

Ohio House Finance Subcommittee on Agriculture, Development and Natural Resources
House Bill 166 (As Introduced)
Proponent Testimony for the H2Ohio Fund and Beginner Farmer Program
April 11, 2019

Chairman Hoops, Ranking Member Hicks-Hudson, and members of the House Finance Subcommittee on Agriculture, Development, and Natural Resources, thank you for the opportunity to submit testimony on behalf of the Ohio Cattlemen's Association, Ohio Dairy Producers Association, Ohio Poultry Association, Ohio Sheep Improvement Association and Ohio Pork Council on House Bill 166, the Fiscal Year 2020 – 2021 budget.

Specifically, the above organizations support the H2Ohio Fund, the Governor's proposal that will allocate \$85 million in the biennial budget to the respective state agencies, with the commitment of \$900 million over the next decade toward a statewide multi-faceted approach to address water quality. We have long said that the solutions to water quality in Ohio will not be easy nor simple. Our members appreciate the approach of addressing wastewater and water supply infrastructure, wetland creation, and the use of science to support water quality efforts.

We would also like to express our support for the Ohio State University Cooperative Extension's request for \$26 million and the Ohio Agricultural Research and Development Center for \$39,861,470. Both of these budgets are key to our member success in everything from water quality to helping to address the opioid crisis.

Additionally, we like to take a moment to express our support for Representative Manchester's and Representative Patterson's amendment to incentivize helping beginning farmers. We recognize the value in doing anything we can to help usher in the next generation of farmers, especially in a business that is known for steep entry costs.

By way of background, beef, pork, poultry, sheep and dairy farmers make a significant contribution to Ohio:

- Ohio's cattle farmers raise approximately 307,000 beef cows, with a total value of cattle and calves at \$1.45 billion
- There are about 1,997 dairy farms in Ohio, with an economic impact of \$2.35 billion
- Ohio raises more than 2.95 million hogs each year, with an economic impact of \$576.8 million
- Ohio is one of the largest egg farming states in the nation, producing 9.5 billion eggs a year, with an economic impact of \$3.3 billion

- Ohio is the largest sheep producing state East of the Mississippi River with approximately 3,400 farms producing 130,000 sheep and lambs with an economic impact of \$24 million

Our farmer members recognize that the condition of Lake Erie needs to improve, which is why they continue to work toward improvement and embrace the opportunity to be a part of the solution. For example, livestock and poultry organizations demonstrated their ability to educate farmers on the regulations required in Senate Bill 1, which restricts nutrient application in the Western Lake Erie Basin during certain weather conditions. In addition, livestock and poultry organizations support the ongoing effort to certify farmers through Senate Bill 150, which has certified nearly 19,000 Ohio farmers on appropriate nutrient application.

For decades, our members have worked diligently to reduce their potential impact on the environment. Through the use of innovative farming methods, and best management practices, farmers continue to work toward improvement and protection of our state's valuable resources, including Lake Erie. The funding provided by H2Ohio would ensure that farmers can continue to use and improve these necessary practices. It will come as no shock to the esteemed members of this committee that implementation of practices and farming methods can come at both great risk, and substantial costs. While we know our members are willing to assume some of these risks and costs to ensure water quality for generations to come, the reality is - given the current agricultural economic climate - these practices must sometimes take a back seat to the financial survivability of the farm.

We know that the development of a nutrient management plan and soil testing are great practices, though it is what happens beyond the plans and tests that really determine water quality, yet this is the most challenging component. For instance, we know that in certain situations cover crops are cost effective for the operation, while on other farms they can create a financial loss that cannot be sustained long term. We know that the incorporation of nutrients into the soil can help minimize nutrient loss in certain situations, yet the costs of the equipment is immense. Additionally, we know that in certain situations incorporation of nutrients can lead to additional soil loss potentially increasing water quality challenges. We know that there are benefits to utilizing manure on a growing crop such as side dressing corn, yet the risks of waiting to apply on a growing crop can be detrimental to an operation if the weather does not cooperate.

These benefits and risks must be evaluated at every field and every level, by a farmer who has much to lose. The H2Ohio Fund is a tremendous step forward in helping our members minimize these risks and better determine which best management practices will have the most impact on their farms.

As mentioned above, we support the amendment to incentivize helping beginning farmers and hope this committee accepts the language to create this important tax credit program.

As we have said before, the easy decisions and changes as it relates to water quality and the future of agriculture have been made. Today we are left with tough and complicated questions that require even more complex solutions. It is in the face of this that we ask you to stand by farmers who are willing to risk so much by making the tough and bold decisions to support the \$900 million dedication to the H2Ohio Fund over the next decade and specifically the \$85 million in this budget, as well as the language to support a tax credit for helping beginning farmers and necessary funding for OSU Extension and OARDC. Thank you for your time and support of Ohio Agriculture.

				
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