



PENNSYLVANIA STATE  
COUNCIL OF

**FARM  
ORGANIZATIONS**

**REPORT ON  
BUDGET REQUESTS**

**Yellow Book  
FY 2010-2011**

## PA Council of Farm Organization's Ag Budget Priorities

<i>APPROPRIATION LINE</i>	<i>LAST YEAR'S AGRICULTURE APPROPRIATIONS INITIALLY APPROVED BY THE LEGISLATURE</i>	<i>AGRICULTURE APPROPRIATIONS ACTUALLY PROVIDED LAST YEAR BECAUSE OF SPENDING FREEZES</i>	<i>AGRICULTURE APPROPRIATIONS FOR THIS YEAR'S BUDGET</i>	<i>COUNCIL'S RECOMMENDED AGRICULTURE APPROPRIATIONS FOR 2009-10</i>
<b>State Assistance – Federal Crop Insurance</b>	\$600 thousand	\$450 thousand	\$1 million	\$1 million
<b>Ag Appropriation to Conservation Districts</b>	\$1.65 million	\$1.65 million	\$1.080 million	\$1.65 million <sup>1</sup>
<b>DEP Appropriation</b>	\$3.06 million	\$3.06 million	\$3.029 million	\$3.06 million
<b>Department of Agriculture – Agricultural Research</b>	\$1 million	\$0	\$0	\$1million
<b>Animal Health Commission</b>	\$5.15 million	\$4.901million	\$4.901 million	\$5.15 million <sup>2</sup>
<b>Department of Agriculture General Government Operations</b>	\$28.295 million	\$27.787 million	\$28.012 million	\$29 million
<b>Transfer to Nutrient Management Fund</b>	\$3.1 million	\$2.850 million	\$3 million	\$3.1 million
<b>Payments to PA Fairs</b>	\$2 million	\$2 million	\$0	\$2.0 million
<b>PA Preferred</b>	\$0	\$0	\$0	\$500 thousand

<sup>1</sup> Dedicated sources of funding are supported by the Council of Farm Organizations to meet the needs of local conservation districts beyond the PDA/DEP budget line item amounts indicated.

<sup>2</sup> The Council of Farm Organizations recognizes the fiscal challenges the state faces in making this recommendation which is \$3.5 million below the actual needs of \$8.65 million in maintaining operations.

<b>Agricultural Excellence Programs</b>	\$313 thousand	\$310 thousand	\$310 thousand	\$313 thousand
<b>Hardwoods Research and Promotion</b>	\$240 thousand	\$216 thousand	\$0	\$240 thousand
<b>State Food Purchase</b>	\$18 million	\$18 million	\$18 million	\$18 million <sup>3</sup>
<b>Penn State Research (R) and Extension (E)</b>	R- \$25,252,000 E- \$29,979,000	R- \$25,252,000 E- \$29,979,000	R- \$25,252,000 E- \$29,979,000	R- \$25,252,000 E- \$29,979,000 <sup>4</sup>

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<sup>3</sup> Actual needs estimated to be \$20 million for food purchase.

<sup>4</sup> The estimated net impact will be a \$10.9 million shortfall for Penn State Extension and Research causing the elimination of approximately 163 positions by July 2011

# DEPARTMENT OF AGRICULTURE

## GENERAL GOVERNMENT OPERATIONS

General Funding is the lifeblood of any organization. It is the critical funding stream that covers a host of needs that run the gamut from capital improvement of the organization's headquarters and offices, to much needed supplies and equipment that impact the day-to-day regulatory, research and management work being done. The current level of funding provided to the Department of Agriculture makes it extremely difficult to balance reactive and regulatory mandates with proactive, industry leading initiatives. In fact, it is currently difficult to make ends meet on just the reactive and regulatory side given the level of GGO funding.

The Department has been through several years of reduced budgets, yet the cost of basic supplies, laboratory equipment, travel and fuel have all increased annually. Regulatory inspection and licensing requirements of the Food Safety, Animal Health and Plant Industry Bureaus have all risen dramatically in the past year, with no corresponding increase in funding or staff. The Department continues to innovate through the use of technology, but development costs are steep and ongoing maintenance is required. Equipment needs are reaching the critical stage, as funding for fixed-asset purchases have not been allowed in more than four years.

