

AGRICULTURAL STEWARDSHIP COMMISSION

Final Report

ANNAPOLIS, MARYLAND

JANUARY 2006

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January 19, 2006

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21401

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, Maryland 21401

Dear President Miller and Speaker Busch:

Agricultural runoff continues to be a significant source of nutrient and sediment pollution in the Chesapeake Bay. Although recent changes to the Water Quality Improvement Act of 1998 have increased farmer compliance with the development and implementation of nutrient management plans, more can be done to reduce agricultural runoff. However, because farm profitability is an increasing concern, imposing additional mandates on farmers without adequate financial support is not feasible.

In an effort to tackle this issue, you created the Agricultural Stewardship Commission, a joint legislative commission, to examine and identify incentives to help farmers implement sound agricultural practices that will help clean up Maryland's rivers and streams, while ensuring the continued viability of farming the State. The commission began meeting in July and concluded its meetings in December. The attached report and draft legislation represent the findings and recommendations of the commission. Enclosed please find a copy of the report and draft legislation for your review.

The Honorable Thomas V. Mike Miller, Jr.
The Honorable Michael E. Busch
January 19, 2006
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As you know, the Agricultural Stewardship Act of 2006 was cross-filed in the Senate (Senate Bill 5) and the House (House Bill 2) on January 11, 2006. We trust that you will find this report useful in providing background and explaining the rationale behind this Act.

Sincerely,

Paula C. Hollinger
Senate Co-Chairman

Norman H. Conway
House Co-Chairman

Thomas M. Middleton
Senate Co-Chairman

Maggie McIntosh
House Co-Chairman

/LGC/jaw

cc: Mr. Karl S. Aro
Mr. Warren G. Deschenaux

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Senator Thomas M. Middleton, Senate Co-Chairman
Delegate Norman H. Conway, House Co-Chairman
Delegate Maggie McIntosh, House Co-Chairman

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Introduction

During the 2005 interim, Senate President Thomas V. Mike Miller, Jr. and House of Delegates Speaker Michael E. Busch formed the 20-member Agricultural Stewardship Commission, a joint legislative commission, to examine and identify incentives to help farmers implement sound agricultural practices while helping to enhance the viability of farming in the State. The commission was charged with developing recommendations to be considered during the 2006 legislative session.

Senate President Miller and House Speaker Busch appointed four co-chairs and ten legislative members to the commission; two co-chairs and five legislative members were chosen from both the Senate and House of Delegates, respectively. The co-chairs were then asked to select six non-legislative members, including three representatives from the farming community, a representative from academia, a representative from an organization that works to support the Chesapeake Bay, and a representative from the agricultural business industry.

The commission held a series of six meetings and one site visit, which began in July and concluded in December. As a result of its work, the commission developed several budgetary and policy recommendations which are outlined in this report. Draft legislation to implement several of the recommendations is attached as **Appendix 1**.

Background

In 1999, the Chesapeake Bay was listed as an impaired water body under the federal Clean Water Act due to low dissolved oxygen levels and poor water clarity. In 2000, the Chesapeake Bay Program partners negotiated the Chesapeake Bay 2000 Agreement (C2K), which laid out the framework for delisting the bay by resolving its nutrient and sediment impairments by 2010. C2K commits the bay watershed partners to implement revised tributary strategies to achieve and maintain the assigned loading goals by 2010. In April 2004, the Department of Natural Resources released Maryland's Tributary Strategy, which outlines basin-specific nutrient and sediment control actions necessary to reduce pollution from a variety of sources. The strategy relies on significant pollution reductions from farmland, as agricultural best management practices provide some of the most cost-effective methods for reducing pollution.

While many farmers have already taken steps to reduce pollution, there is a significant funding gap between current funding and what is needed to meet the State's commitments under C2K. According to a draft Tributary Strategy funding analysis, Maryland's existing funding sources will cover only 45 percent of the estimated \$10 billion needed to implement the State's strategy through 2010.

According to the Chesapeake Bay Program, in 2003, agriculture contributed 37 percent of Maryland's nitrogen loads, 42 percent of Maryland's phosphorus loads, and 70 percent of Maryland's sediment loads to the Chesapeake Bay. Other sources of nutrient and sediment pollution include point sources and urban/suburban lands. The Maryland General Assembly addressed the point source contribution with the establishment of the Bay Restoration Fund in 2004; that legislation established a funding source to finance upgrades to the State's wastewater treatment plants with enhanced nutrient removal technology.

Agricultural runoff was initially addressed with the passage of the Water Quality Improvement Act (WQIA) of 1998, which required farmers to develop and implement nutrient management plans. For a variety of reasons, however, several farmers did not meet the deadlines for developing and implementing nutrient management plans. In an effort to encourage compliance with the WQIA, the law was amended in 2004. Although compliance has improved, runoff from agricultural lands remains a concern.

A renewed look at agriculture is seen as one of the next greatest opportunities to improve bay water quality. Imposing more requirements on farmers, without adequate financial support, however, is not feasible. Farmers are earning less than ever for what they produce. In 1952, American farmers received 47 cents for every dollar consumers spent on food in retail grocery stores; by 2000, that had dropped to 20 cents. *In addition, the average federal agricultural funding is less in Maryland than in other states.* Currently, Chesapeake farmers receive an average of four cents of federal agricultural funding for every dollar in production, while the national average is 6 cents.

Sky-rocketing property values in the region are also putting farmers under more pressure than ever to sell their farms to developers. Since 1950, total farmland acreage in the Chesapeake Bay watershed has declined by 45 percent, and an estimated 90,000 acres of farmland are lost each year to growth and development. Nevertheless, agriculture remains the largest single land use in Maryland, with 2,100,000 acres, or roughly 33 percent of total land area used for farming. Approximately 350,000 people are employed in some aspect of agriculture, making it the largest commercial industry in the State. Furthermore, Maryland farms contribute greatly to the economy – the value of agricultural products sold in the Chesapeake Bay watershed totaled nearly \$8 billion in 2002.

Related Efforts by the Maryland Agricultural Commission

In response to the increasing pressures threatening the economical viability of agriculture in the State, in February 2005, Governor Robert L. Ehrlich, Jr. asked the Maryland Department of Agriculture (MDA) and the Maryland Agricultural Commission (MAC) to spearhead the development of comprehensive policy recommendations for sustaining agriculture in Maryland. The first step in this process was a mail survey conducted by MDA in May 2005; the survey results served as a starting point, helping MAC get a sense of the major concerns. Because MAC

felt that it was important to get stakeholders involved, the second step was a series of listening sessions to seek input on various subjects of importance to farmers.

