Testimony

Senate Environmental Resources & Energy Committee

Regarding Chesapeake Bay Cleanup

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Offered by

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On Behalf of Pennsylvania Farm Bureau

To: Senator Gene Yaw, Chair of Senate Environmental Resources & Energy Committee and Senator Steven Santarsiero, Democratic Chair of Senate Environmental Resources & Energy Committee

Thank you for giving Pennsylvania Farm Bureau the opportunity to present some thoughts on ongoing cleanup efforts in the Chesapeake Bay Watershed.

My name is David Graybill, and I operate a 400-acre dairy farm in Juniata County. I am a member of Pennsylvania Farm Bureau's Board of Directors. For the past several years, I have chaired our organization's Natural and Environmental Resources Committee. I also served on the Agriculture Workgroup to Pennsylvania's Steering Committee, which was primarily responsible for development of Pennsylvania's Phase 3 Watershed Implementation Plan.

Like many farmers I know and work with, I take conservation seriously. We cannot operate profitable farms without fertile topsoil and clean water. The best way we can maintain fertile ground is to make sure that our topsoil stays in place. With the help of farm advisors, I have implemented numerous conservation practices to prevent runoff. I routinely plant cover crops to make sure that there is always something growing on our fields—especially during the winter and spring seasons. I also routinely test our soil to monitor the amount of organic matter and ensure that we are not over applying nutrients. In addition, I have installed a leak detection system on my manure pit to monitor for the potential of seepage. Our barnyard and barn roofs have systems in place that direct stormwater into grassy areas.

The steps that I have taken are not unique approaches. Throughout the state of Pennsylvania, you will see farmers like me implementing programs to control runoff and prevent soil loss. These practices have proven track records of success and can help farmers with their bottom line. On a broader scale, it also shows that agriculture can implement practices that have positive results on local waterways. Productive farms, and clean water, can coexist. In fact, one of the state's largest dairy farms is located next to a world-renowned trout stream in Huntingdon County. Anyone who fishes for trout know these fish are an excellent indicator of clean water.

A substantial portion of the conservation measures implemented on farms have been paid for by farmers' own money, without government financial assistance. This speaks to the conservation ethic that is present in so many farm families. But trying to get full and accurate recognition of these practices in the Chesapeake Bay Model has proven to be difficult. Penn State University is planning to do a second farmer survey in 2020 that will target Lancaster, York and Adams Counties in an effort to document and get credit for the practices farmers are performing and financing with their own money. We will be working with Penn State to encourage widespread participation of farmers in this survey.

It was made clear during numerous meetings I attended in formulating our Watershed Implementation Plan is that Pennsylvania will have to demonstrate a good faith effort at making progress toward nutrient reduction goals. However, additional state resources will be needed to achieve that progress, along with changes in laws and regulations. According to our Watershed Implementation Plan, we are facing a $324 million funding gap between money currently available and what is needed to pay for the conservation measures that will get us to Bay goals by EPA's 2025 deadline.

In particular, there is a real lack of on-the-ground expertise to assist farmers, be it private consultants or those working for conservation districts, to help farmers design and implement the projects needed to move Pennsylvania meaningfully toward reaching water quality goals in the Bay watershed.

Equally problematic in financing and implementing the type and scale of conservation measures needed in Pennsylvania's Bay watershed is the current condition of Pennsylvania's farm economy. Pennsylvania farmers are facing serious economic hardship. Anyone who has been watching the farm economy knows that farmers across the state are losing money. This is particularly problematic for dairy farmers, who have faced years of poor prices, coupled with rising input costs. Research by MSC Business Services, our for-profit accounting and business planning division, reported that dairy farmers using this service lost nearly $90,000 on average in 2018, and have lost money in several other recent years. Losses experienced on Pennsylvania farms likely cause many important farm projects, even necessary repairs, to be postponed. This is not the kind of economy that is going to encourage out-of-pocket conservation work—even the type that may improve the farm's bottom line long term.

Recognizing the problems that farm families are facing, Pennsylvania state government wisely made new investment in conservation funding in the state budget. The nearly $6 million in grants, tax credits and low-interest loans, will give farmers the tools to help pay for conservation projects. REAP tax credits have proven to be very beneficial to farmers. Numerous farmers I have spoken with have used tax credits to purchase no-till equipment or install stream bank fencing. REAP has also provided farmers the opportunity to partner with sponsors in financing the costs of environmentally effective conservation measures on farms through tax credits. We are also looking forward to seeing results from the creation of the Conservation Excellence Grants program.