The Department strives each and every day to keep 12.5 million consumers safe; to support 62,000 farms; to preserve and sustain our natural resources for future generations; to ensure that our industry continues to be the leading economic driver in the Commonwealth; and to provide at least a modest living to those who work so diligently in the agricultural arena. The diversity of Bureaus and geographic dispersion of constituents that are found in the Department must be supported through additional funding.

**The Council requests an additional \$705,000 over last year's budget for a total of \$29,000,000 to improve upon last year's GGO funding for the Pennsylvania Department of Agriculture's general government operations.**

## RISK MANAGEMENT – CROP INSURANCE

In 1999 Pennsylvania suffered a severe drought across the state. At that time, only about 10% of the farms participated in crop insurance. The state contributed \$60,000,000 in assistance above and beyond the federal disaster assistance. Since then, Pennsylvania has been promoting crop insurance through its crop insurance education program and providing a premium subsidy so that producers can better attend to buy the higher coverage levels which perform better when disasters occur. The state premium subsidy both benefits farmers and leverages increased federal dollars coming to Pennsylvania in both insurance benefits, and program support dollars that create jobs through the private insurances that deliver and service the crop insurance program. The Pennsylvania Department of Agriculture recognizes the importance and significance of farms financial health as an integral component to the health of the economy in rural Pennsylvania. If farmers don't have money, they won't buy tractors or upgrade buildings etc.

The Crop Insurance Education Program and the State Crop Insurance subsidy go hand in hand. The education program lets producers know about the programs available and the state subsidy

makes it more affordable. Repetition is essential in education and we have found that to be the case with crop insurance as well. We offer different levels of crop insurance education as well as presentations and handouts tailored to different audiences whether it is perennials, grains, dairy, vegetables etc. The crop insurance education program depends greatly on a number of sources from within the department and out of the department. When budgetary cuts are made to the department, it cuts back on getting the word out whether this is in the number of presentations made or the resources to put our updated publications. We rely heavily on our partners within the bureau of Markets to get out information on crop insurance.

Producers need crop insurance now more than ever but with the cost of everything going up, including crop insurance, it would be easy for them to decide they don't need to take it out. It is also important to get the word out that crop insurance is necessary in order to be eligible for disaster payments and that any producer who elects not to take out crop insurance makes it a conscious decision.

Clearly risk management including crop insurance has become a vital part of farm management. Restoration of the appropriation to \$1 million level is needed to provide Pennsylvania farmers additional premium assistance and encourage greater participation. The \$1 million still requires a significant cost share commitment from farmers.

**The Council supports a \$1 million line item to fund crop insurance as proposed by the Governor for the 2010-11 fiscal year.**

#### **AGRICULTURE RESEARCH**

It is vital that the Pennsylvania Department of Agriculture's research line in the state budget be funded at \$1 million in order to develop and promote new technologies and scientific advancements that support our number one industry, promote a safe and substantial food supply and protect and promote consumer health. Nearly \$300,000 is needed just to complete ongoing research projects approved in prior years. An example of a research program that received state funding dealt with avian influenza detection and response. The results were the discovery and industry implementation of an AI Quick-test which enabled the Department to better protect both the population of Pennsylvania and the poultry industry in the event of an avian influenza outbreak. A second example of vital state sponsored research is examining colony collapse disorder in honeybees. Since Pennsylvania's fruit and vegetable farmers rely on these bees for pollination, it is necessary for state investments aimed towards preventing this disease from affecting harvests in order to safeguard both farmers and the consumers from potential effects of colony collapse disorder. Because of a reduction in the line for the 08/09 budget year, there were only enough dollars to fund two new projects for 2009.

**The Council recommends that \$1,000,000 be restored for the department's agriculture research lines for 2010-2011.**

#### **NUTRIENT MANAGEMENT**

Pennsylvania's Nutrient Management Program is a very successful program that provides technical assistance through conservation districts and plan writers, grants to farmers, and responsible implementation and enforcement of the Commonwealth's Nutrient and Odor Management Law (Act 38) and associated regulations. In addition, new program enhancements are included in proposed revisions to the regulations that will require greater program oversight and support at the state and local level.

This program was established with a non-lapsing Nutrient Management Fund in the Pennsylvania Department of Agriculture budget through which monies are provided for the different components of the program. Adequate funding for this program is essential to the agricultural community and the public to ensure the viability and success of the program.

To date, adequate program funding has been available through the use of annual appropriations (\$3.28 million) to the Fund in conjunction with reserve monies that resided in the non-lapsing Fund from appropriations made in the early years of the program. However, the reserve in the program is depleted and increased funding is needed for transfer into the Nutrient Management Fund for FY 2009-2010 to maintain program effectiveness.

