know. It goes over the Pennsylvania
9 agriculture, then you have under that, I mean, the farm
10 markets are promoting, Buy Fresh, Buy Local.

11 In some cases it could be -- the Pennsylvania
12 Apple Marketing Board has their own marketing promotions,
13 it may be dairy.

14 Each of the commodities, sort of, fit into the
15 PA Preferred Program. It is really -- what are the real
16 benefits of it? It doesn't exclude anybody.

17 So you can do concurrent ownership, all right.
18 You can be, "Buy Fresh, Buy Local," and be PA Preferred.
19 You could be Pennsylvania Apples and be PA Preferred.

20 So, it is really a very nice complimentary
21 relationship with much of what we do, and it really is
22 the appeal for both the retailers and the farm markets to
23 show the full spectrum.

24 So, it is not a tradeoff, no one feels like
25 they have to, you know, give something up of their own

1 product identity.

2 You know, we have a lot of check off programs
3 here where the producers are actually putting money into
4 promotions. They can do all of that and have this
5 complimentary relationship with PA Programs.

6 REPRESENTATIVE CONKLIN: Thank you. Thank you,
7 Mr. Chairman.

8 MR. CHAIRMAN: Any other questions?

9 REPRESENTATIVE KESSLER: I just have one. In
10 reference to the Use Preferred Agreement, if someone uses
11 the PA Preferred and has not consulted with the Department
12 of Agriculture and has not signed a Use Preferred
13 Agreement, what kind of enforcement do you have now?

14 SECRETARY REDDING: Well, it is limited, but we
15 have the ability to -- the way that it's worked today, we
16 would reach out to that particular vendor or company and
17 notify them that it is inappropriate.

18 I could tell you where folks have wanted to do
19 it and we had very little problem, but where folks had
20 wanted to do it maybe stepped down and used it before we
21 had a chance to engage them. Our ability to bring it
22 into compliance, if you will, has been through
23 conversation.

24 REPRESENTATIVE KESSLER: Okay.

25 SECRETARY REDDING: And that's the way it has

1 been managed today.

2 REPRESENTATIVE KESSLER: And that is in this
3 bill, it would then give you the ability for possibly
4 penalties and law enforcement?

5 SECRETARY REDDING: That is correct.

6 REPRESENTATIVE KESSLER: Thank you.

7 MR. CHAIRMAN: Okay. Jay.

8 MR. HOWES: Thank you, Mr. Chairman, thank you,
9 Secretary.

10 I want to follow up a little bit on
11 Representative Houghton's thoughts as far as milk,
12 because as the single largest commodity, it might be one
13 of the toughest to figure out how to get it into the
14 program.

15 And your example of Land O'Lakes, just so I
16 understand the use agreements and the qualifications, per
17 say, the butter plant is down near Carlisle, would get
18 milk from non-Pennsylvania Land O'Lakes members as well
19 as Pennsylvania Land O'Lakes members, that is part of the
20 question, how would that work in?

21 Secondly, in the interest of being shorted,
22 that we don't do anything inadvertently with legislation
23 that would prevent Land O'Lakes, how is the requirement
24 licensee that headquarters in Pennsylvania fit with the
25 Land O'Lakes as long as they're not headquartered in

1 Pennsylvania?

2 SECRETARY REDDING: Right. You're touching on a
3 couple of points that, if you try to protect the integrity
4 of the program, then you got to, sort of, look at, you
5 know, how we classify someone's participation in the
6 program.

7 From a product standpoint, and again just using
8 Land O'Lakes in the Carlisle Plant, just being familiar
9 with it is, that they, you know, in our discussions, I
10 mean, you're going to have to, you know, identify where
11 is that milk coming from to ensure that it's actually,
12 you know, Pennsylvania, or the requirement has today, 50
13 percent. And that's probably an easier trigger than the,
14 you know, home office discussion.

15 You know, we have to, sort of, talk about that,
16 as to what extent we want to have Pennsylvania products
17 identified versus the headquarters identified for those
18 companies? So we should probably talk about that.

19 We have the issue with Hershey Foods; right?
20 That's a good example.

21 Ten trailer-loads of dairy product going in
22 there a day. Largest single user of fluid dairy products
23 in Pennsylvania going to the Hershey Plant.

24 Hershey, it is hard to get them into the
25 program because of the complications of where they source

1 and where they buy.

2 You know, they're headquartered here, but
3 sourcing wise, they're coming from a lot of different
4 places.

5 So, they would like to, but it is difficult to
6 fit them in for the points, Jay, that you mentioned is,
7 that it is not the participation is specific enough that
8 it would exclude them from carrying that PA Preferred
9 Label, so...

10 MR. CHAIRMAN: Just as a thought for the future,
11 I think that is one of my concerns with codifying this too
12 tightly is, that right now, my impression is, that you have
13 some latitude to work through individual case-by-case
14 situations whereas, if the box is too tight in legislation
15 and then law, maybe we're working against ourselves
16 inadvertently.

17 It is just something to keep in mind as we go
18 forward with this.

19 SECRETARY REDDING: It is a good point. And,
20 obviously, there is good, you know, market place, the
21 systems are changing where folks where they call home.
22 Obviously, it is important, obviously, but in the world in
23 which we are working, what is most important is to make
24 sure that the folks on the farmers side and the agriculture
25 side particularly make a commitment to, you know,

1 marketing, producing and marketing the product is, that we
2 make that connection in the marketplace with the consumer;
3 right?

4 MR. HOWES: Not to belabor this, Mr. Chairman,
5 if I may, but the fact that if we don't help the situation
6 and we, kind of -- just the complications that we could get
7 into.

8 One of the most obvious examples I think of,
9 milk could be identified as Pennsylvania produced milk
10 would be the Swiss Farm Dairy in Lebanon, 100 percent
11 Pennsylvania milk coming from that plant and ninety some
12 percent include sales, but owned by an outside entity.

13 So, you know, again, that is an example of the
14 type of thing that you really have to think about.

15 SECRETARY REDDING: I think the benefit of the
16 legislation, I want to point out, Jay, and I think some of
17 these points when you look at them and decide whether they
18 are the right parameters that we want, but what it does, I
19 think it ratchets out the expectation on both the users of
20 the program, but also the department to protect the
21 integrity of that program; all right? It is simply not the
22 department program in a sense that, that is not a
23 marketing, it is really a consertive effort to brand the
24 Commonwealth, to brand the Commonwealth agriculture. I
25 think it is worthy of protection by statute.

1 So, if it would help us in a couple of things,
2 really, just to make sure that we're protecting it, not
3 that we aren't, as we move into this world of recently
4 complicated food systems, that we make sure that we do
5 everything that we can to protect the identity of the PA
6 and the ownership of that product with Pennsylvania
7 producers.