Seven listening sessions were held throughout the State in August. A preliminary review of the issues raised during the listening session process reveals that Maryland farmers are *most concerned* with profitability, agricultural land preservation, and advancing agriculture through better promotion, advertising, and education. The information developed from the listening session process will be used by MAC as it drafts the framework for a strategic plan to be discussed at an Agricultural Forum on February 13, 2006. Participants in the forum will then develop policy recommendations. A final report is expected in May 2006.

While the Administration's efforts through MDA and MAC are broad in nature – examining ways to maintain agriculture as a viable industry in the State – the legislative Agricultural Stewardship Commission's charge – identifying financial incentives to help farmers be good stewards of the land while maintaining economic viability – was more focused.

Summary of Commission Activities

The commission held a series of six meetings and one site visit, which began in July and concluded in December. The commission heard testimony from a variety of experts on a number of topics relevant to its work, including:

- an overview by the Chesapeake Bay Commission and the U.S. Environmental Protection Agency's Chesapeake Bay Program on nutrient and sediment pollution, commitments made under C2K to reduce nutrient and sediment loading to the bay, and strategies to achieve those reductions;
- a presentation by the Maryland Department of Agriculture (MDA) on current agricultural water quality programs and funding;
- a report by MAC on the preliminary results of the listening sessions;
- an overview by the Delmarva Poultry Industry, Inc. of the economics of the poultry industry, its environmental successes, and its environmental needs;
- an overview by the Maryland Grain Producer's Association regarding Maryland's grain industry, its relationship with poultry production, and biofuels;
- a briefing by AviTech, LLC, regarding proposed technologies for the poultry industry;
- an overview by the University of Maryland regarding the Maryland Cooperative Extension and its funding history;
- a summary by the Chesapeake Bay Foundation of a recent report regarding the state of Chesapeake agriculture;
- an update on MDA's Cover Crop Program; and
- an overview of the Maryland Agricultural and Resource Based Industry Development Corporation (MARBIDCO).

In addition to these briefings, the commission held several lengthy work sessions to discuss potential recommendations.

Budgetary Findings and Recommendations

General Recommendation: For any budgetary recommendation that results in an increase in an appropriation for any given program, the affected agencies should report back to the appropriate fiscal and policy committees of the General Assembly on the impact of any additional funding.

Finding: The Maryland Agricultural Water Quality Cost Share Program (MACS) should be continued and expanded.

The Maryland Agricultural Water Quality Cost Share Program (MACS) was established in 1984 to help farmers pay the cost of installing pollution controls that protect water quality. MACS provides farmers with grants to cover up to 87.5 percent of the cost to install best management practices (BMPs) on their farms to control soil erosion, manage nutrients, and safeguard water quality in streams, rivers, and the Chesapeake Bay. Cover crops, streamside buffers, and animal waste systems are among 30 BMPs currently eligible for funding. Through 2005, Maryland farmers had committed more than \$11 million of their own money to match the roughly \$90 million provided by State and federal funding sources to install BMPs through MACS. In fiscal 2005, Maryland farmers received approximately \$4.7 million in grants from MACS.

Recommendation #1: Provide an additional \$35 million in general funds for MACS; this increase in funding should be phased in over a five-year period (\$7 million per year) and maintained in future fiscal years. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Cover crops are cost-effective; the program should be expanded.

Cover crops are valuable tools used by farmers to protect water quality in the Chesapeake Bay and its tributaries. Cover crops provide dual protection against farm runoff and soil erosion by absorbing unused crop nutrients remaining in the soil following the fall harvest and acting as a ground cover to keep the soil from washing away during the winter months. Research shows that cover crops of wheat, barley, rye, or oats planted immediately after the fall harvest are most effective in taking up unused crop nutrients remaining in the soil. According to a 2004 report by the Chesapeake Bay Commission, cover crops are one of the most cost-effective ways to improve the water quality in the Chesapeake Bay. Maryland's Tributary Strategy calls for the planting of 600,000 acres of early cover crops each year; current funding can support only about 150,000 acres.

Maryland's existing Cover Crop Program is administered by MDA through MACS. Historically, the program had been funded with general funds. During the 2004 session, the General Assembly provided an additional funding source for this program by dedicating a percentage of the funds from the Bay Restoration Fund to the program. MDA estimates that the Bay Restoration Fund could provide an estimated \$3.6 million in fiscal 2006 and an estimated \$4.8 million annually thereafter for the Cover Crop Program. The intent was that these special funds would augment the general funding for the program. However, due to cost containment, general funds for the program were cut.

According to MDA, demand for the program varies significantly each year due to weather and the price of grains, which makes it difficult to estimate the amount of funds needed for the program. In fiscal 2003, the program provided \$2.3 million in cover crop payments to farmers; in fiscal 2004, the program provided only \$591,697. In fiscal 2005, the program provided approximately \$1.5 million. However, for the 2005 – 2006 planting season, demand significantly outweighed available funds; MDA received applications for approximately \$8 million on 200,000 acres, while the legislative appropriation totaled just over \$3 million, and there was an additional \$1 million in general funds left over from fiscal 2005. In response, the Governor announced that an additional \$1.4 million would be provided in fiscal 2006 for the program, bringing the total available funding for fiscal 2006 to \$5.4 million. The additional \$1.4 million in funding has yet to be approved by the legislature, however.

Recommendation #2: Provide an additional \$3 million in general funds for the Cover Crop Program, over and above any funds available from the Bay Restoration Fund. In the next fiscal year, and each year thereafter, provide an additional \$3 million annually in general funds until a total of at least \$14 million annually is appropriated for the program. At a funding level of \$14 million, about half of the Tributary Strategy goal, or 300,000 acres of cover crops, could be planted each year. Any funds not used in any given year shall carry over to the next fiscal year and shall not revert. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Excess manure remains a problem.

Maryland's Manure Transport Program is administered by MACS. The program helps poultry, dairy, beef, and other animal producers cover the costs of transporting excess manure off their farms. Under the program, animal producers with high soil phosphorus levels or farmers who have inadequate cropland to fully utilize their manure may apply for grants to transport excess waste to other farms or alternative use facilities that can use the product safely. In fiscal 2005, the program provided farmers with \$240,000 in State grants to transport over 36,000 tons of manure away from areas with high phosphorus levels. Cost-share funds to transport poultry litter – comprising the bulk of the manure transported – were matched by Delmarva poultry companies, bringing the total amount of financial support provided to \$456,720. Historically, the program had been funded at approximately \$750,000 annually. The State's Nutrient Management Advisory Commission recently recommended that the program be restored

to historical funding levels. According to MDA, demand always outstrips available funding for the program.