Regulations in Pennsylvania now mandate that a CAO (Concentrated Animal Operation) or a CAFO (Concentrated Animal Feeding Operation) have written nutrient management plans. Changes to older regulations also increase CAO and CAFO coverage for producers, putting more emphasis on a written plan of Best Management Practices. For CAO's and CAFO's, Nutrient Management Plans must be developed by certified Nutrient Management Specialist and approved by the State Conservation Commission. The investment of both time and money that is required to develop these plans, combined with the requirement to have a certified Specialist write the plan, creates a scenario where assistance is needed at the local level to ensure all involved producers are proactive about their nutrient management. Without additional funding there will be limited ability to manage existing regulatory duties, develop new programs, and plan and implement the Best Management Practices that will sustain not only our land and water, but also our agricultural operations, for generations to come.

We request funding at the \$3.1 million level for this program, which keeps funding level with what was approved last year. This funding will not provide for the historic rate of Nutrient Management Fund expenditures, on average \$4.9 million per year. Activities were curtailed in 07/08 due to lack of funding and decreased activity continues into more recent years. The funding is transferred into the Nutrient Management Fund where additional duties have been absorbed by the Department with no increase in funding in ten years. Implementation of the nutrient management program requirements, manure hauler broker program, odor management regulations, and the new Resource Enhancement & Protection Program have all occurred with no increase in resources. This takes on increased importance as agriculture has been identified as one of the major sources of water quality impairment and is being addressed in critical areas such as the Chesapeake Bay watershed through Nutrient Management Funding and implementation of PA's Nutrient Management Law. The Department has the opportunity to apply for matching grant funds from the USDA Natural Resource Conservation Service to provide technical assistance in implementing provisions of the recently enacted Farm Bill. The required match can not be absorbed within the current budget. This is occurring during a period when PA farmers are trying to find ways to implement the regulations with limited funding and technical expertise. This is a critical need for the Department of Agriculture.

**A total transfer of \$3.1 million to the Nutrient Management Fund is needed in FY 2010-2011 just to continue support for the existing program.**

## **REAP PROGRAM**

A program signed into law in 2007 provides state tax incentives for farmers and businesses to invest in environmental projects on farms. REAP allows farmers to use tax credits to directly finance conservation projects on their farms or sell or transfer the credits to others who finance farm conservation projects. REAP was funded at \$10 million for the 2007-08 and 2008-09 budget years. Last year, the program was reduced to \$5 million and a projected \$4.5 million for 2010-2011. There was approximately \$4.5 million in applications for tax credits that could not be approved last year due to the reduction in funding.

The Council supports the continuation of the Resource Enhancement and Protection Tax Credit Program (REAP) in 2009-10 and an increase in the statewide cap for the program. The Council supports REAP as a necessary alternative and supplement to existing conservation programs.

REAP tax credits help Pennsylvania producers:

- comply with existing and new environmental requirements by offsetting a significant portion of the costs of priority conservation practices
- improve water quality on the farm and downstream in a cost-effective fashion
- increase the private sector's role in soil and water conservation through planning (agricultural consultants can assist in the planning and design of BMPs) and sponsorship (businesses can contribute funds to farm projects and claim REAP tax credits).

Pennsylvania producers are committed to good stewardship but need additional tools and financial assistance to address all resource concerns on the farm. Existing conservation programs like EQIP are substantially oversubscribed with many farmers on waiting lists. REAP helps to close this gap while at the same time offering assistance that can involve producers who have traditionally not participated in conservation programs. REAP is supported by a broad coalition of nearly 70 farm organizations, businesses, conservation groups and sportsmen's organizations.

Also, REAP requires the State Conservation Commission to take into consideration the benefits of removing legacy sediment and, under the Chesapeake Bay Tributary Strategy Program, it allows for trading credits from those removed nutrients.

## **ANIMAL HEALTH AND DIAGNOSTIC COMMISSION**

The standing mission of this Commission has been one of providing a system of coordinated laboratory services to support the dominant portion of Pennsylvania agriculture, its animal agriculture. The Commission has performed very well since its inception in 1988 and has developed a laboratory system that is the envy of many other states.

