

## TESTIMONY

*Presented to*

Senate Committee on Environment and Public Works

Subcommittee on Water and Wildlife

“Legislative Hearing on Great Water Body Legislation: S. 1816 and S. 1311”

United States Senate

*Submitted by*

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Chairman Cardin, Ranking Member Crapo and members of the Subcommittee. I thank you for this opportunity to testify in support of the reauthorization of the Chesapeake Bay Program, cited as the “Chesapeake Clean Water and Ecosystem Restoration Act of 2009”. I believe the role of the Federal Government is critical to the success of the Bay restoration effort. I am here today to lend a voice from an agricultural perspective, more specifically an animal agriculture perspective from a neighboring Chesapeake Bay state, Pennsylvania.

Although I grew up on a dry-land wheat farm in Washington State, I have lived in Lancaster, Pennsylvania for the past ten years. Eight years ago I started an agricultural consulting and engineering company called Red Barn Consulting. Red Barn has grown over the years, and currently ten employees work with approximately 650 farm clients within Pennsylvania’s Chesapeake Bay Watershed. Most of our farm clients are third and fourth generation farmers. Red Barn is a niche consulting business solely focused on agriculture, tasked with guiding our farmers through environmental stewardship and compliance. We serve the gamut of Pennsylvania agriculture, from the thirty (30) head Amish dairy to the two thousand five hundred (2,500) head dairy CAFO located on the Mason Dixon Line.

As you know, fifty percent of the fresh water flowing into the Chesapeake Bay comes from the Commonwealth of Pennsylvania. With over 83 thousand miles of streams and rivers, and an estimated eighty trillion gallons of ground water, Pennsylvania is truly a blessed water-rich state. I would like to sit here and look you in the eye and tell you that the Pennsylvania's nitrogen and phosphorous loading problems to the Chesapeake Bay are only because of the 164 waste treatment plants and urban and suburban stormwater runoff. But this statement is simply not true. Depending on what pie chart you use, the largest contributor of nitrogen, phosphorous, and sediment to the Chesapeake Bay is from agricultural activities.

One does not have to go far to read about the issues surrounding the depletion of the blue crab populations or the dead zones that plague our largest fresh water estuary. Even though we have the scientific modeling and the statistics to support the degradation of the Chesapeake Bay, we are crippled by the sociological and geographical connectivity to the Bay. Seventy three percent of all Pennsylvanians have never seen nor will ever visit the Chesapeake Bay. That is why it is important for agriculture to change its rhetoric and mindset about what the Bay means to its future sustainability.

Although we may not have a mental connection to the Chesapeake Bay itself, I do not know a single farmer who does not have a direct relationship with the stream that runs through his or her land. We must think of the Chesapeake Bay as our report card for environmental compliance and focus our stewardship efforts on the localized streams and rivers that ultimately flow into the Bay. There are a myriad of regulations backed by the Clean Water Act for the protection of these local streams and watersheds. If we are to meet and exceed the expectations of the Executive Order of Chesapeake Bay Protection and Restoration, we in the agricultural industry must first and foremost focus on our local bodies of water.

It is my contention that agriculture not only has the will but the ultimate ability to meet these reductions in nitrogen, phosphorous, and sediment. In order to meet this challenge and raise the bar of environmental stewardship, agriculture does need the technical and educational tools provided under the reauthorization of the Chesapeake Bay Initiative. I believe that we already

have the laws and statutes within Pennsylvania to guide compliance, but we have to muster the political will to enforce these regulations.

Enforcement of regulations under the Clean Water Act is only one tool in the toolbox for Chesapeake Bay restoration. A “boots on the ground” local effort needs to be supported through strengthening the technical assistance of the public and private sectors. Agriculture desperately needs the leadership and technical assistance provided by soil conservation districts, natural resource conservation service, crop consultants, and Land Grant University extension agents. We have seen a dramatic cut in personnel and budgetary constraints over the last three years at a time when the knowledge of soil and water conservation are needed the most. The Chesapeake Bay reauthorization needs to provide significant resources for technical assistance, outreach, and education to enable and guide the agricultural community. The bill as proposed will bring significant new money to this system with a critical emphasis on the needed technical assistance. The Chesapeake Bay Ecosystem Restoration Act offers a path forward that both ensures the future of the nation’s largest freshwater estuary and gives local stakeholders the responsibility and financial and technical support to do their part.

The private sector is also ready to meet the agricultural challenge, but many depend on grant funding and federal dollars to support agricultural conservation practices. Red Barn has received Federal Stimulus money in the form of AARA; I know the private sector will be fiscally responsible with this money as it is applied to agricultural operations and new ingenuity. Pennsylvania has become a national model for a nutrient cap and trade free market system that the agricultural community has embraced. Due to low commodity prices, especially milk prices, farmers are more than ever seeking ecosystem services to bring new revenue streams onto the farm through the acres they own.

Three years ago Pennsylvania’s Department of Environmental protection put forth a nutrient credit trading policy to foster the relationship between point sources and non point sources. Red Barn Consulting formed a sister company, Red Barn Trading, to serve as an aggregator and certifier of nutrient credits, or quite simply to aid in the reduction of pounds nitrogen and phosphorous through various farm best management practices. We conducted the first point to

non-point credit trade with a local municipal authority two years ago and continue to sign contracts with developers and waste treatment plants so that they are able to meet NPDES permit requirements. A geographically based cap and trade system is a vehicle for sound economic environmental compliance.

Since the Chesapeake Bay does not recognize the state geographical boundaries drawn on a map, it is my contention that for a cap and trade system to truly work we need a robust multistate Chesapeake Bay trading framework. This will bolster the fledgling credit trading market and allow for economic and environmental sustainability. The Chesapeake Bay will reap the benefits of a multistate trading system as long as it is constructed at a local level and local stream impairment is not given up for the greater cause.

The bill introduced by Senator Cardin creates a framework for water quality trading for nitrogen and phosphorus that will offer farmers new economic opportunities for the water quality improvements they implement. In order to have a robust water quality trading market, we must break down the geographical state barriers that are currently inhibiting a successful market. This can only happen if the Environmental Protection Agency is given authority to establish a water quality credit trading program that extends to all Bay states which would result in a level playing field for credit trading. Not only would such a measure bring down the cost of wastewater treatment plant upgrades, it would provide an economic and environmental incentive for agriculture and other non-point sources to carry their fair share of the load towards Chesapeake Bay Restoration.

Agriculture is willing to do its part for the restoration of the Bay provided that farmers have real and factual clarity of what is expected of them. Agriculture will go above and beyond compliance through creative and innovative practices, but it can only obtain this goal if there is reason and clarity of the process. Grants to local governments and localities need to look beyond stormwater and provide real resources for working lands. Congress has been generous with USDA funding for the Chesapeake Bay Watershed Initiative and other Farm Bill Funding, but more is needed, in particular for people who deliver financial assistance. The bill proposed by Senator Cardin offers the path forward and directional funding so desperately needed.

It has been an honor for me to have the opportunity to share my views with you in regard to the responsibilities of the agricultural community and the Chesapeake Bay. I cordially invite each of you to put on your boots and support the Chesapeake Bay Initiative by keeping our farms sustainable and environmentally responsible.