8 MR. CHAIRMAN: There are other states that do a
9 similar type of thing; isn't that correct?

10 SECRETARY REDDING: Yeah. We got a neighbor,
11 you know, to the east, New Jersey Fresh, who've done a good
12 program.

13 As the name implies, they really have put that
14 more on the fresh side with the fruits and vegetables,
15 but if you think of New Jersey agriculture, that is
16 probably appropriate there. They don't have quite the
17 diversity that we have in Pennsylvania.

18 But, yes. I mean, if you look around the
19 country, each state has a way of putting that seal on
20 their product, whether it be the New York wineries or it
21 could be the Idaho potatoes and California. Everyone has
22 made an effort to try to connect the consumer with the
23 product.

24 MR. CHAIRMAN: It seems to me cows come to mind
25 when you mention California. Aren't they asking now --

1 SECRETARY REDDING: Just for the happy ones.

2 MR. CHAIRMAN: Other questions on my right?

3 REPRESENTATIVE MIRABITO: Yeah. Actually, I
4 think the integrity of the program is very important, and
5 I'm thinking of the auto industry where a lot of energy was
6 spent telling the public cars were U.S. cars when, in fact,
7 the steel was made in Brazil and parts were sourced all
8 over the world and it caused a lot of confusion.

9 A couple of questions. How can the other
10 states deal with dairy; if you know? And is our dealing
11 with dairy very similar, or different?

12 SECRETARY REDDING: That is a good question.
13 What I know, the other states have used more of a national
14 campaigns to promote the product. They haven't done more
15 state specific with the exception of, if you think about
16 Vermont, they have the cheeses and if you think about
17 Wisconsin, but only on certain products, but most of them
18 from a fluid standpoint have bought into the national
19 campaigns or they focused more on the direct market
20 opportunities for dairy as the place to identify that as a
21 state product.

22 REPRESENTATIVE MIRABITO: Specifically, I think
23 the concern is the 75 percent.

24 SECRETARY REDDING: Yeah.

25 REPRESENTATIVE MIRABITO: Do other states have

1 the similar percentage requirement?

2 SECRETARY REDDING: I am not -- I am not aware
3 that they do.

4 REPRESENTATIVE MIRABITO: Okay.

5 REPRESENTATIVE CONKLIN: By the way, I don't
6 necessary think that is a bad thing because, what we gain
7 in the integrity of the program and everything may
8 counter-balance with the problems of a specific industry, I
9 don't think that you could write something that would work
10 in every way, but maybe something to look, something that
11 we could try and specifically look at now.

12 MR. CHAIRMAN: Anything else for the Secretary?

13 Well, we thank you.

14 SECRETARY REDDING: Mr. Chairman, thank you.

15 REPRESENTATIVE HOUGHTON: Thank you, Mr.

16 Secretary, we really appreciate it.

17 MR. CHAIRMAN: Next, we have Dave Hoffman, from
18 Paradocx Vineyard.

19 REPRESENTATIVE HOUGHTON: Mr. Chairman, if I may
20 add, in my opening statement I forgot to also thank all the
21 testifiers today, for those that are running out and going
22 back to do your business, thank you very much for those
23 testifying.

24 DR. HOFFMAN: Good morning, Mr. Chairman,
25 Representative Houghton and Members of the Committee, I'm

1 Dave Hoffman from Paradocx Vineyard.

2 It always seems to be my place when I get few
3 opportunities to do something like this, to speak after a
4 heavy hitter like Mr. Redding, but maybe it is
5 appropriate to bring it down to a smaller level, and one
6 of those 2200 companies is a member of PA Preferred.

7 As I mentioned, I am president of Paradocx
8 Vineyard, also a board member of the Pennsylvania Winery
9 Association. I appreciate the opportunity to share my
10 thoughts about House Bill 2260, Pennsylvania Preferred
11 Act, with the House Agriculture and Rural Affairs
12 Committee.

13 I believe my support is shared by the majority
14 of the family-owned vineyards and wineries that
15 constitute the Commonwealth's wine industry.

16 Paradocx Vineyard, we have 100 acres, 30 of it
17 is under vine. We sell about 3000 cases a year, and we
18 are just a few miles from the hearing here today.

19 And I say, kind of, tongue in cheek jokingly,
20 that if Mason and Dixon had a few more beers at the Deer
21 Park Inn in Newark, Delaware, I might be talking to the
22 Maryland and Delaware legislature. But proudly I am not
23 and I'm speaking here today, and we're proud to grow and
24 craft our wine in Pennsylvania.

25 Also, that I would like to add to Secretary

1 Redding's comment, that we're not only a mushroom
2 country, we are, in Pennsylvania, wine country as well.

3 Pennsylvania wine industry has grown to 130
4 license, approximately 130 wineries, and many of them are
5 in the southeast part of Pennsylvania.

6 As many of you may know or not know, Paradox
7 is a play on words. Pair of docs. It is two families,
8 the Harris and Hoffman families. We are four practicing
9 physicians as well as active farmers.

10 And while we were in our first -- the two of us
11 were in our post-graduate training, we decided to
12 purchase the property that we have in order to grow a
13 vineyard, and joining a growing, but not yet fully
14 recognized, sector of Pennsylvania agriculture community.

15 No doubt our lives would be a lot different and
16 simpler if we only practiced medicine, but we believed in
17 the opportunities that Pennsylvania agriculture has,
18 particularly the future of the Pennsylvania wine
19 industry, and we believe that our efforts can preserve
20 some of the farmland in southeast Pennsylvania, as well
21 as on a personal note, allows us to give our children a
22 diverse upbringing.

23 Our specific story is not unique, but it is
24 unique, maybe, but not uncommon in the Pennsylvania wine
25 industry.

1 Many of the owners of the wineries come from
2 other backgrounds outside of agriculture, but we quickly
3 joined and developed a kinship with the established
4 agriculture community.

5 We are proud to be growing our products and
6 crafting our wines in Pennsylvania and claiming a part of
7 this Pennsylvania heritage.

8 While my comments are specific to the wine
9 industry, a speciality crop, I am sure that some
10 parallels can be made for other speciality crops and
11 commodities.

12 PA Preferred provides Pennsylvania's Limited
13 Wineries to further promote the wines of Pennsylvania.

14 Opportunities granted by PA Preferred, such as
15 the Gettysburg Festival and the Pennsylvania Farm Show,
16 give Pennsylvania wineries exposure to the culinary
17 community and the wine consumer alike.

18 These events allow us to sample and sell
19 Pennsylvania wines to an audience that may not be reached
20 through traditional methods utilized by Pennsylvania
21 wineries.

22 In addition, PA Preferred grants Pennsylvania
23 wineries access to valuable media outlets and public
24 relations outreach.

