



“Creating a Better Environment for Farmers and Rural Communities”

Comments by Brian J. Hill
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Sometimes there is a lot of wisdom in bumper stickers, take these two I saw recently-- “No Farms, No Food” and “It’s Not Farmland Without Farmers.”

But I would go one better: “Support Farmers, Protect the Environment.”

I’m Brian Hill, President & CEO of the Pennsylvania Environmental Council, and we appreciate the opportunity to present comments to the Senate Agriculture and Rural Affairs Committee listening session. We think these sessions are a great opportunity to not only identify issues of concern to agriculture and rural communities, but to also spotlight potential solutions.

I also appreciate the collaborative way the Committee has gone about its work because the Council’s own approach since it was formed in 1970 is to protect and restore the environment through innovation, collaboration, education and advocacy. A significant part of our efforts over the last few years have focused on developing new tools that allow farmers to remain economically viable, while at the same time doing a better job protecting and enhancing the environment. We firmly believe we need economically healthy farmers to create a healthier environment. The reason is simple: if farmers are not economically successful they cannot make the investments needed to improve the economic or environmental performance of their farms.

I would like to quickly highlight several areas of our work including: nutrient trading, carbon sequestration opportunities, poultry manure and mine reclamation, local environmental advisory councils, farmland preservation efforts, the Meadville Marketplace Project, REAP-a new tool and the federal Farm Bill opportunities.

Nutrient Trading

The Council has been on the forefront of developing a nutrient credit trading program in Pennsylvania and nationally. For those that may not be familiar, farmers installing best management practices can gain credits in pounds of nitrogen or phosphorus reduced, or tons of sediment eliminated, by those practices, if they exceed certain minimum requirements. Those credits can then be sold to wastewater treatment plants that need to reduce nutrients, developers who have to offset wastewater discharges, or other industries.

Credit trading creates an additional income stream that farmers would not ordinarily have to offset the cost of conservation practices and other operating costs. With partners like the World Resources Institute and Department of Environmental Protection (DEP), we helped develop the structure and did some of the basic policy for credit trading, as well as developed online tools like NutrientNet to help farmers determine the tradable nutrient values associated with installing best management practices on their farms. By mid-year we will open an online marketplace, in collaboration with DEP, that allows individuals with credits to sell to post them for potential buyers to see.

But we also get our hands dirty.

In October 2004, the Council was involved in the very first nutrient credit trade in Pennsylvania in Lititz Borough, Lancaster County, where Pfizer and the Department of Environmental Protection helped fund a floodplain and legacy sediment restoration project.

In the Conestoga River Watershed in Lancaster County, with the help of the U.S. Natural Resources Conservation Service, we held two reverse auctions where farmers bid for the opportunity to put conservation practices on their farms that would reduce the most nutrients for the least cost. Fifteen projects have been completed there successfully.

With Exelon Corporation as a partner, we are in the middle of a project in the same watershed to pay farmers and landowners up to \$5,000 per acre if they agree to install a forested buffer and maintain it for 25 years. The resulting nutrient and sediment reduction value and the value of the carbon that is sequestered to offset greenhouse gas emissions would be transferred to Exelon.

Carbon Sequestration

The Exelon project is a good lead in to another new income stream that is developing for farmers and forestland owners – selling credits for the carbon sequestration value of farm conservation and forest practices. The Council provides staff support to the Carbon Management Advisory Group, formed by the Department of Conservation and Natural Resources, which is charged with identifying opportunities for carbon sequestration in Pennsylvania that could provide real economic benefits. Just like with nutrient trading, there is now an active marketplace for carbon and greenhouse gas offset credits where buyers will pay sellers for their value. One of several products the Advisory Group is expected to produce is a set of recommended greenhouse gas and carbon sequestration policies specifically devoted to forest resources in the state, and helping forest land owners get carbon credits for their practices.

In 2004, the Council began a privately-funded ad-hoc initiative to create a Climate Change Roadmap for Pennsylvania. Working with a board-based stakeholders group that includes representatives of electric utilities, business, agriculture, non-profit groups and state agencies, the project is developing a climate change strategy that will lead to significant reductions of greenhouse gases. The project will make recommendations on energy supply,

energy demand, transportation, technology and fuels, land use and transportation management, waste management, agriculture and forestry, and other policies that cut across these policy fields.

I also want to mention that demonstration projects underway by the Midwest Regional Carbon Sequestration Partnership, of which Pennsylvania is a member, are looking to quantify the carbon sequestration opportunities in a number of different areas, including the value of farm conservation practices like no-till farming, mine reclamation and wetland restoration practices.

So look for more concrete recommendations that would benefit agriculture and forestry in the coming months.

Poultry Manure & Mine Reclamation

Finding alternative uses for excess manure and reclaiming Pennsylvania's 181,000 acres of abandoned mine lands are two significant problems facing rural areas of the Commonwealth.

With the Department of Agriculture, Wenger Feeds and other partners, the Council began a project in Hegins Township in Schuylkill County to demonstrate how composted poultry manure, mixed with papermaking pulp or yard waste, can help provide the nutrients needed to quickly establish cover growth on reclaimed abandoned mines. This "in-situ" composting project started out as a bench test project, has just moved to several monitored plots, and finally will involve a five to ten acre reclamation site.