Recommendation #3: Increase State funding for the Manure Transport Program to historical levels (\$750,000 annually in general funds). Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Preserving agricultural land is a key ingredient to reducing sprawl and maintaining the economic viability of farming in the State.

The Maryland Agricultural Land Preservation Foundation (MALPF) was created by the Maryland General Assembly in 1977 to preserve productive agricultural land and woodland. Agricultural preservation districts are formed when qualifying landowners sign voluntary agreements to keep their land in agricultural or woodland use for at least five years. Landowners who agree to place their farms within an agricultural preservation district may sell a development rights easement on that property to MALPF. Subject to some limitations, once an easement has been sold, the property is protected from further development. As of June 30, 2005, MALPF had protected approximately 242,822 acres through the purchase of 1,757 easements.

Chapter 634 of 2000 established a task force to study MALPF and make recommendations for improvement; Chapter 473 of 2002 reauthorized the task force. A number of legislative proposals were introduced as a result of the task force's recommendations. Resolutions 16 and 17 of 2002 established a statewide goal to triple the existing numbers of acres of productive agriculture land preserved by a number of land preservation programs, including MALPF, by the year 2022. Chapter 155 of 2005 requires MALPF and the Maryland Department of Planning to establish a Critical Farms Program to provide interim or emergency financing for the acquisition of preservation easements on critical farms that would otherwise be sold for nonagricultural uses.

In its final report, the task force recommended that each county should establish Priority Preservation Areas (PPAs) in which the goals of the program can be achieved. A critical feature of PPAs, as conceived by the task force, is protection of the agricultural land base and agricultural industry. Ideally, PPAs would be areas that contain the best physical and geographical characteristics and support profitable agricultural operations. The task force recommended that PPAs be established through the county comprehensive planning process and then certified by the State. The task force also recommended that PPAs should be linked to increased funding for easement acquisition in these areas.

The recent funding history for MALPF is shown in **Exhibit 1**.

Exhibit 1
Legislative Appropriation by Fiscal Year
(\$ in Millions)

<u>Fiscal 2002</u>	<u>Fiscal 2003</u>	<u>Fiscal 2004</u>	<u>Fiscal 2005</u>	<u>Fiscal 2006</u>
\$44.5	\$39.7	\$44.3	\$23.8	\$42.2

Source: Department of Legislative Services

In addition to federal funds, agricultural land transfer tax revenues, and local matching funds, MALPF receives a significant portion of its funding through the real estate property transfer tax. In recent years, MALPF has experienced funding cuts, due largely to budget reconciliation legislation that has diverted real estate property transfer tax revenues to the general fund. MALPF stands to receive a significant increase in funding for fiscal 2007, largely due to the fact that the real estate property transfer tax estimates continue to rise and because it is likely that there will not be budget reconciliation legislation for fiscal 2007. The Department of Legislative Services' baseline estimate for fiscal 2007, which was based in part on September 2005 real estate property transfer tax estimates made by the Bureau of Revenue Estimates (BRE), is approximately \$79.3 million, an 87.9 percent increase over the fiscal 2006 legislative appropriation. In addition, the December 2005 BRE estimates are projecting even greater growth in real estate property transfer tax revenues; accordingly, the amount of special funds MALPF will receive in fiscal 2007 could be even higher than \$79.3 million – based on the December 2005 BRE estimate, MALPF could stand to receive about \$86.6 million total.

Recommendation #4: Provide \$20 million annually in general funds for the Maryland Agricultural Land Preservation Program. MALPF should have flexibility to use this additional funding for its existing easement acquisition program, the Critical Farms Program, a Priority Preservation Areas Program, and/or an Installment Purchase Agreement Program. Any funding not used in a given fiscal year shall carry over to the next fiscal year and shall not revert. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Providing financing to agricultural-based businesses will help keep land in agricultural use.

Chapter 467 of 2004 created the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) as a public corporation to provide financing to agricultural and resource-based businesses. Specifically, MARBIDCO was established to (1) develop agricultural industries and markets; (2) support appropriate commercialization of agricultural processes and technology; and (3) alleviate the shortage of nontraditional capital credit available at affordable interest rates for investment in agriculture and sale of related

products and services, as well as capital investment in agricultural projects by providing capital and credit within the financial means of the recipient. MARBIDCO's stated vision is to ensure that Maryland's resource-based industries survive and thrive well into the 21st century.

The 2004 authorizing legislation was built on design that MARBIDCO would be adequately capitalized over several years so that by the year 2020 it would have received sufficient investment (about \$45 million) to be completely self-sustaining. Chapter 614 of 2005 authorizes the Governor to include each year in the budget bill an appropriation to MARBIDCO in an amount up to \$5 million in order to capitalize MARBIDCO; if the State has provided \$12 million or less from fiscal 2006 through 2010, the Governor may include an appropriation of up to \$6.5 million annually. MARBIDCO has not yet received a State appropriation. Interim staffing is being provided by the Rural Maryland Council. MARBIDCO is submitting an operating budget request for fiscal 2007 for \$4 million to \$5 million for business development and loan programs, including about \$500,000 for staffing and start-up costs.

MARBIDCO is planning several new programs – a Maryland Farm and Producer Viability Program and Fund to improve the financial viability of participating producers through the provision of small grants and loans; a Maryland Resource Based Industry Financing Fund to provide low-interest loans and loan guarantees to established resource-based industry firms for the purchase of land and capital equipment for production and processing activities; a Critical Farms Program (with MALPF) to assist in helping to meet critical agricultural land preservation needs by providing bridge or interim financing for the acquisition of easements or fee simple purchases in cases where land is under immediate threat of development; an Installment Purchase Agreement Program (with MALPF) to provide structured tax-advantaged financial agreements to help purchase easements on agricultural property likely to otherwise be lost to development; and a Next Generation Farmland Acquisition Program to assist young or beginning farmers to purchase farmland (to be placed in easement) for sustainable agricultural uses. MARBIDCO testified that it would like to see additional resources (\$10 to \$15 million) provided for the Critical Farms Program (in conjunction with MALPF) and the Next Generation Farmland Acquisition Program in fiscal 2007. Other possibilities of future activities could include, if funding permits, the provision of no-interest loans or grants for a manure processing/biofuels incentive program to benefit animal agriculture, including dairy and poultry.

Recommendation #5: Provide \$5 million in funding annually to capitalize MARBIDCO's loan programs. Provide an additional \$5 million annually over a two-year period for MARBIDCO to implement a Next Generation Farmland Acquisition Program. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Additional funding is needed to test proposed technologies that could revolutionize the poultry industry, resulting in environmental and economic benefits. Any funding provided by the State should be conditioned on the proposed technology being made available to the entire poultry industry.