25 The program's focus on local product is a great

1 asset to the Pennsylvania wine industry during a time at
2 which buying locally produced items is highly valued by
3 the mainstream consumer.

4 Our locally grown and produced wines are
5 well-served by the PA Preferred Program and provides an
6 invaluable relationship to our wine industry.

7 In addition, PA Preferred branding and
8 promotion can assist with the distribution of
9 Pennsylvania wines through wholesale channels by
10 signifying a level of distinction with its brand
11 identity.

12 With that, I would like to elaborate further
13 the benefits of Pennsylvania Preferred, how it grants --
14 what it grants to Paradox and to the rest of the
15 Pennsylvania wine industry if you have specific
16 questions.

17 I ask for your support in the Pennsylvania
18 Preferred Act, and thank you for the time, the
19 opportunity to share our specific thoughts and --
20 specific to Paradox and the sentiments of the
21 Pennsylvania Winery Association.

22 MR. CHAIRMAN: Thank you, Dr. Hoffman, that is
23 very helpful.

24 I will, once again, turn to Representative
25 Houghton and ask if he has any questions?

1 REPRESENTATIVE HOUGHTON: Doctor, you forgot to
2 mention that you got a paint can wine.

3 DR. HOFFMAN: Right.

4 REPRESENTATIVE HOUGHTON: It is very cool. You
5 sell wine in paint cans. It's very cool.

6 DR. HOFFMAN: It is unique.

7 REPRESENTATIVE HOUGHTON: And you also have a
8 store in Longwood Garden Shopping Center where you sell --

9 DR. HOFFMAN: Right. I think some of your
10 traditional methods of marketing our sales in Pennsylvania
11 wineries is selling directly from the winery, as well as
12 we're able to have 25 outlets in the Commonwealth to sell
13 wine. Right now we have one other.

14 REPRESENTATIVE HOUGHTON: You may have said
15 this, are you currently enrolled in this program?

16 DR. HOFFMAN: We are.

17 REPRESENTATIVE HOUGHTON: Okay. Do you use the
18 trademark?

19 DR. HOFFMAN: We do not.

20 And one of the reasons is why we are here
21 today. When we produced our labels -- we use it at the
22 store and at the winery, but actually on our labels,
23 which we could on probably all of our wines would meet
24 the criteria, at least the majority would. But the
25 labels are produced in quantity and per the region, and

1 for a small winery like us, we use the same label for
2 several years and -- so we are in the process of
3 reproducing labels. And, actually, with this hope, you
4 know, I look at it and say, maybe we should make the
5 effort and put the brand on the label knowing that it's
6 going to be, you know, have a high likelihood of being
7 preserved in the program.

8 REPRESENTATIVE HOUGHTON: Now, of course, I'm
9 sure there is a segment of the wine-consuming community who
10 love French wine or they love California wine or Australian
11 or Italian wine, do you experience a segment that come in
12 and seem excited that, wow, here is a Pennsylvania vineyard
13 right in my backyard?

14 DR. HOFFMAN: It's only -- for me to say that
15 the mainstream consumer is interested in local product is
16 not just for the Committee here. That's the truth.

17 And -- so, yes. Everybody has -- will compare
18 to the old world and the new world, but Pennsylvania has
19 a unique wine style, and we have a diversity in the wine
20 industry that the consumers increasingly are looking at
21 and enjoying.

22 REPRESENTATIVE HOUGHTON: Thank you.

23 MR. CHAIRMAN: Any questions on my right? Any
24 questions on my left?

25 REPRESENTATIVE CONKLIN: I'm just more impressed

1 with the fact that I thought that wine came in boxes, to
2 find out that it comes in cans is pretty cool.

3 DR. HOFFMAN: Right. Right. We'd like to do
4 more with that through the program.

5 MR. CHAIRMAN: Dr. Hoffman, I just have one
6 question. The Pennsylvania State Stores, Secretary Redding
7 mentioned that Giant Food Stores have a PA Preferred
8 section, as a consumer of wine, I don't recall seeing in my
9 local store a Pennsylvania Preferred area. Have we had any
10 success? Are you aware of any success with the
11 Pennsylvania Liquor Control Board in trying to establish a
12 PA Preferred sections in our liquor stores, State Stores?

13 DR. HOFFMAN: To that specific question, I do
14 not know of any success. We would be more than interested.

15 MR. CHAIRMAN: I shared this conversation not so
16 much in the PA Preferred branding, but with some friends in
17 the wine industry in Erie. I guess at one time there was a
18 section in the Pennsylvania State Stores that carried
19 specifically PA wines, but I guess that's not much the case
20 anymore, and I think maybe we might want to engage them in
21 a conversation about the PA Preferred section that would
22 give us the opportunity to better market that.

23 I think that you are right. I mean, the group
24 that I am friends with, they drink quite a bit of wine,
25 not that I do, but they really are interested in the

1 local brand.

2 I mean, there was a time when there was a real
3 fascination with foreign wines, whether it be France or
4 Portugal or wherever, more and more I find that our
5 consumers want to say that it is a local wine.

6 So it would be nice if we could work with the
7 LCB and try to establish a connection with PA Preferred
8 and their market.

9 DR. HOFFMAN: That would be another item or
10 avenue to add.

11 The wine industry has made some efforts to
12 establish a liaison with the Pennsylvania Liquor Control
13 Board. And maybe that's just another item that we could
14 bring to our next meeting.

15 You know, we have a Pennsylvania Preferred
16 Program, wine is part of it.

17 At least let's change the section of the liquor
18 stores that do have Pennsylvania Wine, that it is not
19 labeled New York/Pennsylvania, that it is labeled at
20 least Pennsylvania/New York.

21 MR. CHAIRMAN: Well, when you have that meeting,
22 do not hesitate to include all of us in that, and let the
23 Liquor Control Board know of our interest in trying to help
24 you establish that section with the State Stores as well.

25 DR. HOFFMAN: Thank you for offering that.

1 REPRESENTATIVE HOUGHTON: Dave, put aside seven
2 or eight cans of paint -- of some wine and I will bring it
3 as a gift to my friends coming down here today.

4 DR. HOFFMAN: I will.

5 REPRESENTATIVE HOUGHTON: See if my friends will
6 drink wine out of a paint can.

7 MR. HOWES: I think it is great that the
8 Pennsylvania wine industry is growing them by any means.

9 You mentioned that you are a participant in the
10 program now, and do you like being a participant?

11 DR. HOFFMAN: I was asked that, and I don't
12 think initially, and I could be corrected by others here, I
13 don't think initially there was a fee to the program.

14 MR. HOWES: Okay. And the legislation would
15 call for, as I read it, a potentially \$100 annual fee. I'd
16 like any comment that you have on that and, more
17 specifically, how your reaction as a relatively small
18 entity paying the same fee as, perhaps, Giant Foods?