Given the current condition of the agriculture economy, grants and tax credits are how farmers will fund best management practices. In the future, low-interest loans could be of help, but many farmers have extended their debt load well beyond a point of being comfortable and are hesitant to take on any more loans. It's our hope that Pennsylvania will at least provide the same level of investment in farm conservation in this year's budget.

Pennsylvania Farm Bureau is also supporting several legislative initiatives aimed at various aspects of addressing water quality. First, we support Senate Bill 679, which this committee recently passed with bipartisan support. This legislation will give county governments the authority to create stream cleaning programs. Our members continue to experience problems with their lands and crops being washed away during heavy rain events. And the conditions in streams that result from these floods put these areas at high risk of significantly additional loss of land and soils, unless corrective action is taken. Current DEP permits do not adequately address these risks. We believe Pennsylvania is not providing sensible opportunity for farmers and communities to effectively respond to problems caused by stream debris.

Senate Bill 679 would allow counties to dedicate staff and resources to the issue and come up with a regional plan to clean stream debris—while still maintaining needed state government oversight. We have farmers losing valuable topsoil due to this problem. There's no amount of conservation tillage or cover crops will keep soil in place during a flash flood. Senate Bill 679 gives county governments the tools to address the situation and develop systematic plans to remove gravel bars and other impediments. We are hopeful that the Senate will pass this legislation with strong bipartisan support.

Secondly, on the issue of stormwater, we are finding that farmers are being unfairly penalized by efforts to create municipal stormwater management systems. Municipalities throughout the Chesapeake Bay Watershed have enacted stormwater management programs, and are collecting fees to pay for engineering—and eventually for projects. The clear majority of these municipalities have created a system that requires property owners to pay a fee based on the amount of impervious surface is found on their property. Farms often have a good deal of square footage under impervious surface when you count barn roofs and gravel driveways.

While we understand the financial burden that Chesapeake Bay regulation has placed on local governments, we also believe a stormwater fee structure based solely on impervious surface is inaccurate and unfair to farmers. Such a fee structure ignores all the conservation measures that farmers have put in place to manage erosion and stormwater runoff. It also ignores the natural benefit that open farm land provides in controlling stormwater. The percentage of impervious surface to total land area on farms is much lower than the percentage of impervious surface to total land area commonly existing on residential properties.

We have been working with Senator Lisa Baker to introduce legislation that will change how municipalities assess stormwater fees on agriculture properties. Essentially, the legislation would limit the amount of fee a farmer is assessed based on average fees being assessed on residential properties—provided that the operator can demonstrate that less than 30 percent of the farm's total land area is impervious. And it would provide additional credits to farmers who make additional investments in projects to improve water quality. We know that farmers are being charged hundreds or even thousands of dollars under stormwater fee ordinances already in place. The legislation would recognize the positive role that farmers are playing in stormwater management and would reward their investment in projects that further reduce stormwater impacts. We are hopeful that Senator Baker will soon introduce the bill, and are asking for your strong support.

Ultimately, to solve problems in the Chesapeake Bay Watershed, we are going to need innovative solutions and funding. We have just scratched the surface in using technology like methane digesters to address several environmental needs—including better application of nutrients. Methane digesters, which use raw manure and other organic waste to generate electricity, is a smart use of a renewable resource. The process creates leftover materials that is an odorless fertilizer. This material is better for land application than liquid manure because it can be applied in a more precise fashion. It's also a more stable source of nitrogen—making it

more readily available for crop uptake. Lastly, some farmers, including one of my neighbors in Juniata County, taking food waste for their digester—meaning leftover food is being used for renewable energy. In fact, after the Farm Show, the famed butter sculpture will be sent to this farm, where it can be converted into renewable energy.

This is the type of on-farm innovation that we need to solve problems in the Chesapeake Bay. However, the upfront costs of digesters and similar infrastructure to manage stormwater runoff and improve water quality are largely unaffordable for the majority of farm families.

For years, Minnesota has used a revolving loan fund to help its livestock farmers afford methane digesters. As we look to the health of the Chesapeake Bay, along with our need to generate more renewable energy in Pennsylvania, greater investments in emerging principles of environmental research and technology could pay dividends.

No matter the mandates in the Chesapeake Bay cleanup plan, farmers in Pennsylvania will continue to act as good stewards of the land. We are the original conservationists. Farmers have long recognized that a healthy farm is created by fertile soil and clean water. We recognize there are steps that every Pennsylvanian living in the Bay watershed will have to do to address water quality—whether its keeping livestock out of streams or not over applying fertilizer to front lawns. Pennsylvania farmers are committed to working towards those goals.