On September 28, 2005, the commission was briefed by AviTech LLC, a Salisbury-based engineering company dedicated to the design and fabrication of systems and processes for the poultry industry to assist in maximizing the development of the genetic potential of the flocks. Specifically, AviTech briefed the commission on its research on retrofitting existing chicken houses by using a plastic floor plenum and associated ventilation system to remove floor moisture. This technology promises to not only reduce ammonia emissions in chicken houses but also to reduce energy consumption, reduce bacteria and fungus/mold development, reduce house down time, eliminate bedding and disposal costs, reduce the amount of manure generated, reduce the moisture content in manure (thereby decreasing the cost to transport it), reduce the use of vaccines, eliminate the need for litter treatment and feed additives, and improve chicken welfare. The application of this cost-effective technology should, therefore, result in an increase in revenues for both growers and integrators; in addition, it could be an important economic development engine on Maryland's Eastern Shore.

Although AviTech's research is exciting, it has been proven in a laboratory only; now AviTech hopes to test this research in an experimental poultry house. Although the cost to implement its proposed technology totals approximately \$2.5 million, AviTech advises that it needs only approximately \$500,000 to build an experimental poultry house. The commission believes that AviTech's proposed technology is consistent with its charge of developing recommendations to assist the agricultural industry in promoting environmental stewardship while maintaining economic viability. Accordingly, on October 5, 2005, the co-chairs of the commission sent the Secretary of the Department of Business and Economic Development (DBED) a letter requesting that DBED provide \$500,000 in fiscal 2006 funding to AviTech to build an experimental poultry house. In response, Secretary Melissaratos indicated that DBED was aware of this need and was pursuing the possibility of providing financing for this endeavor. At the commission's final meeting on December 7, 2005, DBED advised the commission that it had agreed to provide \$500,000 to AviTech, LLC for the establishment of a pilot poultry house to test its proposed technologies for the poultry industry.

Recommendation #6: DBED should establish the following condition on the provision of any State funding granted to AviTech, LLC: the proposed technology should be available to all poultry growers.

Finding: Additional funding is needed for the Maryland Cooperative Extension at the University of Maryland to re-establish a soil testing lab and to provide much needed technical assistance to farmers. Additional funding is also needed for the State's Soil Conservation Districts to support increased staffing levels.

Despite testimony from the Maryland Cooperative Extension to the contrary, concern was raised by the Secretary of MDA as well as several commission members regarding recent decreases in staffing and overall funding for the Maryland Cooperative Extension. Since 2002, the Maryland Cooperative Extension has lost 42 positions, including the layoff of 13 and the elimination of vacant positions. With fewer staff available, technical assistance to farmers has

been reduced significantly. In order to be good stewards of the land, farmers need additional technical assistance in implementing best management practices. In addition to staff reductions, due to budget cuts, the Maryland Cooperative Extension no longer maintains a soil testing lab; farmers must, therefore, send their soil samples to other states to be tested. Given that the Water Quality Improvement Act (WQIA) requires farmers to test their soils, the lack of a soil testing lab in the State sends the wrong signal to farmers about the willingness of the government to assist them.

Maryland's 23 Soil Conservation Districts have also experienced significant staffing shortfalls. Though the 1998 Water Quality Improvement Act specifically stated that the Governor's annual budget must contain adequate funding to maintain at least 110 field personnel in Soil Conservation District offices beginning in 2000, current field staff positions number only 81.

Recommendation #7: Provide an additional \$2 million in annual funding over fiscal 2006 levels for the Maryland Cooperative Extension at the University of Maryland to support additional staff to provide enhanced technical assistance on best management practices to farmers and to reestablish a soil testing laboratory. It is the intent of the commission that the funding for the Maryland Cooperative Extension should not be reduced by the University. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Recommendation #8: Provide an additional \$2.5 million annually for the 23 Soil Conservation Districts to increase staffing levels to 110 field personnel. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Policy Findings and Recommendations

In addition to budgetary recommendations, the commission has developed several policy recommendations.

Finding: The State should encourage the harvest of grains planted as cover crops to be used in the production of biofuels. Providing ongoing support for biofuels in Maryland will lead to a win-win situation for farmers and the environment.

Due to ongoing concerns regarding energy security and the environmental impacts of burning fossil fuels, a number of federal and state incentives exist nationwide to encourage the production of renewable fuels. For example, the federal Energy Security Act of 2005, among other things, established a national Renewable Fuels Standard which will double biofuels use by 2012. In Maryland, The Renewable Fuels Promotion Act of 2005 became effective October 1, 2005. This legislation established a Renewable Fuels Incentive Board which is authorized to certify qualifying producers to receive State payments for producing ethanol and biodiesel.

According to the 2002 Census of Agriculture, over 2,300 farms in Maryland derive most of their income from grains and oilseed crops. The production of biofuels from grains planted as winter cover crops creates a win-win situation for both farmers and the environment. If farmers were able to harvest grains planted under the Cover Crop Program, they would benefit economically; these grains could then be available to support the production of biofuels. In addition, the Maryland Department of Agriculture (MDA) advises that if harvesting is allowed, participation in the Cover Crop Program would likely increase.

Recommendation #1: MDA should administratively modify the Cover Crop Program to allow farmers to harvest small grains for biofuels. Participants that harvest such crops should receive a reduced cost share payment per acre. It is the intent of the commission that participating farmers that choose to harvest such crops should minimize and delay the use of fertilizer to the extent possible.

It is the intent of the commission that the State should encourage the development of a biofuels industry in the State and should ensure that sufficient grains are available to support the operation of biofuels plants.

Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: The State should encourage young people to enter into farming so that farmland remains in agricultural use.

A number of states provide resources to retiring farmers to help them to pass their farms along to family members. In Virginia, the Virginia Cooperative Extension provides farm business succession workshops to address the legal, financial, and human resource risks that farm businesses face as they transition between generations. Virginia officials believe that such training is critical to keeping large amounts of agricultural land in farming and not in development. Similar programs in North Carolina, Iowa, and Connecticut provide farmer succession workshops and other resources to ensure that working farms remain in agricultural production by assisting retiring and aspiring farmers in the effective transition of farm businesses.

As part of its Farm Transition Network, North Carolina has set up a web-based marketplace called "Land Link" for farm business operations, including employment, partnership, and land for sale or rent as farm assets. The goal of Land Link is to help shepherd productive agricultural land to the management and control of someone who will continue to farm it. This type of program is especially useful for farmers who may not have family who are willing or able to take over the family farm.