19 DR. HOFFMAN: The fee that I saw in the -- in
20 the bill did not seem onerous even to our size. To pay the
21 same fee -- I mean, in our industry, different size
22 businesses pay different fees in order to be a member of an
23 association.

24 But specific to what was mentioned here, I
25 didn't see it as a detriment to joining the program. And

1 I also saw it as a benefit, because some of the concerns
2 that were voiced by Secretary Redding shared by the
3 member of the companies, other organizations,
4 associations that have large groups of member companies
5 about preserving the integrity of the brand. And, so,
6 there has to be some mechanism to do that.

7 MR. HOWES: Thank you.

8 MR. CHAIRMAN: Dr. Hoffman, again, we thank you
9 for your testimony.

10 DR. HOFFMAN: Thank you.

11 MR. CHAIRMAN: Next we have the president of the
12 Pennsylvania State Grange, Betsy Huber.

13 MS. HUBER: Good morning.

14 MR. CHAIRMAN: Good morning, and welcome.

15 MS. HUBER: Thank you. Welcome to Southern
16 Chester County.

17 REPRESENTATIVE HOUGHTON: Betsy, could you give
18 a little promo for the Grange; if you could?

19 MS. HUBER: First of all, if you go out to
20 Baltimore Pike, down the bottom of the hill you will enter
21 my township.

22 I am the supervisor here in my territory.

23 MR. CHAIRMAN: Twenty years supervisor?

24 MS. HUBER: Nineteen, yes.

25 The Grange is very active in this area, too.

1 We have nine or ten local Granges in Chester County, and
2 our most active ones are in Russellville, which is about
3 three miles from here.

4 It is a family organization on roots and
5 agriculture, and we do a lot of community services in the
6 local area.

7 Thank you.

8 REPRESENTATIVE HOUGHTON: Thank you.

9 MS. HUBER: Thank you, Chairman Hanna and
10 Representative Houghton, for the opportunity for the
11 Pennsylvania State Grange to offer testimony today on the
12 PA Preferred Program. We appreciate the chance to offer
13 comments on behalf of our 12,000 Grange members in
14 Pennsylvania.

15 The PA Preferred Program is designed to help
16 consumers identify products grown or produced in
17 Pennsylvania. It is intended to help producers and
18 processors of Pennsylvania products by increasing
19 consumer awareness, accessibility and consumption of
20 products grown and/or processed in Pennsylvania.

21 It offers free and generic advertising and
22 logos, as well as online marketing courses to
23 participants to help them promote their products.

24 The Pennsylvania State Grange does not
25 currently have any official adopted policy concerning the

1 PA Preferred Program or House Bill 2260, but my testimony
2 today includes my personal opinions and the feelings of
3 several Grange members that I have talked to.

4 I spoke to several small farmers who have not
5 bothered to sign up as participants in the PA Preferred
6 Program. They all said it might be valuable to them, but
7 they just had not or did not want to take the time to
8 file the paperwork. Producers who only sell a small
9 amount of product in their local area do not see the
10 program as being worth the effort.

11 Another issue seems to be that consumers and
12 producers alike are not familiar with the program and
13 don't understand what it is.

14 Some thought it was a grade, like choice or
15 prime beef, others were confused that it required the
16 participant to be certified organic. They were concerned
17 that if their veterinarian treated a sick animal with
18 medications, that would prohibit their participation in
19 the program.

20 There are currently so many different labels
21 like Buy Fresh, Buy Local, Slow Food, Organic, Natural,
22 grass-fed, free range, that the PA Preferred title and
23 logo just blend in with all the rest and are not
24 understood by consumers.

25 There are also numerous check-off,

1 farmer-contribution marketing programs for apples,
2 peaches, nectarines, wines, vegetables, potatoes, beef
3 and milk. Farmers are required to participate in these
4 programs for which the money is used for advertising that
5 commodity.

6 For instance, apple growers pay 15 cents a
7 bushel for every fresh market bushel of apples they sell,
8 or 7 cents a bushel for apples for processing.

9 Is there value to the growers to contribute a
10 fee of \$100 a year for more generic advertising? This
11 cost could also deter smaller producers from
12 participating, since some don't see the value now when
13 there is no fee.

14 A trademark license fee of up to \$100 is
15 mentioned in the bill; however the department may revise
16 the fee at any time through publication in the
17 Pennsylvania Bulletin. The fee could grow rapidly to a
18 much higher amount if enough producers don't participate
19 to fund the program to a sufficient level.

20 I would also like to be sure that there is no
21 deadline for participation; that producers can sign up at
22 any time they wish. If farmers don't sign up right away
23 but later see a benefit for their business, they should
24 be permitted to enroll at a later date.

25 Section 4605(b) of House Bill 2260 causes some

1 concern for me. It provides reimbursement of costs to
2 the Department of Agriculture for the proportional share
3 of expenses incurred in connection with any activity
4 conducted or facilitated by the department in which a
5 licensee participates. This may include event
6 registration fees, equipment rental, display rental fees
7 and, "other costs," which could include anything.

8 Depending on how many PA Preferred licensees
9 participate in a show, this expense could be great.
10 Would the participant know how much cost would be
11 involved before committing to participation in the event?

12 I would also like to recommend that the PA
13 Preferred Program for milk be more strongly emphasized.
14 In the difficult economy that dairy farmers are going
15 through, any extra benefit and advertising for PA local
16 milk would certainly help them. It would seem logical
17 for the processor to register rather than each individual
18 dairy farm.

19 Differentiating their product from processors
20 who are out of state could result in financial benefit
21 for the PA Preferred processor through larger market
22 share.

23 The Grange is interested in assisting all types
24 and sizes of agricultural operations to survive and
25 thrive. Setting oneself apart from the crowd in some way

1 will help attract sales and enable a premium charge for
2 products.

3 Today's consumers are paying more attention to
4 where their food comes from and how it is produced. A
5 quality-rated local program will attract these savvy
6 consumers and ensure them that the products they purchase
7 meet the high standards they are looking for.

8 Thank you very much for the chance to testify.

9 MR. CHAIRMAN: And we thank you for sharing both
10 your thoughts and concerns with the legislation, and I made
11 note of them and will follow up on them.

12 Representative Houghton, anything?

13 REPRESENTATIVE HOUGHTON: Thanks. I just want
14 to second that, a lot of good substitutive comments there.

15 We will work with staff to try to see whether
16 any of them call for an amendment, but they are all good
17 comments and we will discuss them.

18 MR. CHAIRMAN: Any questions on my right? On my
19 left?

20 REPRESENTATIVE CONKLIN: Just real quick, Mr.
21 Chairman. One of the questions that I have, and I am a
22 proud member of the Grange, myself. It is a great
23 organization.

