PENNSTATE

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in Blair County

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Ag Issues and Relevant to the 30th and 35th PA Senatorial Districts

General Agriculture

I. **Labor Management**
- Availability and supply of labor
- Limited knowledge of human resource policies and labor management practices.
- Immigration reform and a guest worker program

II. **Ag-business Start-ups**
- Access to capital
- Economic barriers to entry
- Lack of local Ag Incubators
- Gaps in educational delivery
- Limited farm business management knowledge by producers

III. **Modernization and Business Reinvestment**
- Low margins and profitability have impeded area farmers from modernizing their operation and from reinvesting in their ag enterprise
- Reliance on out-dated equipment and failure to invest in post-harvest technologies which have allowed farmers to loose out on higher priced markets and operational efficiencies.
- Farm indebtedness
- Technology gaps, which limit farm level innovation.

IV. **Environment**
- Farmer apathy regarding soil testing and IPM and pest scouting

V. **Biosecurity and Exotic Pests**
- Most farmers are not utilizing proper biosecurity practices
- New diseases and pests
    - Angular Leaf Spot
    - Emerald Ash Borer
    - Asia Rust

Dairy Industry

2005 NASS-USDA data

County	Number of Dairy Cows	Milk Pounds per Cow	Milk Value in Millions
Blair	16,700	18,378	$51.776
Bedford	15,200	16,900	$43.313
Somerset	19,000	16,703	$53.509
Cambria	2,500	16,300	$ 6.871
Clinton	5,900	17,900	$17.807
Huntingdon	12,100	18,900	$38.559
Fulton	5,900	16,500	$16.414
PA Total	561,000	18,722	$1,770.
US Average		19,565	

Pennsylvania remains a leading dairy producer in the nation. 2006 data shows the state is fifth for milk production and cow numbers. However, Pennsylvania is last in the nation for cows per herd at 64 cows. Yes, Pennsylvania's average herd size is impacted by the smaller herds of Amish and Mennonite farm families. One could assume that Pennsylvania farmers can be profitable at a smaller size. However, additional analysis is required. Amish and Mennonite farm families have some competitive advantages over the "English" farm families. Larger family size, meaning less hired labor needed, lower family living costs, and creating additional income streams from their farm (e.g. produce production, furniture making, and diesel repair) have allowed Amish and Mennonite farms to remain profitable at small herd sizes. These added enterprises allow the farm overhead to be spread over more profit centers, which are businesses, not cows.

Small herd size and productivity are major concerns for Pennsylvania's Dairy Industry. From the data above, all of the counties are below the nation average of milk production per cow, with one county above the state's average production level. Our dairy farmers are "leaving money on the table" due to their lower milk production. At a milk price of $13.00 per hundred weight, every 1,000 pounds of milk per cow is worth $130 gross income. Many Pennsylvania Dairy producers would benefit significantly by increasing their herd's annual milk production by one or two thousand pounds of milk per cow per year. This is a "do-able" goal. It will take a concerted effort by dairy producers and those who serve them. My opinion is reproductive performance, forage quality, and herd management are areas where performance improvement will improve milk production per cow. Education is a necessary component to help producers recognize the problem and solve it. Additionally, individual assistance will be required, since solutions will need to be customized to each farm.

Although one single farm, regardless of its size, will not impact the local economy as a manufacturing plant or hospital. However, their combined value makes agriculture an economic impact driver. Penn State's Agricultural Economists have created a web based program to help quantify the impact of production agriculture in Pennsylvania's counties.

Using this source and Blair County as an example, in 2001, the total value of Blair County's production agriculture was $62.5 million. Agriculture's unique value is the multiplier effect, since a greater percentage of its raw materials, processing, and services stay within the local, regional, or state's boundaries. The AgImpact Model shows Blair County's farmers produced $61.5 million in gross sales and employed 930 people. The multiplier effect created 499 additional jobs, $33.7 million of additional economic output. "In summary, Blair County's ag sector supports, either directly or indirectly, 1,429 jobs, $89 million in output, and $42.6 million in additional value added in economic activity."

One of America's greatest assets is it agricultural production. Keeping it strong and viable is more than just farmland preservation. Creating the environment and marketplace conducive to profitable agricultural production will maintain a strong economy and safe and reliable food source.