According to MDA, the Young Farmers Advisory Board has reported to the Maryland Agricultural Commission (MAC) the recommendation that a beginning/young farmers' center be incorporated into the Maryland Cooperative Extension's concept for the Rural Economic Center for Agriculture and Natural Resource Enterprises. The center would deal with issues such as marketing, transitioning, business development, and succession planning.

Recommendation #2: The commission supports the Young Farmers Advisory Board's recommendation regarding the establishment of a beginning/young farmers' center.

Finding: For Priority Preservation Areas (PPA) to succeed, enabling legislation will be necessary.

Legislation was introduced during the 2005 session (House Bill 1530) that would have implemented the recommendation of the Task Force to Study MALPF regarding PPAs, as described above. This legislation was not successful, however. A formal process for establishing and certifying PPAs is needed for the concept to be successful.

Recommendation #3: Provide authority for Priority Preservation Areas. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: The lack of agriculture education and extension courses in the State encourages students interested in these fields to attend higher-education institutions in other states. In addition, college students enrolled in agriculture programs need more hands-on experience with working farmers.

With agriculture dwindling nationwide, some states are making efforts to promote agricultural education. In Illinois, for example, in order to increase enrollment in agriculture courses, high school students receive hands-on instruction with a variety of agriculture-related activities, including tending to poinsettias, working on a vineyard, and helping a school's money-making fish breeding operation. Enrollment in Illinois' high school agriculture programs is now higher than it has been since the early 1970s.

Virginia Tech has a new undergraduate program specifically for students interested in becoming agricultural education teachers, extension agents, and other agricultural leaders. In the spring of 2006, the school's College of Agriculture and Life Sciences will offer an agricultural sciences major that will educate students in agricultural disciplines such as business, training, education, extension, and international programs. The program will allow the college to address the shortfall in fully qualified extension agents and agricultural education teachers.

Recommendation #4: Promote agricultural education throughout the State. Encourage the University of Maryland to provide a greater focus on agriculture and extension education and to make courses available to train agriculture teachers and extension agents. The university should be encouraged to use Virginia Tech's new undergraduate program as a model. As a first step, the university should be encouraged to establish a unique major in this area. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Recommendation #5: Establish an internship program that matches college students with working farmers. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Because the profitability of farming is under constant threat, any tax incentives that could help farmers be better stewards of the land and maintain economic viability should be identified and implemented.

Recommendation #6: Establish a task force to identify tax incentives for farmers and make recommendations for the 2007 legislative session. The task force should consist of legislators representing both fiscal and policy committees as well as non-legislators. Draft legislation to implement this recommendation is attached as **Appendix 1**.

Finding: Additional research is needed to assist the poultry industry in reducing its impact on the environment.

Maryland's poultry industry is a large part of the agricultural industry in the State; in 2004, Maryland's poultry industry accounted for 33 percent of the State's cash farm income. Although the Delmarva poultry industry has attained success with several environmental initiatives, including the use of phytase to reduce phosphorus in chicken manure and

participation in the Manure Transport Program, additional research needs to be conducted to help reduce the industry's impact on the environment.

Recommendation #7: The University System of Maryland should conduct research, using existing budgeted resources, to: (1) to develop poultry feeds that reduce the amount of ammonia in chicken excreta; (2) to improve poultry litter use in no-till cropping practices; (3) to determine how much poultry litter is produced and how much can be land-applied in an environmentally sensitive manner; and (4) to find alternative uses for excess poultry litter. The university may partner with private organizations, institutions, and corporations where appropriate and feasible. Draft legislation to implement this recommendation is attached as **Appendix 1**.

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A BILL ENTITLED

AN ACT concerning

Agricultural Stewardship Act of 2006

FOR the purpose of clarifying that certain funds received by the Maryland Agricultural and Resource-Based Industry Development Corporation may be used for rural business development and assistance; authorizing the Governor to appropriate certain funds to the Maryland Agricultural and Resource-Based Industry Development Corporation for certain easement and land acquisition programs; requiring counties to include a priority preservation area element in each county's comprehensive plan; requiring a priority preservation area to meet certain criteria; requiring a certain acreage goal in a priority preservation area; requiring an update of a county's comprehensive plan to include a certain evaluation relating to priority preservation areas; requiring the Department of Planning and the Maryland Agricultural Land Preservation Foundation to certify priority preservation areas jointly; establishing a University of Maryland Agricultural Internship Program at the University of Maryland, College Park; providing that the internship is unpaid; requiring the Department of Agriculture to adopt certain regulations; establishing a program for certification of a county's priority preservation areas; establishing the application and notification processes for certification of priority preservation areas; prohibiting the certification for priority preservation areas unless the Department of Planning and the Foundation agree that certain criteria are satisfied; specifying eligibility for certain State funding; requiring the Department of Planning and the Foundation to adopt certain regulations by a certain date; requiring the Department of Planning and the Foundation to make a certain report; defining certain terms; expressing the intent of the General Assembly that the Governor make certain appropriations to the Maryland Agricultural Water Quality Cost Share Program, the Cover Crop Program, the Manure

Transport Program, the Maryland Agricultural Land Preservation Foundation, the Maryland Agricultural and Resource-Based Industry Development Corporation, the Maryland Cooperative Extension, and certain State Soil Conservation Districts under certain circumstances; encouraging the Department of Agriculture to modify the Cover Crop Program for the harvest of certain cover crops for biofuel production; supporting the promotion of agricultural education in the State; requiring the University System of Maryland to conduct certain research; requiring certain agencies to report to certain legislative committees on the effectiveness of certain increases in funding after a certain period of time; establishing an Incentives for Agriculture Task Force; providing for the membership and staffing of the Task Force; requiring the Task Force to review certain reports and incentives; requiring the Task Force to identify new incentives for farmers; requiring the Task Force to make a certain report; and generally relating to agricultural stewardship in the State.

BY repealing and reenacting, with amendments,
Article 41 - Governor - Executive and Administrative Departments
Section 13-513(c)
Annotated Code of Maryland
(2003 Replacement Volume and 2005 Supplement)

BY repealing and reenacting, with amendments,
Article 66B - Land Use
Section 1.03(a) and 3.05(a)(4)
Annotated Code of Maryland
(2003 Replacement Volume and 2005 Supplement)

BY repealing and reenacting, without amendments,
Article 66B - Land Use
Section 3.05(a)(1)
Annotated Code of Maryland
(2003 Replacement Volume and 2005 Supplement)

BY adding to
Article - Agriculture
Section 2-518
Annotated Code of Maryland
(1999 Replacement Volume and 2005 Supplement)

BY adding to
Article - Education
Section 12-115
Annotated Code of Maryland
(2004 Replacement Volume and 2005 Supplement)

BY adding to
Article - State Finance and Procurement
Section 5-409
Annotated Code of Maryland
(2001 Replacement Volume and 2005 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article 41 - Governor - Executive and Administrative Departments

13-513.