24 How many of your members locally actually
25 produce an abundance more than what they use themselves,

1 that they actually are able -- and the reason that I'm
2 bringing this up is, Representative Houghton clearly
3 stated that we are anxious to look into the smaller
4 farmer, the one that may only be selling in the fall or a
5 small amount, how many of your members are actually a
6 profitable entity within just this area? Well, I believe
7 none of them are, but...

8 MS. HUBER: Well, right now.

9 REPRESENTATIVE CONKLIN: Or at least try to be
10 profitable, I will put it that way.

11 MS. HUBER: We do have, as far as giving you a
12 definite answer, we still have dairy farmers in this area
13 who, of course, sell their milk. I would think that we
14 have a lot of gardeners who have excess produce that they
15 sell at a farm market or auction in the summer.

16 REPRESENTATIVE CONKLIN: That's what I was
17 getting at, how many members would like to be involved and
18 only do it as they work their 40 hours and they come home
19 and they work their 100 hours on the farm just because they
20 love it, and they mainly have three or four head and they
21 only have 10 or 15 acres that they --

22 MS. HUBER: Yes. That is true in agriculture.
23 I forget the percentage of farmers who are full-time
24 farmers now, but it's very small. Most agricultural
25 operations have other jobs.

1 REPRESENTATIVE CONKLIN: Thank you.

2 MR. CHAIRMAN: Representative Mirabito.

3 REPRESENTATIVE MIRABITO: You know, as I was
4 thinking of what you were saying, mentioned one thing about
5 the dairy, what would the -- what would work for the PA
6 Preferred Program?

7 In other words, what would have to be done with
8 it to distinguish it from these others? You mentioned
9 there is a lot of marketing out there, the Buy Local, Buy
10 Fresh and so forth, what -- if you could think of it, and
11 maybe if not now, later, what could be done that would
12 make your members stand up and say, you know what, that's
13 helping us?

14 I know they are at a difficult situation and
15 these have been very hard times, because I have a Grange
16 up in Williamsport, Lycoming County, and I go to a lot of
17 their events and I was at a dinner a couple of weeks ago
18 and I know these are very difficult times, but is there
19 something that you can think of?

20 MS. HUBER: As Secretary Redding said, PA
21 Preferred is an overarching program that the others are
22 subsidiaries of.

23 I can see in the case of milk, the processor
24 would have to have different labels for different
25 distributionaries, I would think.

1 Like Land O'Lakes would have to have a separate
2 label that they market in Pennsylvania if they can
3 qualify for the PA Preferred.

4 And the -- just the advertising, of course that
5 takes money. Promoting a program more would make it more
6 valuable to the participants. But it takes a lot of
7 money.

8 REPRESENTATIVE MIRABITO: So, in other words,
9 you are saying that maybe if your members saw PA Preferred
10 presence in a lot of places, you know, through a mass
11 marketing campaign, they might become inclined to step up
12 and say, okay, there is a program?

13 MS. HUBER: Yes. I think so.

14 REPRESENTATIVE MIRABITO: Okay. Thank you.

15 REPRESENTATIVE HOUGHTON: Betsy, thank you very
16 much. I appreciate it.

17 MS. HUBER: Thank you.

18 REPRESENTATIVE HOUGHTON: Next up, Mr. Wells.
19 Mr. Wells of W.D. Wells and Associates.

20 Good morning, Mr. Wells.

21 MR. WELLS: Good morning. Thank you, Chairman
22 Hanna; thank you, Tom, for inviting me. I represent W.D.
23 Wells, Associates. I am William H. Wells, the second
24 generation involved. We are from the nursery side of
25 things.

1 We were talking a lot about food, but nursery
2 products are an important part of Pennsylvania
3 agriculture.

4 REPRESENTATIVE HOUGHTON: Nursery capital of
5 Pennsylvania right here. Congratulations.

6 MR. WELLS: We are unofficially, anyway.

7 There are lots of nursery growers in the area.
8 You have Conard-Pyle across the street is nationally
9 ranked in the top ten producers of plants in the country.
10 So they are pretty significant presence in agriculture
11 here.

12 My company, W.D. Wells, Associates, has served
13 the environmental needs of Pennsylvania and the northeast
14 for more than four decades. My father started the
15 company many moons ago.

16 We are in the tree business, as I mentioned.
17 And tree and plant material, I think, we all recognize
18 are a vital part of solving the environment challenges as
19 we seek to rebuild a lot of the green infrastructure in
20 the state here, improve air quality and water quality.

21 The nursery stock does play an important part
22 of agriculture as we move forward into the coming
23 challenges.

24 I am also on the Board of Pennsylvania
25 Landscape and Nursery Association, otherwise known as

1 PLNA.

2 PLNA is really made up of primarily
3 family-owned businesses.

4 Little known fact, the nursery, landscape and
5 retail garden center business in Pennsylvania is
6 somewhere in the neighborhood of \$5 1/2 billion annual
7 revenue.

8 The green industry employees over 100,000
9 Pennsylvanians, and we are the largest cash crop and the
10 fastest growing segment of agriculture in Pennsylvania.
11 That is, kind of, I think, a little known fact out there.

12 Pennsylvania nurseries and garden centers seek
13 to promote their locally-grown products and really have a
14 great option available in the PA Preferred Program.

15 Back in 2003, PLNA began to meet with the
16 Department of Agriculture staff to discuss the
17 possibility of including nursery products in PA Preferred
18 Program. And we were successful in that.

19 So, we have been a partner in this program
20 since 2003. And, honestly, it has really helped us a
21 lot, for Pennsylvania nurseries to help promote that
22 product, promote our products within the state, just
23 trees, shrubs and turf are some of the things that we do
24 grow.

25 House Bill 2660, to codify the PA Preferred

1 Program and enshrine it in the fabric of the, you know,
2 Department of Agriculture for future secretaries and
3 staff to utilize is a really, I think, a really positive
4 and necessary step in moving forward as the program has
5 finally, I think, got a little attraction, a little
6 recognition out in the world there, both on the producers
7 side and from the consumers side.

8 So, having it permanently funded, I think,
9 would be certainly -- would be critical.

10 I do want to say -- thank Representative
11 Houghton for bringing this forward. I know that he likes
12 to, sort of, promote the idea of thinking globally and
13 acting locally, and, you know, this really does address
14 that, really, that effort.

15 One of the things as I was, sort of, thinking
16 about this whole, you know, PA Preferred and what it does
17 for the consumers, and I think the comment that Secretary
18 Redding made about the Giant relationship, sort of,
19 addresses this.

20 You know, a lot of people are consumers, are
21 interested in being green, doing things sustainable, you
22 know, they want the opportunity to buy locally.