The Commission, since its inception, has focused on establishing an interactive network of three laboratories to properly coordinate programs of diagnosing animal health problems and providing guidance and assistance to those involved in animal agriculture to prevent disease and then to control outbreaks if they occur. While the initial focus is on animal disease diagnosis, and providing prompt regulatory action if required, zoonotic diseases receive priority attention.

The tripartite laboratory system, including the laboratory at Penn State, the laboratory at the University of Pennsylvania's New Bolton Center, and the Department of Agriculture laboratory in Harrisburg, has been developed into a unique relationship and the structure is recognized

nationally as a model. An interactive communication system has been implemented to coordinate laboratory responses and utilize the total capability of all of the laboratories in the system.

Increased emphasis on homeland security and the vulnerability of our food supply to terrorism has placed additional responsibility on the Commission to coordinate animal/premise identification programs and improve the communication between the three laboratories, which is essential for prompt and accurate diagnosis of animal health problems. Only by accelerating and refining these efforts can the number one industry in the Commonwealth, agriculture, and its animal agriculture component, which is 60% of the industry, be assured that the Commonwealth has the capability to identify and expeditiously eradicate animal diseases.

### **FUNDING REQUEST FOR 2010-2011**

**\$5,150,000** - A restoration of the funding to levels approved last year is requested. This request still falls far short of the true needs of the Animal Health and Diagnostic Commission. **The Council of Farm Organizations recognizes the fiscal challenges the state faces in making this recommendation which is \$3.5 million below the actual needs of \$8.65 million in maintaining operations.**

### **AG EXCELLENCE**

This budget requests continued funding for the Department's Centers of Excellence which include the Center for Beef Excellence, Center for Farm Transitions, Center for Dairy Excellence and Fruit Industry Task Force. Each of these initiatives has met a particular need in agriculture that was not being addressed by another entity or program. Combined, they represent a very significant commitment and strong statement about the priorities of this Administration.

#### **Pennsylvania's Center for Beef Excellence and Beef Task Force**

The Pennsylvania Beef Task Force was established in August 2007 by Governor Edward G. Rendell and consists of over 60 members representing all aspects of the cattle industry in the Commonwealth. The Task Force has identified four main interest areas in accordance with its objectives and created committees to manage projects and initiatives related to those areas. The committees are Education, Production Efficiency/Business Management, Government and Community Relations and Economic Development. Through Task Force and Committee endeavors, the Pennsylvania beef industry has achieved a streamlined process for outreach initiatives, government relations, grant pursuits, education, economic development, research, corporate relations and management objectives.

The Center for Beef Excellence was developed to manage the work of the Task Force on a day-to-day basis, and will be housed in the Pennsylvania Department of Agriculture with 501c6 status. The Task Force has appointed a board of directors for the Center, and has secured a director.

Since its inception, the Pennsylvania Beef Task Force has grown to over 60 members and has established its committees, by-laws and several major initiatives. The Task Force has been extremely active in the area of governmental relations, having communicated with the USDA and EPA on federal regulations and the aftermath of the 2008 California Beef Recall. The Task Force is also working with the PA Preferred Program in the Bureau of Market Development at

the Pennsylvania Department of Agriculture to help source local beef products to schools, prisons and other public-owned and operated facilities. The Task Force has also communicated vital news and information to producers and industry stakeholders regarding animal handling and husbandry practices. It has also engaged in active dialogue with the Pennsylvania Department of Agriculture and leading agriculture research institutions to coordinate research according to the objectives it has established. These include: Communicate the economic value of the PA beef cattle industry to the Commonwealth; Communicate the environmental benefits of the PA beef cattle industry to the Commonwealth; Communicate pending legislative and regulatory activities with the PA Beef Task Force; Coordinate efforts with the agricultural industry on issues of common interest; Coordinate activities with the committees of the PA Beef Task Force.

### **Center for Dairy Excellence**

The Center for Dairy Excellence provides coordination of the Pennsylvania dairy industry's direction, leadership and resources to strengthen the industry and the profitability of our dairy producers. The dairy industry is a critical component of the state's economy, supporting over 40,000 jobs and over \$4 billion in economic impact from products leaving the farm gate. Dairy farm profitability must be enhanced to position the industry to keep its size and infrastructure, to attract younger people to the industry and to keep the financial institutions interested and willing to lend adequate funds to farms for growth and development.