(c) (1) The Corporation may receive annual funding through an appropriation in the State budget.

(2) The Corporation may also receive funds for projects included in the budgets of State units.

(3) All unexpended and unencumbered funds appropriated to the Corporation shall remain with the Corporation for future uses.

(4) The Corporation shall conduct its financial affairs in such a manner that, by the year 2020, it shall be self-sufficient and in no further need of general operating support by the State.

(5) (i) Subject to subparagraph (ii) of this paragraph, in order to assist the Corporation in meeting the requirement specified in paragraph (4) of this subsection, the Governor may include each year in the budget bill an appropriation to the Corporation in an amount up to \$5,000,000 **FOR RURAL BUSINESS DEVELOPMENT AND ASSISTANCE.**

(ii) If the State has provided a combined and cumulative total of \$12,000,000 or less in fiscal year 2006 through fiscal year 2010 to the Corporation **FOR RURAL BUSINESS DEVELOPMENT AND ASSISTANCE**, the Governor may include each year in the budget bill an appropriation to the Corporation in an amount up to \$6,500,000 **FOR RURAL BUSINESS DEVELOPMENT AND ASSISTANCE.**

(III) IN ADDITION TO ANY FUNDS PROVIDED UNDER SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH, THE GOVERNOR MAY INCLUDE EACH YEAR IN THE BUDGET BILL AN APPROPRIATION TO THE CORPORATION IN AN AMOUNT UP TO \$5,000,000 FOR RURAL ACQUISITION AND EASEMENT PROGRAMS, INCLUDING PROGRAMS TO ASSIST YOUNG AND BEGINNING FARMERS.

Article 66B - Land Use

1.03.

(a) (1) When developing a comprehensive plan for a charter county, a planning commission shall include:

(i) A transportation plan element which shall:

1. Propose the most appropriate and desirable patterns for the general location, character, and extent of the channels, routes, and terminals for transportation facilities, and for the circulation of persons and goods on a schedule that extends as far into the future as is reasonable;

and 2. Provide for bicycle and pedestrian access and travelways;

3. Include an estimate of the probable utilization of any proposed improvement;

(ii) If current geological information is available, a mineral resources plan element that:

1. Identifies undeveloped land that should be kept in its undeveloped state until the land can be used to provide or assist in providing a continuous supply of minerals, as defined in § 15-801(i) of the Environment Article;

2. Identifies appropriate postexcavation uses for the land that are consistent with the county's land planning process;

3. Incorporates land use policies and recommendations for regulations:

A. To balance mineral resource extraction with other land uses; and

B. To the extent feasible, to prevent the preemption of mineral resources extraction by other uses; and

4. Has been reviewed by the Department of the Environment to determine whether the proposed comprehensive plan is consistent with the programs and goals of the Department;

(iii) An element which contains the planning commission's recommendation for land development regulations to implement the comprehensive plan and which encourages:

1. Streamlined review of applications for development, including permit review and subdivision plat review within the areas designated for growth in the comprehensive plan;

2. The use of flexible development regulations to promote innovative and cost-saving site design and protect the environment; and

3. Economic development in areas designated for growth in the comprehensive plan through the use of innovative techniques; [and]

(iv) A sensitive areas element that contains goals, objectives, principles, policies, and standards designed to protect sensitive areas from the adverse effects of development; AND

(v) A PRIORITY PRESERVATION AREA ELEMENT THAT IS DEVELOPED UNDER § 2-518 OF THE AGRICULTURE ARTICLE.

(2) The channels, routes, travelways, and terminals required under paragraph (1)(i) of this subsection may include all types of highways or streets, bicycle ways, sidewalks, railways, waterways, airways, routings for mass transit, and terminals for people, goods, and vehicles related to highways, airways, waterways, and railways.

(3) The mineral resources plan element required under paragraph (1)(ii) of this subsection shall be incorporated in:

(i) Any new comprehensive plan adopted after July 1, 1986 for all or any part of a jurisdiction; and

(ii) Any amendment or addition that is adopted after July 1, 1986 to a comprehensive plan that was in effect on July 1, 1985.

3.05.

(a) (1) A planning commission shall make and approve a plan which the commission shall recommend to the local legislative body for adoption.

(4) The plan shall contain at a minimum the following elements:

(i) A statement of goals and objectives, principles, policies, and standards, which shall serve as a guide for the development and economic and social well-being of the local jurisdiction;

(ii) A land use plan element, which:

1. Shall propose the most appropriate and desirable patterns for the general location, character, extent, and interrelationship of the uses of public and private land, on a schedule that extends as far into the future as is reasonable; and

2. May include public and private, residential, commercial, industrial, agricultural, and recreational land uses;

(iii) A transportation plan element which shall:

1. Propose the most appropriate and desirable patterns for the general location, character, and extent of the channels, routes, and terminals for transportation facilities, and for the circulation of persons and goods on a schedule that extends as far into the future as is reasonable;

2. Provide for bicycle and pedestrian access and travelways;
and

3. Include an estimate of the probable utilization of any
proposed improvement;

(iv) A community facilities plan element, which:

1. Shall propose the most appropriate and desirable patterns for the general location, character, and extent of public and semipublic buildings, land, and facilities on a schedule that extends as far into the future as is reasonable; and

2. May include parks and recreation areas, schools and other educational and cultural facilities, libraries, churches, hospitals, social welfare and medical facilities, institutions, fire stations, police stations, jails, or other public office or administrative facilities;

(v) If current geological information is available, a mineral resources plan element that:

1. Identifies undeveloped land that should be kept in its undeveloped state until the land can be used to provide or assist in providing a continuous supply of minerals, as defined in § 15-801(i) of the Environment Article;

2. Identifies appropriate post-excavation uses for the land that are consistent with the county's land planning process;

3. Incorporates land use policies and recommendations for regulations:

A. To balance mineral resource extraction with other land uses; and

B. To the extent feasible, to prevent the preemption of mineral resources extraction by other uses; and

4. Has been reviewed by the Department of the Environment to determine whether the proposed plan is consistent with the programs and goals of the Department;

(vi) An element which shall contain the planning commission's recommendation for land development regulations to implement the plan and which encourages the following:

1. Streamlined review of applications for development, including permit review and subdivision plat review within the areas designated for growth in the plan;

2. The use of flexible development regulations to promote innovative and cost-saving site design and protect the environment; and

3. Economic development in areas designated for growth in the plan through the use of innovative techniques;

(vii) Recommendations for the determination, identification, and designation of areas within the county that are of critical State concern; [and]

(viii) A sensitive area element that contains goals, objectives, principles, policies, and standards designed to protect sensitive areas from the adverse effects of development; AND

(IX) A PRIORITY PRESERVATION AREA ELEMENT THAT IS DEVELOPED UNDER § 2-518 OF THE AGRICULTURE ARTICLE.