23 I know, personally, sometimes the challenge
24 really is to be able to identify what is local, and how
25 can you do it?

1 I mean, it's -- you know, we would like to be
2 able to do these things and be more green and act in a
3 more sustainable fashion, but, you know, in a busy world
4 that we all live in and all the challenges that we are
5 facing, having a program that helps us, sort of,
6 identify, and identify easily, how we go about doing that
7 really, really is a helpful thing.

8 And one of the things in our industry, we talk
9 about carbon footprint, the bottom line is, a lot of our
10 material is very heavy, you know.

11 We send truckloads of plants and they weigh a
12 lot. So there's a lot of cost involved in shipping this
13 stuff.

14 So, the opportunity to promote a locally grown
15 product versus importing plants from North Carolina or
16 the west coast or something is really -- is a great
17 benefit. And the opportunity to, sort of, present this
18 to consumers and say, hey, this is a locally grown plant.

19 Grant it, it makes the product a little more
20 cost effective because it is a whole lot less shipping
21 cost involved in it.

22 But, you know, giving Pennsylvanians that
23 honest opportunity to buy locally, I think, is really
24 critical.

25 It is my hope, and I think that we can get the

1 PA Preferred Program to be a permanent part of the
2 Department of Agriculture going forward here.

3 And another thought that we might consider
4 going forward would be the possibility of perhaps some
5 day in the future, it could be part of Pennsylvania law
6 that PA Preferred Program, our products would be -- would
7 be the product of choice for the state.

8 I think that would be a great opportunity to,
9 sort of, take this to another step and say, hey, let's
10 buy PA grown product as our number one choice and, you
11 know, sort of, put your money where your mouth is. I
12 mean, it is -- let's support our local guys.

13 That is really what I wanted to say. I think
14 -- I do want to thank everybody for the opportunity to be
15 here.

16 You know, as a consumer, to me, being able to
17 buy stuff locally is becoming more and more critical.
18 And this is a nice way. It is finally getting a little
19 attraction, both within producers and with the consumers.
20 If we can make this permanent, I think it is a great next
21 step.

22 Just on, sort of, an antidotal level, talking
23 about the Giant opportunity, I shop here at the Giant
24 Store. The PA Preferred rack, the apples are 99 cents a
25 pound, they are \$1.99 if you get the Washington State

1 apple.

2 So, as a consumer, you know, I gravitate to
3 that local PA rack, you know, and I go, I'm going to buy
4 the 99 cent apple, it's fresh, it's local and it is a
5 whole lot cheaper.

6 So, you know, Giant has done, sort of, a nice
7 job of helping people, the consumer, to become aware of
8 that actual label out there.

9 That is really my comments, and any questions,
10 I would be more than happy to entertain.

11 REPRESENTATIVE HOUGHTON: Mr. Wells, how is
12 business?

13 MR. WELLS: Our business? Last year it was a
14 challenge.

15 The landscape, nursery industry has certainly
16 experienced some -- some adjustment. I think it seems to
17 be a little bit stronger this year.

18 On a different note, thanks for asking, Tom. I
19 appreciate that.

20 REPRESENTATIVE HOUGHTON: You're welcome.

21 MR. CHAIRMAN: Any other questions?

22 Jay.

23 MR. HOWES: Thank you. And I guess that if I
24 asked Dr. Hoffman a question, I should ask you as well.

25 MR. WELLS: Well, I appreciate that.

1 MR. HOWES: You are currently, W. Wells --

2 MR. WELLS: Yes. We've been involved since
3 2005.

4 MR. HOWES: And at no cost. Any thought that
5 you would have on the \$100 annual, up to \$100 annual,
6 however that gets resolved, and in paying the same fee as
7 other entities?

8 REPRESENTATIVE HOUGHTON: I believe there is an
9 exception for nurseries.

10 MR. WELLS: You know, as a business owner and
11 operator, I think you have to, sort of, expect that as a
12 cost. I think from, you know, being what we like to think
13 of as the original green industry, within our industry
14 there is a willingness to promote and realize that, you
15 know, there is a cost associated with a marketing campaign.

16 Frankly, I would be almost willing to pay more
17 if I felt there was a stronger marketing campaign and
18 perhaps a little more consumer awareness, because I think
19 the time is right there, and I think the time is right
20 with society when people are interested in trying to do
21 things green.

22 So, if we can do more to make more consumers
23 aware, I think there may be, if, as a business owner,
24 I saw the results of that willingness to pay a little bit
25 more.

1 So, the cost associated doesn't -- does not
2 really scare me.

3 And, again, it is just, kind of, along the
4 lines of putting your money where your mouth is.

5 I mean, if we want to convince consumers that
6 they should be buying from their local business, then
7 local business has to be willing to support it.

8 MR. CHAIRMAN: Anything else on the left; how
9 about on the right?

10 REPRESENTATIVE HOUGHTON: Thank you very much.

11 MR. WELLS: I need to excuse myself, it is
12 springtime and the nursery industry is -- we are busy,
13 fortunately.

14 Thank you.

15 REPRESENTATIVE HOUGHTON: Thank you, sir. We
16 appreciate it.

17 MR. CHAIRMAN: Next, we have Chris Herr,
18 Executive Vice President of PennAg Industries.

19 Welcome, Chris.

20 MR. HERR: Thank you, Representative Hanna, it
21 is a pleasure to be here.

22 Representative Houghton, thanks for hosting us
23 today. We have lots of members in your district.

24 I will keep this fairly brief. A lot of the
25 specific questions I can -- or issues I can -- I can,

1 sort of, second. But it is a pleasure on behalf of
2 PennAg Industries to be here this morning.

3 We represent about 550 agriculture businesses
4 throughout Pennsylvania, many in the southeast that we
5 are in today, and many who utilize the Pennsylvania
6 Preferred logo already.

7 I will stray just a bit from my remarks and
8 then, you know -- this has been around Harrisburg for a
9 long time and there have been marketing programs where it
10 seemed to follow administrations. And it has been a
11 traditional frustration of those who get into these
12 marketing programs, that every four or eight years they
13 change after they've made the commitment.

14 You heard today about the labels. Many of my
15 members purchase labels every couple of years.

16 And -- so, I think the idea to develop some
17 legislation to ensure that these marketing programs are
18 going to be around in the future is a great idea, and
19 certainly long past its due.

20 So, we would, you know, very much support that
21 concept that most people who utilize the Pennsylvania
22 Preferred logo don't follow governors who come and go,
23 they are just trying to do business. And that's where we
24 are coming from today.

25 And, again, thank you for your leadership on

1 that issue.

2 Most of my comments really revolve around
3 technical issues with, you know, with the language that
4 has been proposed.