Economic development investment within this key industry is important and needed. Formal business planning, business management training/support, and better data and data management are needed to guide these businesses to higher profit levels. Investment in the evaluation of business models, identifying ones successful in today's climate, and providing dairy producers with descriptions and financial summaries of these models will drive changes necessary to restructure many dairy farm business approaches and boost profits.

### **Fruit Industry Task Force**

The Pennsylvania Department of Agriculture has been so successful with the Center for Dairy Excellence that we would like to see the program expanded into other commodities. The fruit industry has indicated an interest in a similar program to increase profitability and economic development within their industry. The Center for Fruit Excellence would be modeled after the Center for Dairy Excellence.

### **Center for Farm Transitions**

With the expectation that greater than 25% of the Commonwealth's farms will change hands in the next ten years, the need to provide transition assistance is of paramount importance. The Center serves to bring together in one location a collection of existing information and resources that will assist new farmers looking to get started, existing farmers who wish to make changes to their operations, and those transitioning their assets either to retire or for new careers. The Center harnesses the work of Penn State Extension and other entities in the state that have compiled and produced information that is vital to farmers in transition. Additionally, the Center makes available information from throughout the United States and even internationally that will assist those in transition.

**The Council requests a \$313,000 line item for Ag Excellence in FY 2010-11, which would be level funded from last year's budget.**

### **LIVESTOCK PROTECTION PROGRAM**

**The Council supports funding in the amount of \$500,000 to supplement federal and private funds to implement a statewide Cooperative Livestock Protection Program.**

The funding will be used to provide technical advice and on-site assistance, for farmers to prevent or stop diseases spread or damage caused by wildlife, including; Canada geese, European starlings, coyotes and black vultures.

The damage and disease impacts that economically harm farms have been increasing along with wildlife populations. The Livestock Protection Program will help farmers have the ability to address wildlife damage problems as do farmers in other states, using operational control and technical assistance provided by USDA APHIS services. USDA APHIS programs like Pennsylvania Livestock Protection Program are necessary to keep our food supply safe, reduce diseases introduced to feed and livestock, mitigate direct and indirect damage caused by wildlife, and keep Pennsylvania agriculture competitive with other states and nations.

### **PA PREFERRED**

**The Council supports adding a line funded at \$250,000 specifically for the Pennsylvania Preferred program.** The main emphasis for this funding would be additional media buys for the commercials already developed with the help of Commonwealth Media Services. To date, less expensive cable channels have been targeted, such as the Home & Garden Network for our Spring ads featuring PA landscaping and nursery plants and the Food Network for our Fall ads featuring PA farm and food products. Costs have averaged \$85,000 for 3200 30-second spots. About half of the additional funds would be used to allow some entry into mainstream broadcast networks during more advantageous time slots.

Similarly, target audiences for companion billboards and radio have been only in the Philadelphia, Pittsburgh, and Harrisburg/Lancaster/Lebanon/York markets. Additional billboards along Interstate 80 and U.S. 6 would be possible with additional funds, as would statewide radio coverage.

Funds remaining would be used to further develop business-to-business sales opportunities that are already a huge success in getting PA farm products into PA processed foods, and PA foods into retail grocery stores and restaurants.

**STATE FOOD PURCHASE PROGRAM:** Our concern for the growing numbers of our neighbors struggling with food insecurity and hunger compels us to call upon you to lead the effort to ensure that the Commonwealth's budget for fiscal year 2010-2011 provides an increased level of funding for Pennsylvania's premier anti-hunger program. Specifically, we ask you to recommend an appropriation of **\$20 million for the State Food Purchase Program (SFPP)** in the Department of Agriculture Budget for next fiscal year.

In considering this request, we urge you to examine the very factors that Commonwealth government uses in allocating these resources among the counties-unemployment, food stamp and medical assistance statistics:

*Unemployment* increased from a rate of 5.4 % in July 2008 to 8.5% in July 2009. Over 193,000 additional Pennsylvanians were out of work with many turning to food assistance programs to help them for the first time.

*Food Stamp* (SNAP) participation increased from 1,214,802 in August 2008 to 1,432,524 in August 2009. Since SNAP does not provide all of the nutritional assistance necessary to escape food insecurity, many of these 217,725 additional recipients also rely upon the assistance of SFPP to meet some portion of their needs.

*Medical Assistance* eligible individuals increased by 137,848 over the last year; from 1,972,850 in August 2008 to 2,110,698 in August 2009.

