



**Testimony of Russell Redding, Secretary
Pennsylvania Department of Agriculture
Senate Democratic Policy Committee
“Addressing Today’s Challenges in Agriculture and Farming”
October 6, 2026**

Good morning, Chairman Miller, Senator Schwank, Senator Malone, and other members of the Senate Democratic Policy Committee. On behalf of the Department of Agriculture, I appreciate the opportunity to discuss the state of the agricultural economy and its impact on our farmers and food system.

Across Pennsylvania, harvest season is underway and the energy from it can be felt from every field furrow to every farmer’s market. From silage chopping to apple picking, soybean combining to readying livestock, this time of year brings long days and hard work. It also brings great joy to farmers and consumers alike. As a strong leader in agritourism and direct-to-consumer sales, Pennsylvania farms are central to many family traditions and experiences, like pumpkin patches, county fairs, and on-farm festivals.

Swirling around harvest and fall activities, every farmer is doing math right now, and this year the numbers are harder than they should be. While no year is without challenges, the convergence of factors, such as climate disasters, rising prices on critical supplies such as diesel, geopolitical events, federal policy shifts, and market changes over the past several years have created a tremendously difficult farm economy, which has impacts on the foundations of our food system.

But here is what farming has taught me: every time we plant a seed, we are making a bet on a strong harvest and a better tomorrow. In that spirit, today’s conversation is a seed - what we plant here, together, is how we make sure that tomorrow is better for Pennsylvania’s farmers, producers, and families who are counting on us.

Pennsylvania continuously demonstrates tremendous and unwavering leadership in supporting agriculture through investments, infrastructure, and initiatives, particularly in times of great adversity. This work, under Governor Shapiro’s leadership and done in a bipartisan, Commonwealth-wide manner, has increased the resiliency of our farmers and food systems through not only augmented financial resources and has also provided confidence and steadfastness in uncertain times.

We saw that bipartisan state leadership, earlier this year, after a devastating freeze struck our fruit industry. This April, our orchards represented a glimmer of hope – with beautiful blooms showing the promise of a bountiful harvest. However, a hard freeze settled over most of the Commonwealth, causing devastating damage to these fragile blossoms. Early industry assessments suggested this would cause nearly \$200 million in losses for our fruit growers, with losses on individual orchards as low as 50%, to some growers experiencing a 100% wipeout. As we are approaching the time of pack out, we anticipate this figure to only grow. This impacts not only the grower, but the supply chain around them – their employees, retailers, logistics, and more.



At a time when the farm economy is already difficult, our fruit growers could not afford to go a full year without a paycheck. Governor Shapiro, along with our partners in the legislature, sprang into action, securing \$10 million in funding to help keep our fruit growers in business until the next growing season. We are proud to be the only state in the Mid-Atlantic region with a dedicated freeze recovery program. The Governor has led multi-state efforts, calling on USDA to expedite crop insurance payments and provide additional resources, and continues to advocate for our growers, processors, and their employees.

Extreme weather events are only one shock to the system. Across commodities, global conflicts and tariff and trade adjustments have impacted producers across input costs, international market access, and overall farm margins.

Agriculture is uniquely vulnerable with the global spike in fuel prices and diminished access to fertilizer imports. Nearly 49% of global urea exports and about 30% of global ammonia exports move through the Strait of Hormuz, and the U.S. relies on imports to meet fertilizer demand. At the beginning of the 2026 planting season in the U.S., ammonia prices were 41% higher than they were the previous year, while urea prices had risen 21%, increasing production costs for farmers.

Farmers are now into harvest season while diesel prices surge at one of their most critical and energy dependent times of the year. In Pennsylvania, the average for diesel is currently \$6.59 per gallon. In late February (before the war), the average price was \$4.10 per gallon of diesel in PA. That is a 62% increase in the price of diesel since February, and fuel use is simply not an area where farmers can economize. The food system is incredibly energy-intensive, with high amounts of energy required at each stage of the process- growing, harvesting, processing, and transport- and compounding down the supply chain.

High tariffs and strained trade relationships also make American products less competitive overseas, causing an increase into domestic inventory which suppresses farmgate prices. Tariffs on foreign equipment parts, steel, specialized machinery, or crop protection chemicals directly impact farmers who cannot pass these input price hikes along to buyers. Soybean exports have also been severely impacted due to renegotiated trade agreements, with corn, wheat, and mushrooms among commodities experiencing increased pressures around export markets. The hardwoods industry, Pennsylvania's number one agricultural commodity and a major export product for the state at more than \$500 million in overseas trade, has particularly experienced weakened export demand and retaliatory tariffs most recently from Canada.

Additionally, the recent decision to allow an additional 660,000,000 pounds of imported lean beef into the United States at a lower tariff rate raises serious concerns for many of Pennsylvania's cattle producers and processors. Increasing imported beef supplies at a reduced tariff rate, even as a temporary measure, is unlikely to provide meaningful or sustained price relief for consumers but will likely harm producers who are already facing significant production costs and narrow margins.