5 I would encourage the Committee to look at this
6 very carefully and make sure that my interpretation of
7 what I see is really technical issues with the language
8 be addressed.

9 And I believe a couple of the other speakers
10 have touched on, where that \$100 fee comes in and whether
11 or not, you know, that fee is capped, and whether or not,
12 you know, there is going to be some sort of a surcharge
13 on users of this program.

14 I think there is plenty of time to look at
15 those specific issues and make sure that the users are
16 comfortable with that.

17 So, again, they are in my testimony and I am
18 confident that they will clearly be addressed.

19 It is too nice a day to go into a whole lot
20 more than that. I appreciate the Committee looking at
21 this. This is a very important part of, and a very
22 successful program.

23 Many of our members use it. We use it as part
24 of our farm ship food booth. We have a number of
25 Pennsylvania Preferred commodities that we serve there,

1 and, you know, again, thinking that this could continue
2 on past another administration and be codified in a piece
3 of legislation I think is a great idea.

4 With that being said, Representative Houghton,
5 you had big shoes to fill from an agricultural
6 standpoint, and, you know, we are very pleased that you
7 have been openminded to the concerns of agriculture and
8 aggregate business. And I really think that you've been
9 successful at doing that, you know.

10 And the rest of the Committee, I look around
11 here and they're great supporters of PennAg Industries
12 and of agriculture in general.

13 And if we could work with you on any of these
14 issues, we would do that.

15 With that, again, keep it short. If there is
16 any questions specifically, I would be glad to answer it.

17 MR. CHAIRMAN: Thank you, Chris. We appreciate
18 your participation, and we will take specific looks at this
19 action that you cited in your testimony and we will make
20 sure that they are properly addressed. So we thank you for
21 that.

22 Any questions on my left?

23 REPRESENTATIVE HOUGHTON: I just have a general
24 comment. I sat right next to those big shoes at the YMCA
25 board meeting this morning.

1 MR. HERR: Good.

2 MR. CHAIRMAN: I was going to mention that I had
3 big shoes to fill when I became chairman because, just like
4 Representative Houghton, my predecessor, who was the former
5 representative of this area, and he did a great job to the
6 committee prior to my coming. So I had big shoes as well.

7 MR. HERR: I appreciate your acknowledgment, and
8 with that, Art was an icon in Harrisburg and really the
9 last farmer in the House of Representatives. And, you
10 know, your willingness to take a look at the issues that
11 are, in most cases, they're very nonpartisan issues.
12 Agriculture is about, you know, feeding Pennsylvanians,
13 feeding those whose challenges, you know, paying the bills
14 from time to time, making sure that there is nutritious
15 cost-effective food. And you have been opened to the
16 complexity of the issues, and we really appreciate it being
17 a nonpartisan issue. Thank you for that.

18 MR. CHAIRMAN: Anyone on my right?

19 Well, we thank you, Chris.

20 REPRESENTATIVE HOUGHTON: Thank you, Chris, we
21 appreciate it.

22 MR. HERR: Thank you.

23 MR. CHAIRMAN: In an effort to not mispronounce
24 someone's name, I'm going to ask Representative Houghton to
25 introduce our last speaker.

1 REPRESENTATIVE HOUGHTON: Mr. Recchiuti; did I
2 say that right?

3 MS. MANNING: Mr. Recchiuti is going to have a
4 substitute this morning.

5 REPRESENTATIVE HOUGHTON: Okay. And I think
6 that we're better off for it.

7 MS. MANNING: My name is Sarah Manning; I am the
8 AMI salesperson at the American Mushroom Institute in
9 Avondale. And our association has membership in the PA
10 Preferred, as well as we are representatives of the farms.

11 I appreciate the opportunity to share
12 information with you this morning. Thank you for
13 inviting us today.

14 Pennsylvania mushroom growers benefit from the
15 PA Preferred label in several ways. According to recent
16 statistics, almost 95 percent of Pennsylvania consumers
17 are interested in buying local.

18 The PA Preferred logo helps consumers identify
19 mushrooms and other products of Pennsylvania agriculture,
20 and that provides a valuable service to producers and
21 consumers.

22 We benefit as mushroom growers in a number of
23 ways.

24 There is a cost to change the labels on our
25 products. Producers have invested significantly in the

1 logo by altering their packaging to include it.

2 Retailers have built advertising campaigns around it.

3 And we think if the program would continue, it
4 would benefit participants, because a lot more people
5 would know about it. We would get more of our growers
6 involved in it.

7 One of the things that I passed out, if you
8 look at some of our recipe booklets, our brochures, all
9 of the products that we try to promote are -- we usually
10 have some kind of promotional material, recipes, go out
11 to 800 members of the farm show, often with -- often we
12 give them a package of mushrooms in that little packet.
13 We have nutrition brochures. And all of those things are
14 a significant investment to us, to the association. So
15 if the program continues, I think that would be very
16 helpful.

17 The generic marketing and promotion program is
18 a tool to reach consumers, retail and food service
19 outlets. Each year more funds are necessary to build
20 demand for a Commonwealth product, to protect the value
21 perception of fresh and processed mushrooms and to create
22 a sustainable competitive position for mushroom growers.

23 The PA Preferred Program has enabled small
24 Pennsylvania companies to have their products considered
25 for inclusion in major retail, wholesale and distribution

1 chains.

2 I have some other statics on there, but on
3 behalf of the Pennsylvania mushroom growers, we would
4 like you to support the Pennsylvania Preferred
5 legislation so that we can continue to market and promote
6 our product, add value to the economy, create jobs, keep
7 tax dollars in Pennsylvania and preserve the
8 Commonwealth's position as the number one producer of
9 mushrooms in the United States.

10 And I just, you know -- we've really, kind of,
11 taking the PA Preferred logo and used it as often as we
12 can. And often you will see those bags at the farmers
13 show.

14 So, I can't speak for all the growers, but if
15 you have any questions I would be happy to help you.

16 MR. CHAIRMAN: Thank you, Sarah. I have just
17 one, and I hope that I didn't miss it in your testimony.
18 It sounds like within the mushroom industry, PA Preferred
19 is well established here.

20 MS. MANNING: We do. I would say probably we
21 have between 25 and 35 of our growers. Right now we have
22 71 growers in Pennsylvania, but not all of our small family
23 farmers market their mushrooms.

24 So they grow them and sell them to a bigger
25 operation like Country Fresh or Phillips Mushroom Farm.

1 So they wouldn't necessarily be the ones
2 putting the label on. If they sell them privately, you
3 know, they might have use for it.

4 But I would say it is the companies that grow
5 it as well as package that would use the label.

6 And for us, you know, anything that
7 distinguishes us and the marketplace is good, because
8 people don't necessary -- if you are going to make a
9 salad, you might get lettuce, cucumbers and tomatoes, you
10 don't necessarily pick up mushrooms.