**Pennsylvania Association of Conservation Districts, Inc.  
BUDGET REQUEST FOR CONSERVATION DISTRICTS**

**Fiscal Year (FY) 2010/11**

**TRANSFER TO THE CONSERVATION DISTRICT FUND**

**PACD recommends that \$10 million be allocated to conservation districts, split evenly between the Department of Environmental Protection and the Department of Agriculture.**

<b>Transfer to the Conservation District Fund</b>	<b>Budget Final FY 2009/10</b>	<b>Governor's Proposal FY 2010/11</b>	<b>PACD Request FY 2010/11</b>
PA Dept. Env. Protection	\$ 3,060,000	\$ 3,029,000	\$ 5,000,000
PA Dept. Agriculture	\$ 1,650,000	\$1,080,000	\$ 5,000,000

In FY 2009/10, conservation districts received an 11% cut from the previous fiscal year's appropriation. The Governor has proposed another 13% decrease in conservation district funding for next fiscal year. If enacted, the Governor's proposal will reduce the funding for conservation districts back to the level received more than ten years ago in FY 1999/00.

In addition to operating without a much needed increase in funding, conservation districts are operating several state delegated and contracted programs without any state funding support. These programs include Chapter 105 permitting, Biosolids, NPDES Phase 2, and the Resource Enhancement and Protection Program (REAP). These programs are being conducted using staff that is already overextended by existing programs.

Although the Department of Environmental Protection is raising permit fees for the Erosion and Sedimentation Program, this will not solve the financial crisis facing conservation districts since many rural counties do not have substantial development activities and thus will not generate significant revenue from permit fees. Given that there are several state programs with no state funding, and that state funding for many existing programs is inadequate and declining, conservation districts are faced with the difficult decision of reducing or eliminating programs in order to meet budgetary constraints.

**CHESAPEAKE BAY AGRICULTURAL SOURCE ABATEMENT PROGRAM**

**PACD recommends that \$3.214 million be allocated for the Chesapeake Bay Agricultural Source Abatement Program in the Department of Environmental Protection budget.**

<b>Chesapeake Bay Agricultural Source Abatement Program</b>	<b>Budget Final FY 2009/10</b>	<b>Governor's Proposal FY 2010/11</b>	<b>PACD Request FY 2010/11</b>
PA Dept. Env. Protection	\$ 3,032,000	\$ 3,002,000	\$ 3,214,000

In FY 2009/10, this line item received a 6% reduction from the previous year's appropriation. The Governor's current proposal reduces this line by an additional 1%. A large portion of this

line item provides funding for conservation district Chesapeake Bay Technicians, Engineers and Engineering Technicians that provide technical assistance to farmers. Although federal funding through the Farm Bill's Chesapeake Bay Initiative will provide additional funding to Pennsylvania, these funds are targeted specifically for farmers and landowners in priority watersheds to implement best management practices on farms, and for contribution agreements to match state dollars for entities providing technical assistance within the Chesapeake Bay Watershed, but not for other activities by conservation districts. In order to prepare the agricultural community for the impacts of the impending new water quality restrictions resulting from the Total Maximum Daily Load (TMDL) requirements by implementing best management practices on farms, and to obtain the federal matching technical assistance dollars, funding for this program must be restored to at least FY 2008/09 levels.

**TRANSFER TO THE NUTRIENT MANAGEMENT FUND**

**PACD recommends that \$3.556 million be allocated for the Nutrient Management Fund in the Department of Agriculture budget.**

<b>Transfer to Nutrient Management Fund</b>	<b>Budget Final FY 2009/10</b>	<b>Governor's Proposal FY 2010/11</b>	<b>PACD Request FY 2010/11</b>
PA Dept. of Agriculture	\$ 3,100,000	\$ 3,000,000	\$ 3,556,000

Act 38 of 2005 mandated that the State Conservation Commission (SCC) implement the Nutrient Management Program in Pennsylvania. The SCC has delegated some of its authority to implement this program to conservation districts. A large portion of this line item provides funding for conservation district Nutrient Management Technicians that deliver technical support to implement the Nutrient Management Program in Pennsylvania. This line needs to be restored to previous levels to ensure continued technical capacity in the conservation districts and other program elements required by law, such as the Manure Hauler/Broker Certification and Odor Management Regulations.

