

Testimony of Betsy Huber, President
Pennsylvania State Grange
Before the
House of Representatives Agriculture and Rural Affairs Committee
April 22, 2010

Thank you chairman Hanna, Chairman Maher, and Representative Houghton for the opportunity for the PA State Grange to offer testimony today on the Pennsylvania Preferred Program. We appreciate the chance to offer comments on behalf of our 12,000 Grange members across the Commonwealth.

The PA Preferred program is designed to help consumers identify products grown or produced in PA. It is intended to help producers and processors of Pennsylvania products by increasing consumer awareness, accessibility, and consumption of products grown and/or processed in PA. It offers free generic advertising and logos as well as online marketing courses to participants to help them promote their products.

The Pennsylvania State Grange does not currently have any official adopted policy concerning the PA Preferred program or HB 2260. My testimony today includes my personal opinions and the feelings of several Grange members I have talked to.

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

Another issue seems to be that consumers and producers alike are not familiar with the program and don't understand what it is. Some thought it was a grade, like choice or prime beef. Others were confused that it required a participant to be certified organic. They were concerned that if their veterinarian treated a sick animal with medications, that would prohibit their participation in the program. There are currently so many different labels, like Buy Fresh Buy Local, Slow Food, Organic, Natural, grass-fed, free range, that the PA Preferred title and logo just blend in with all the rest and are not understood by consumers.

There are also numerous check-off, farmer-contribution marketing programs—apples, peaches, nectarines, wine, vegetables, potatoes, beef, milk. Farmers are required to participate in these programs from which the money is used for advertising that commodity. For instance, apple growers pay 15 cents per bushel for every fresh market bushel of apples they sell, or 7 cents per bushel for apples for processing. Is there value to the growers to contribute a fee of \$100 per year for more generic advertising? This cost could also deter smaller producers from participating, since some don't see the value now when there is no fee.

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

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

Section 4605 (b) of HB 2260 causes some concern for me. It provides for reimbursement of costs to the Department of Agriculture for the proportional share of expenses incurred in connection with any activity conducted or facilitated by the Department in which a licensee participates. This may include event registration fees, equipment rental, display rental fees, and "other costs," which could include anything. Depending on how many PA Preferred licensees participate in a show, this expense could be great. Would the participant know how much cost would be involved before committing to participation in the event?

I would also like to recommend that a PA Preferred program for milk be more strongly emphasized. In the difficult economy that dairy farmers are going through, any extra benefit and advertising for PA local milk will certainly help them. It would seem logical for the processor to register rather than each individual dairy farm. Differentiating their product from processors who are out-of-state could result in financial benefit for the PA Preferred processor through larger market share.

The Grange is interested in assisting all types and sizes of agricultural operations to survive and thrive. Setting oneself apart from the crowd in some way will help attract sales and enable a premium charge for products. Today's consumers are paying more attention to where their food comes from and how it is produced. A quality-rated local program will attract these savvy consumers and ensure them that the products they purchase meet the high standards they are looking for.