This comes at a time when the beef industry faces issues regarding supply and processing capacity. The national beef-cow inventory currently stands at a historic low, yet consumers continue to demand beef. Drought, high production costs, lack of processing facilities, disease-related restrictions on Mexican cattle



imports, and other supply constraints have contributed to the shortage. While the USDA has made some efforts to improve the domestic supply, trade relationships remain a critical piece of the market.

While trade relationships nationally may have shifted, maintaining international and regional relationships has remained a priority for the Commonwealth. Pennsylvania has maintained strong relationships with embassies and our neighboring states through the National Association of State Departments of Agriculture and the Great Lakes St. Lawrence Governors & Premiers; and has been present at important events like the Tri-National Agricultural Accord. We were proud to be the host of the first GreenTech North America conference and trade show, held in mid-September in Philadelphia. This event was a testament to our strong relationship with the Netherlands, focused on sharing innovation and research to support controlled environment agriculture and crop and nursery production.

This work builds from our leadership in agricultural innovation, spurred by the Governor's economic development strategy, which led to the nation's only Agricultural Innovation Grant Program. Since its inception, the program has dedicated \$30 million to enhance on-farm and processing through modernization, cutting-edge technology, and sustainable infrastructure and equipment. To date, the Department has awarded \$19.4 million to 185 projects in 50 unique counties. The third round of applications closed on September 23 with 202 applications requesting \$47 million in funds across 57 unique counties that represent all major commodities. This program remains incredibly high demand, with 679 applications requesting over \$184 million, well above the \$30 million available, and we look forward to continuing discussions on how to support this demand.

These investments have increased resiliency for our farm, forest, and food businesses. We have seen this pattern before, in the passage and implementation of the PA Farm Bill before the COVID-19 pandemic. The PA Farm Bill, the first state farm bill in the nation, continues to create opportunities and stability across commodities to farms of all sizes, production methods, markets and business models. Now in its seventh year, requests for funding in these programs continue to average two to three times the available amounts, and the Department continues to work with stakeholders, elected officials, and leadership to find ways to meet the need.

These initiatives embody the Governor's vision that was put forth in the state's economic development strategy. The strategy has strengthened and realigned the Department of Agriculture and Department of Community and Economic Development's relationship, bringing a fruitful partnership across agencies, leading to intentional investments with widespread benefits.

Notably, the Shapiro Administration's historic deal that brought Chobani to the Commonwealth means a significant long-term investment in our dairy industry. With this new facility, slated to come online in Spring 2027, Chobani will need more than 3 billion pounds of milk as it ramps up production. Pennsylvania is presently ranked 8th in total milk production nationally, with the Commonwealth's 461,000 cows producing nearly 9.737 billion pounds of milk annually. This plant creates the opportunity to increase our production by 30%, giving Pennsylvania dairy producers a new market and creating a higher demand for milk after decades of slow growth. In a time when we see a loss of processing facilities across commodities, this investment marks a moment of hope and progress.



Earlier this year, JBS announced the closure of its Souderton, PA plant, which resulted in the cessation of their cattle harvesting and primary beef processing operation. The Shapiro Administration worked proactively with JBS to evolve the operation, successfully converting the plant into a dedicated value-added operation, safeguarding 400 jobs. The company plans to invest more than \$30 million over the next decade to modernize the property and expand its case-ready capabilities. This action comes at a critical time when producers need assurances that the government supports them. We continue to look for ways to improve livestock processing, including the announcement of \$600,000 in awards through the PA Farm Bill's Very Small Meat Processor grants and the opening of the next \$500,000 for applications.

Low-interest loans through the Pennsylvania Industrial Development Authority (PIDA) are another tool to help businesses grow and stay in Pennsylvania. Earlier this year, PIDA supported a \$5 million loan for The Wenger Group's acquisition of Plainville Farms, a turkey processing facility in Adams County supporting 690 existing full-time jobs and 93 independent family farms, in addition to over 300 vendor and logistics partners - the majority of which are based in Pennsylvania.

From Tandem Foods in Allegheny County, Bell & Evans in Lebanon County, and Schreiber Foods in Cumberland County, the Shapiro Administration continues to support and strengthen Pennsylvania's agricultural industry.

The 2026-27 budget authorized the Department of Community and Economic Development to increase PIDA-SBF loan amounts from \$400 thousand up to \$1 million for agriculture entities to purchase land, bringing the limit to be more equal to what other entities receive. These loans are particularly important to our small and mid-sized farm and agribusinesses. Just recently, Sycamore Run Farm, LLC 7th generation farm in Lancaster, requested and received a \$1 million PIDA-SBF loan to assist the next generation with the construction of a layer barn. As interest rates climb, these loans provide a secure, attainable means for growth and planning.

The other side of this conversation is market demand and affordability for consumers. Governor Shapiro and this Administration have been clear that our values have not changed – all Pennsylvanians deserve access to food. According to the 2026 Food Insecurity Report from the Central Pennsylvania Food Bank and Feeding Pennsylvania, since December 2024, SNAP participation has dropped 14.7% in Pennsylvania, with more than 296,000 people having lost benefits.