In addition to demonstrating this technique, we are also identifying the nutrient credit value of handling poultry manure in this way so that value can be captured by the agricultural producers involved. We are also looking at planting switchgrass as a cover crop on the reclaimed areas that can be recovered both for its energy value as a biomass fuel or as a feedstock for cellulosic ethanol in about three years. In addition, switchgrass also has a value for its carbon sequestration credits.

The multiple benefits and economic value demonstrated by this project for handling excess manure, reclaiming abandoned mines, capturing nutrient, energy and carbon sequestration value will represent a real win for agriculture and rural areas of Pennsylvania.

Local Action & Local Markets

The Council has worked with local governments across the state to give them new tools and to support their efforts to deal with farmer and farmland preservation issues. One tool we've pioneered is the formation of township and county-based Environmental Advisory Councils (EACs) that focus their efforts on local environmental issues. EACs are groups of local citizens appointed by the local governing body to give them advice and to do projects

related to environmental protection and restoration. But here in Berks County and in Bucks County, EACs have tackled farm related issues head-on.

The Council helped Upper Bern Township in Berks County establish an Environmental Education and Agricultural Advisory Council that will focus its activities on dealing with agricultural issues. Longswamp Township, also here in Berks County, has expressed interest in forming a similar EAC to address farm issues. In Bucks County, the Wrightstown Township EAC got involved in creating a Community Supported Agriculture project where local residents buy produce shares to support local vegetable and fruit growers. The initiative was recently expanded to the entire county.

There are more than 150 local EACs now throughout the state.

Developing local markets for farm produce to help farmers remain economically viable is the objective of another Council project in Crawford County, which aims to revitalize the Market House in downtown Meadville – one of the longest market houses in continuous use in Pennsylvania.

In 2005 the Council entered into an agreement with the Meadville Market House Authority to manage the Market House. Since the change in leadership, sales have increased by over 150 percent and the number of vendors has increased. Through funding provided by Pennsylvania's First Industries Program and the Department of Environmental Protection, the Council is undertaking an additional project to link small, struggling agricultural producers in the French Creek Watershed to the Meadville Market House to provide a sales outlet for their agricultural products. This project also has the added benefit of helping to revitalize downtown Meadville by uniquely linking agricultural producers and their success to urban revitalization.

One measure of success for our farmland preservation efforts was the announcement last week by Governor Rendell that Pennsylvania just became the first state in the nation to permanently protect over 350,000 acres of farmland. Over the years Pennsylvania, like most states, has adopted a whole series of tools and programs to help preserve farmland, but we've almost never taken a look at how well they are actually achieving their goals.

With the York County Community Foundation Robert R. Anderson Family Fund, the Farm and Natural Lands Trust of York County and the York County Planning Commission as partners, the Council last year started a review of the effectiveness of farmland preservation tools in the County. This three-year project will look in a cooperative way at the effectiveness of local agricultural zoning, the county farmland preservation program, and other initiatives to determine how successful they have been and whether changes need to be made.

The Resource Enhancement and Protection Act

One new tool we think will tie together many of the benefits I've talked about for farmers is the proposed Resource Enhancement and Protection Act (REAP), that would provide tax credits to farmers and other landowners who install conservation practices that reduce nutrients and sediments going into our rivers and streams. House Bill 100 and Senate Bill 690 would encourage farmers to undertake conservation practices that have nutrient and sediment reduction value and many times biomass energy and carbon sequestration value. In addition, the legislation gives the State Conservation Commission authority to identify other best management practices that deal with issues like excess manure.

We urge your support for this initiative.

Federal Farm Bill

While Pennsylvania is taking steps to make our farmers more economically viable, reduce the environmental impact of agriculture, and to protect farmland, policies and programs of the federal government still play a major role in the success or failure of our efforts. This year, more than others, we have the opportunity to influence the direction of those programs through the authorization of the federal Farm Bill.

Pennsylvania farmers receive only three cents for every one dollar of agricultural production from Farm Bill programs, while the national average is nine cents. Increased funding and more efficient delivery of federal help for farm and forest conservation programs is one way to return more money to Pennsylvania. With members of the Pennsylvania delegation like U.S. Senator Bob Casey and Congressman Tim Holden in key committee slots, we have a better chance than ever to help shape programs in the Farm Bill.

Programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Reserve Enhancement Program (CREP) should be expanded and include forest land owners. Funding for Wildlife Habitat and Wetlands Reserves Programs should be increased and expanded for states, like Pennsylvania, that demonstrate success in recovering populations of state or federal listed endangered species. Additional support should be provided in the Farm Bill to promote agriculture based renewable energy production and to identify opportunities for the sequestering of carbon to help offset greenhouse gases in ways that economically support agriculture and forestry. Adequate resources should be appropriated to provide technical assistance to farmers and landowners interested in taking advantages of Farm Bill conservation programs. Without technical assistance, these programs are like a tractor without a driver: the substance is there, but no one is driving the program.

Conclusion

The Pennsylvania Environmental Council has many more initiatives underway that benefit rural areas of Pennsylvania, including the development of river conservation plans,

looking for common sense solutions to stormwater management, county-level and regional open space and recreation planning, managing tourism growth and development around the Flight 93 crash site, expanding the COALS anti-dumping initiative to all parts of Pennsylvania, and the French Creek and Northern Allegheny Projects. We would be happy to sit down with you and your staff at any time to provide you with more information on any of these initiatives or how the Pennsylvania Environmental Council might be able to offer solutions to your problem.

Thank you again for the opportunity to participate.

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