11 So, any little thing, any little label that
12 might enhance, you know, growers is something that is
13 good for us.

14 MR. CHAIRMAN: I would think for the mushroom
15 industry, particularly the Pennsylvania mushroom industry,
16 this could be a wonderful help in the market.

17 I noted in your testimony that 65 percent of
18 the mushrooms consumed are from Pennsylvania.

19 MS. MANNING: Right. Right. And, obviously, we
20 grow them across the United States, but -- I mean they are
21 shipped to other places, but it is interesting to me that I
22 can go into a grocery store and see mushrooms from Canada,
23 and I am always complaining.

24 So --

25 REPRESENTATIVE HOUGHTON: Well, we ship cheese

1 into Wisconsin.

2 MR. CHAIRMAN: Well, I thank you for your
3 testimony.

4 I didn't mean to dominate things there.

5 Any questions or comments on the left?

6 REPRESENTATIVE CONKLIN: Just a quick question.
7 You were saying about a salad, my wife buys mushrooms first
8 and then she buys something else.

9 But you said something that I found interesting
10 is, that you said that you have smaller growers that make
11 up the company?

12 MS. MANNING: Right.

13 REPRESENTATIVE CONKLIN: And you have the
14 Pennsylvania PA logo on it. So what you are saying is,
15 that all of your growers are Pennsylvania growers, so you
16 are able to use that logo without the small guy actually
17 have to pay for that licensing that you're able to do it
18 and still promote Pennsylvania product?

19 MS. MANNING: Well -- yeah. I would say --
20 let's just say it is Phillips Mushroom Farms, I don't want
21 to speak for them, but they might have a grower that's
22 right down the street here that has two growers and, you
23 know, has very few -- they don't sell as much as Phillips,
24 but Phillips would need to supply some extra mushrooms. So
25 they wouldn't necessarily buy into the program, but

1 Phillips would.

2 REPRESENTATIVE CONKLIN: Excellent.

3 MS. MANNING: But it gets grown here. All the
4 mushrooms are grown here.

5 REPRESENTATIVE CONKLIN: No. No. I like that.

6 MS. MANNING: Yes.

7 REPRESENTATIVE CONKLIN: It gives the
8 opportunity to the small, we were talking about the Grange,
9 it gives the opportunity to the small individual to be able
10 to sell to you.

11 A friend of mine actually sells to Land
12 O'Lakes, the local milk company.

13 MS. MANNING: Right.

14 REPRESENTATIVE CONKLIN: But, no, that is
15 enlightening to know that the small grower, by selling to
16 you, can still take advantage of the logo.

17 MS. MANNING: Right. And I just would still
18 like to point out to you that all of our farms are family
19 farms. Some of them are a little bit bigger than others,
20 and as we get more and more regulations, you know, it is
21 only the bigger farmers that will keep up with that.

22 MR. CHAIRMAN: Anything on --

23 REPRESENTATIVE MIRABITO: No. I bought
24 mushrooms last night and --

25 MR. CHAIRMAN: He owns a restaurant.

1 REPRESENTATIVE MIRABITO: I didn't buy them for
2 the restaurant, I bought them for the house.

3 But what occurred to me is, that, and I bought
4 the Giant, and I don't see any -- I don't think that I've
5 ever seen in that Giant Supermarket the PA Preferred
6 rack. And it occurred to me that it would be useful to
7 look at some of these -- the Giant stores and some of the
8 others, the proximity from here, which stores they use
9 the PA Preferred rack in because, I don't think that the
10 PA Preferred, and that may be why the Grange folks are
11 not so enamored with the program because, I think the
12 further away you get from the agricultural concentration
13 of this county, we may find less usage by some of the
14 large institutions like Giant. And maybe there is a way
15 to try and reach out to them to change that. I cannot,
16 for the life of me, recall seeing a PA Preferred rack in
17 that store.

18 Last night, the mushrooms, I can't tell you
19 where they're from, but I don't think they were from
20 Pennsylvania. I mean, just off the top of my head, I
21 would have noticed, I think.

22 So, I think that's something we have to try to
23 look at, because it would be interesting to superimpose
24 on Chester County because, obviously here we had
25 testimony about the -- about the apples down here at the

1 Giant and so forth down the block.

2 So, I appreciate your testimony very much and
3 I'm going to go look for those.

4 MS. MANNING: Yeah. Check it out.

5 REPRESENTATIVE MIRABITO: And I'm going to go
6 speak to the manager.

7 MS. MANNING: That sounds good.

8 And we do have recipes if, you know, any of the
9 stores want them. They're always lying around.

10 REPRESENTATIVE MIRABITO: Thank you.

11 MR. CHAIRMAN: Thank you very much.

12 MS. MANNING: Okay. Thank you very much.

13 REPRESENTATIVE HOUGHTON: Thank you. I
14 appreciate it.

15 MR. CHAIRMAN: I don't know what that says about
16 being in the Committee when I'm talking about the State
17 Stores and Rick is talking about the grocery stores.

18 I think that brings our hearing to a close. We
19 certainly appreciate all the testimony and all the
20 insight that was offered.

21 We will share with you any developments that
22 result from this particular, there's at least a couple of
23 the testifiers that made reference to particular sections
24 that we have to more closely scrutinize. We will do
25 that, and we will share that with you.

1 But we want to thank you for coming out today
2 and helping us better understand the legislation that
3 we're putting forward, and Representative Houghton was
4 champion, and make sure that when we do it, we do it
5 correctly.

6 With that, I'll close with Representative
7 Houghton.

8 REPRESENTATIVE HOUGHTON: Thank you, Mr.
9 Chairman; thanks, Diane; thanks, Deb; thanks to my fellow
10 members for coming, I really appreciate it. Thanks
11 everybody for being here, my constituents, and most part,
12 for the testifiers, thank you very much.

13 You know, I think I heard there is about 6000
14 pieces of legislation per year, maybe. I mean, I could
15 be wrong on that. I heard maybe 3 or 400 bills are
16 signed into law every year. It is, sort of, a wide
17 ratio.

18 And, so, obviously, we cannot have hearings on
19 every bill that is introduced because that would be a
20 little timely and a little expensive.

21 But, you know, I am really pleased that we had
22 a hearing on this bill because there is a lot of good,
23 substitutive testimony that really, you know, showed me
24 that there is some areas that we could look at here,
25 especially Betsy's testimony, it was really strong

1 testimony. I think that we really have to take a look at
2 that, and as the Chairman said, follow up and see if
3 there are any areas that need to be tweaked is possible.

4 MR. CHAIRMAN: With that, we will close. And
5 once again we thank you all for coming out.

6 (The hearing concluded at 11:57 a.m.)

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

Renée Helmar