Forthcoming changes under H.R.1 will also significantly affect Pennsylvania's food assistance system. In a major shift, SNAP – Pennsylvania's (and the nation's) largest food assistance program – will go from being fully federally funded, to the states facing a cost-share, based on each state's calculated error rate. This will strain state resources and put food access at risk for hundreds of thousands of Pennsylvanians, along with the grocers, producers, and workers who depend on those purchases.

Not only is this a societal loss, but it is also an economic one for our farmers. Roughly \$91 million from SNAP dollars goes into the pockets of Pennsylvania farmers every month, which translates to \$1 billion per year.



At the same time, federal support to our charitable food network through programs like The Emergency Food Assistance Program (TEFAP) has dropped substantially. Federal food pounds distributed statewide have dropped by half, falling by more than 37.53 million pounds - an astounding 54% decrease - since 2024.

To remain steadfast to our values, Pennsylvania remains unwavering in our support of the charitable food system through the State Food Purchase Program (SFPP), which provides funding to counties to purchase food for families through food banks and pantries, and the Pennsylvania Agricultural Surplus System (PASS), which helps farmers get their surplus harvests to those same food banks. The PASS program was an important resource for 11 Erie-area concord grape growers whose buyer cancelled contracts for this season's crops unexpectedly in March of this year. Through this program, the Shapiro Administration was able to dedicate \$500,000 to fund an emergency purchase, process, and transport of 350 tons of grapes to be made into juice concentrate and distributed to Feeding Pennsylvania-member foodbanks. The Fresh Food Financing Initiative is also creating greater access to fresh food in communities while creating new outlets for Pennsylvania growers.

Markets and food security both depend on workforce. The best market in the world does not matter if we do not have people to grow, process, and deliver the products.

The American Farm Bureau's analysis of fiscal year 2025 Department of Labor data shows that the H-2A program reached more than 400,000 certified positions for the first time in U.S. history. Even more telling, only 182 local applicants applied for more than 415,000 advertised positions nationwide. That means less than 0.04% of these jobs that are critical to getting food on our tables could be filled without relying on guest workers. Agriculture and food production rely on immigrant workers not out of convenience but necessity.

The recent loss of temporary protected status for many individuals working in Pennsylvania on farms and agribusiness has created uncertainty for employers. These workers lost legal status overnight, resulting in ICE raids on agribusiness sites and employees being afraid to show up to work. These immigrant workers are performing skilled labor and jobs, with many of them living here and contributing positively to our communities for years. This industry stops without immigrant labor, and we need meaningful immigration reform and legal pathways for immigrant workers to continue this essential work.

The agriculture economy depends on a strong domestic workforce as well and we continue to engage with our partners at the Department of Labor and Industry to develop that talent pipeline. We currently have 11 registered agriculture apprenticeship programs and three pre-apprenticeship programs, which helps to build our talent pipeline while we continue to work across the Administration and industry to find solutions.

Additionally, American Farmland Trust estimates that 40% of U.S. farmland will change hands over the next 10 to 15 years – meaning over 150 million acres will be transitioned to new owners, many with little to no farming experience. In Pennsylvania, we lead the nation in preserved farms and the number of beginning farmers, giving us a strong foundation for this conversation. Building on that foundation, we



will need all the tools and resources we can muster to ensure our farmland remains productive, viable and well stewarded for the next generation.

One such resource is the Beginning Farmer Tax Credit, which encourages retiring landowners to sell their farms to beginning farmers. The Department supports amendments to the program to make it accessible to both the purchaser and the seller; adds the ability for the tax credit to be carried forward across multiple tax years; and increases the amount of the tax credit that can be obtained, reflecting increased land values.

As we look toward the future of our farmland and the harvests yet to come, I remain optimistic about the future of agriculture in Pennsylvania. Our farm and food economy is complex and dynamic - globally interconnected yet deeply rooted in the communities and landscapes we call home. Across our rolling rural hills, deep-rooted forests, and industrious city streets, Pennsylvania has stood firm in its belief that agriculture is core to who we are. We have reflected that belief through our actions, our decisions, and our advocacy, keeping a steady hand at the state level as we navigate the ever-changing challenges facing our farmers.

Governor Shapiro's leadership, along with your partnership, has been integral to that work, and we look forward to continuing our shared efforts to keep Pennsylvania a global leader in food, farms, and forests.

And to our farmers: as this harvest season comes to an end, we are reminded that abundance is never accidental. It is built through hard work, patience, resilience, and the willingness to keep planting even when the season ahead is uncertain. For generations, Pennsylvania's farmers have planted more than crops; you have planted roots in our communities, invested in our land, and built a legacy of knowledge and stewardship that sustains us all.

Pennsylvania's farmers haven't stopped planting. It is our responsibility to make sure that the seeds you plant today have every opportunity to become tomorrow's harvest and that Pennsylvania remains a place where those harvests, and the generations who depend on them, can continue to grow.

Thank you.