**GROWING GREENER**

**PACD recommends that the General Assembly address the impending elimination of funding for Pennsylvania's Growing Greener Programs.**

The Growing Greener I and Growing Greener II Programs provide funding for a wide variety of environmental stewardship projects. Unfortunately, the funding for these programs will terminate because the solid waste tipping fees used to fund Growing Greener I were diverted to pay off the bond issues used to fund Growing Greener II. The continued funding of these programs is essential to maintain the stewardship efforts that conservation districts, watershed organizations, educational institutions, and others are currently implementing. Some of the efforts of conservation districts that are funded through Growing Greener include: the Watershed Specialist positions, stream restoration projects, stream buffers, abandoned mine drainage treatment, agricultural best management practices, and stormwater management practices.

## State Budget Request for Penn State College of Agricultural Sciences

Penn State Agricultural Council  
 Pennsylvania Council of Cooperative Extension Associations

### Penn State Ag Research and Extension Funding

Base funding	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009*	2009/2010**	Governor's Proposed 2010/2011**
Ag Research	\$22,922,000	\$23,064,000	\$23,094,000	\$25,094,000	\$25,595,000	\$25,584,000	\$25,252,000	\$25,252,000
Ag Extension	\$27,580,000	\$27,787,000	\$27,787,000	\$28,787,000	\$30,384,000	\$30,384,000	\$29,979,000	\$29,979,000

\* State imposed a \$3.4M (8%) reduction on these lines in 2008/2009 decreasing them to \$24,088,000 and \$26,581,000.  
 \*\* Includes \$2.612M of federal stimulus funding.  
 Penn State Agricultural Research and Extension funding lines are located in the Penn State consolidated appropriation bill.

### The Importance of the Land-Grant Partnership

As Pennsylvania's only land-grant university, Penn State influences millions of lives across the Commonwealth.

#### A Trusted Source of Information and Innovation

Pennsylvania is fortunate to have a world-class research institution in Penn State that is not only an economic engine for the Commonwealth, but generates and distributes science-based solutions to problems. This new knowledge and technology fosters competitive businesses and new jobs, sound government policy, and informed citizens.

Emvied by the rest of the world, the land-grant system provides a unique **national network of land-grant institutions and research stations**, with a focus on agriculture—a major economic sector in Pennsylvania.

Penn State College of Ag Sciences plays a unique role in serving Pennsylvania agriculture through this **150-year-old partnership** between the federal government, state government, county government, and Penn State. The **Ag Research and Ag Extension** line items in the Penn State appropriations bill constitute **Pennsylvania's commitment to this partnership**.

#### Relevant and Responsive to Pennsylvania Priorities

Ag research and extension programs **bring the resources of the university into every county in the state**. Based at University Park, with educators and offices in all 67 counties, Penn State College of Ag Sciences is **uniquely connected and responsive** to Pennsylvania priorities. **Partnerships with stakeholders**—including local, state and federal governments; industry and associations; the public; and other universities—ensure relevant, timely, and effective engagement.

#### A Proven Investment in Pennsylvania

State appropriations in agricultural research and extension are proven investments that have paid huge dividends for Pennsylvania. For example, the Penn State Extension Marcellus Education team educated landowners to negotiate gas leases collectively worth \$250 million more than the initial

offers received from energy companies, keeping some of the value of this resource in local communities.

Penn State ag research and extension programs use state appropriations to leverage additional financial and human resources through **federal competitive grant-funding** programs and by **engaging tens of thousands of trained volunteers**, all working to help tackle Pennsylvania priorities.

Also, research shows that **for every dollar that is appropriated by the Commonwealth, Penn State returns \$19.42 in economic impact**.

#### An Investment Worth Sustaining

The FY 2009/10 state budget was passed with no funding in these lines, but folded these lines into a single line appropriation for the University. The University restored the lines in their budget at the noted levels reflecting a (\$747,000) reduction after application of the federal stimulus funds.

The governor's proposed FY 2010/11 budget contains no increase for ag research or extension; this is the **eighth straight year the governor's budget contains a decrease or zero percent increase** in funding for the college ag research and ag extension budget lines.

The estimated net impact to the college from this FY 2010/11 proposed budget will be a **\$10.9 million dollar shortfall** for agricultural research and extension program funding as of July 1, 2011. **Approximately 163 positions** will need to be eliminated in 2010, affecting agricultural programs in every county.

This funding is critical to protect the security of our food and fiber systems, develop renewable sources of energy, strengthen the economy and our communities, and protect our environment.

**Agricultural research and extension budgets do not benefit from tuition dollars**, which are used primarily to support undergraduate programs