Article - Agriculture

2-518.

- (A) **IN THIS SECTION, "AREA" MEANS A PRIORITY PRESERVATION AREA.**
- (B) **A COUNTY SHALL INCLUDE A PRIORITY PRESERVATION AREA ELEMENT IN THE COUNTY'S COMPREHENSIVE PLAN.**
- (C) **AN AREA SHALL:**
- (1) (I) **CONTAIN PRODUCTIVE AGRICULTURAL OR FOREST SOILS; OR**
 - (II) **BE CAPABLE OF SUPPORTING PROFITABLE AGRICULTURAL AND FORESTRY ENTERPRISES WHERE PRODUCTIVE SOILS ARE LACKING;**
 - (2) **BE GOVERNED BY LOCAL POLICIES THAT STABILIZE THE AGRICULTURAL AND FOREST LAND BASE SO THAT DEVELOPMENT DOES NOT CONVERT OR COMPROMISE AGRICULTURAL OR FOREST RESOURCES; AND**
 - (3) **BE LARGE ENOUGH TO SUPPORT THE KIND OF AGRICULTURAL OPERATIONS THAT THE COUNTY SEEKS TO PRESERVE, AS REPRESENTED IN ITS ADOPTED COMPREHENSIVE PLAN.**
- (D) **AN AREA MAY:**
- (1) **CONSIST OF A SINGLE PARCEL OF LAND, MULTIPLE CONNECTED PARCELS OF LAND, OR MULTIPLE UNCONNECTED PARCELS OF LAND; AND**
 - (2) **INCLUDE RURAL LEGACY AREAS.**
- (E) **A COUNTY'S ACREAGE GOAL FOR LAND TO BE PRESERVED THROUGH EASEMENTS AND ZONING WITHIN AN AREA SHALL BE EQUAL TO AT LEAST 80% OF THE REMAINING UNDEVELOPED AREAS OF LAND IN THE AREA, AS CALCULATED AT THE TIME OF APPLICATION FOR STATE CERTIFICATION OF AN AREA.**
- (F) **EACH TIME A COUNTY'S COMPREHENSIVE PLAN IS UPDATED, THE UPDATE SHALL INCLUDE AN EVALUATION OF:**
- (1) **THE COUNTY'S PROGRESS TOWARD MEETING THE GOALS OF THE FOUNDATION;**
 - (2) **ANY SHORTCOMINGS IN THE COUNTY'S ABILITY TO ACHIEVE THE GOALS OF THE FOUNDATION; AND**
 - (3) **PAST, CURRENT, AND PLANNED ACTIONS TO CORRECT ANY IDENTIFIED SHORTCOMINGS.**

(G) IN ACCORDANCE WITH § 5-409 OF THE STATE FINANCE AND PROCUREMENT ARTICLE AND ANY REGULATIONS ADOPTED UNDER THE AUTHORITY OF THAT SECTION, THE DEPARTMENT OF PLANNING AND THE MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION SHALL JOINTLY CERTIFY AN AREA.

Article - Education

12-115.

(A) THERE IS A UNIVERSITY OF MARYLAND AGRICULTURAL INTERNSHIP PROGRAM.

(B) THE PURPOSE OF THE UNIVERSITY OF MARYLAND AGRICULTURAL INTERNSHIP PROGRAM IS TO:

(1) PROVIDE STUDENTS IN THE COLLEGE OF AGRICULTURE AND NATURAL RESOURCES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK WITH AT LEAST ONE SEMESTER OF HANDS-ON EXPERIENCE WORKING ON A FARM IN THE STATE;

(2) PROVIDE ASSISTANCE TO FARMERS IN THE STATE; AND

(3) PROMOTE CAREERS IN AGRICULTURE IN THE STATE.

(C) THE INTERNSHIP SHALL BE UNPAID.

(D) THE UNIVERSITY OF MARYLAND, COLLEGE PARK OR THE DEAN OF THE COLLEGE OF AGRICULTURE AND NATURAL RESOURCES AT THE UNIVERSITY OF MARYLAND, COLLEGE PARK SHALL CONSULT WITH THE DEPARTMENT OF AGRICULTURE TO IMPLEMENT THE REQUIREMENTS OF THIS SECTION.

Article - State Finance and Procurement

5-409.

(A) IN THIS SECTION, "FOUNDATION" MEANS THE MARYLAND AGRICULTURAL LAND PRESERVATION FOUNDATION, ESTABLISHED UNDER § 2-502 OF THE AGRICULTURE ARTICLE.

(B) THERE IS WITHIN THE DEPARTMENT A PROGRAM FOR CERTIFICATION OF PRIORITY PRESERVATION AREAS ESTABLISHED UNDER § 2-518 OF THE AGRICULTURE ARTICLE.

(C) (1) TO APPLY FOR CERTIFICATION UNDER THIS SECTION, A COUNTY SHALL FILE WITH THE DEPARTMENT AND THE FOUNDATION AN APPLICATION IN THE FORM THAT THE DEPARTMENT AND THE FOUNDATION JOINTLY REQUIRE BY REGULATION.

(2) WITHIN 45 DAYS AFTER RECEIPT OF AN APPLICATION FOR CERTIFICATION, THE DEPARTMENT AND THE FOUNDATION SHALL JOINTLY NOTIFY THE COUNTY AS TO WHETHER THE COUNTY'S APPLICATION HAS BEEN APPROVED.

(D) THE DEPARTMENT AND THE FOUNDATION MAY NOT CERTIFY A PRIORITY PRESERVATION AREA OF A COUNTY UNDER THIS SECTION UNLESS THE DEPARTMENT AND THE FOUNDATION AGREE THAT THE COUNTY'S COMPREHENSIVE PLAN:

(1) ESTABLISHES APPROPRIATE GOALS FOR THE AMOUNT AND TYPES OF AGRICULTURAL RESOURCE LAND TO BE PRESERVED IN THE PRIORITY PRESERVATION AREA;

(2) DESCRIBES THE KINDS OF AGRICULTURAL PRODUCTION THE COUNTY INTENDS TO SUPPORT AND THE AMOUNT OF DEVELOPMENT THE COUNTY INTENDS TO ALLOW;

(3) INCLUDES MAPS SHOWING THE COUNTY'S PRIORITY PRESERVATION AREA;

(4) DESCRIBES THE PRIORITY PRESERVATION AREA IN THE CONTEXT OF THE COUNTY'S GROWTH MANAGEMENT PLANS;

(5) DESCRIBES THE WAY IN WHICH PRESERVATION GOALS WILL BE ACCOMPLISHED IN THE PRIORITY PRESERVATION AREA, INCLUDING THE COUNTY'S STRATEGY TO:

(I) PROTECT LAND FROM DEVELOPMENT THROUGH ZONING;

(II) PRESERVE THE DESIRED AMOUNT OF LAND WITH PERMANENT EASEMENTS; AND

(III) MAINTAIN A RURAL ENVIRONMENT CAPABLE OF SUPPORTING THE KIND OF PRODUCTION INTENDED;

(6) INCLUDES AN EVALUATION OF THE ABILITY OF THE COUNTY'S ZONING AND OTHER LAND USE MANAGEMENT PRACTICES TO:

(I) LIMIT THE IMPACT OF SUBDIVISION AND DEVELOPMENT;

(II) ALLOW TIME FOR EASEMENT PURCHASE; AND

(III) ACHIEVE EACH OF THE FOUNDATION'S GOALS BEFORE THE GOALS ARE IRREPARABLY UNDERMINED OR IMPAIRED BY DEVELOPMENT;

(7) IDENTIFIES SHORTCOMINGS IN THE ABILITIES OF THE COUNTY'S ZONING AND LAND MANAGEMENT PRACTICES AND IDENTIFIES CURRENT OR FUTURE ACTIONS TO CORRECT THE SHORTCOMINGS; AND

(8) DESCRIBES THE METHODS THE COUNTY WILL USE TO CONCENTRATE PRESERVATION FUNDS AND OTHER SUPPORTING EFFORTS IN THE PRIORITY PRESERVATION AREA TO ACHIEVE THE GOALS OF THE FOUNDATION AND THE COUNTY'S ACREAGE PRESERVATION GOAL.

(E) IN CERTIFYING A COUNTY'S PRIORITY PRESERVATION AREA, THE DEPARTMENT AND THE FOUNDATION SHALL ENSURE THAT:

(1) THE COUNTY HAS INCLUDED ALL THE INFORMATION REQUIRED BY SUBSECTION (D) OF THIS SECTION IN THE COUNTY'S COMPREHENSIVE PLAN; AND

(2) THE SIZE OF THE COUNTY'S PRIORITY PRESERVATION AREA IS APPROPRIATE IN RELATION TO THE COUNTY'S ACREAGE PRESERVATION GOAL.

(F) IF A COUNTY HAS A PRIORITY PRESERVATION AREA THAT HAS BEEN CERTIFIED UNDER THIS SECTION, THE COUNTY SHALL BE ELIGIBLE FOR STATE FUNDING FOR THE ACQUISITION OF AGRICULTURAL PRESERVATION EASEMENTS WITHIN THE PRIORITY PRESERVATION AREA.

(G) ON OR BEFORE DECEMBER 31, 2006, THE DEPARTMENT AND THE FOUNDATION JOINTLY SHALL ADOPT REGULATIONS FOR ADMINISTRATION OF THE CERTIFICATION PROGRAM.

(H) IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE DEPARTMENT AND THE FOUNDATION JOINTLY SHALL REPORT ON THE CERTIFICATION PROGRAM BY JANUARY 15 OF EACH YEAR TO:

(1) THE GOVERNOR;

(2) THE SECRETARY OF PLANNING;

(3) THE SECRETARY OF AGRICULTURE;

(4) THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE; AND

(5) THE HOUSE ENVIRONMENTAL MATTERS COMMITTEE.

SECTION 2. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide an additional \$7,000,000 per year for the Maryland Agricultural Water Quality Cost Share Program for 5 consecutive fiscal years, for a total increase of \$35,000,000 over the fiscal 2006 legislative appropriation. It is also the intent of the General Assembly that the increased level of funding be continued in future fiscal years.

SECTION 3. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide an additional \$3,000,000 annually in general funds for the Cover Crop Program within the Department of Agriculture, over and above any funding received from the Chesapeake Bay Restoration Fund, until a total of at least \$14,000,000 is appropriated to the Program on an annual basis. It is the intent of the General Assembly that any funds appropriated to the Cover Crop Program that are not used in any given fiscal year not revert back to the general fund. It is also the intent of the General Assembly that the Department of Agriculture modify the Cover Crop Program to allow farmers to harvest small grains for biofuels; participants that harvest such crops should receive a reduced cost share payment per acre. The General Assembly encourages the development of a biofuels industry in the State and encourages the State to ensure that sufficient grains are available to support the operation of biofuels plants.

SECTION 4. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor increase State funding for the Manure Transport Program within the Department of Agriculture until State funding reaches the level of \$750,000 annually.

SECTION 5. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide \$20,000,000 annually in general funds for the Maryland Agricultural Land Preservation Foundation over and above any other funding the Foundation receives from other sources. Additionally, it is the intent of the General Assembly that the Maryland Agricultural Land Preservation Foundation be permitted to use this additional funding for its existing easement acquisition program, the Critical Farms Program, a Priority Preservation Areas Program, or an installment purchase agreement program. It is also the intent of the General Assembly that any funding not used in a given fiscal year not revert back to the general fund.

SECTION 6. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide \$5,000,000 in annual funding to capitalize the Maryland Agricultural and Resource-Based Industry Development Corporation's loan programs. It is also the intent of the General Assembly that the Governor provide \$5,000,000 annually for 2 consecutive fiscal years for the Maryland Agricultural and Resource-Based Industry Development Corporation to develop a Next Generation Farmland Acquisition Program.

SECTION 7. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide an additional \$2,000,000 in annual funding over the fiscal 2006 legislative appropriation for the Maryland Cooperative Extension at the University of Maryland. It is the intent of the General Assembly that this funding be used to support additional staff to provide enhanced technical assistance on best management practices to farmers and to reestablish a soil testing laboratory in the State. It is also the intent of the General Assembly that the funding for the Maryland Cooperative Extension not be reduced by the University of Maryland.

SECTION 8. AND BE IT FURTHER ENACTED, That, to the extent that funds are available, it is the intent of the General Assembly that the Governor provide an additional \$2,500,000 in annual funding over the fiscal 2006 legislative appropriation for the 23 Soil Conservation Districts in the State to increase staffing levels to 110 field personnel.

SECTION 9. AND BE IT FURTHER ENACTED, That the General Assembly strongly supports the promotion of agricultural education throughout the State. The General Assembly encourages the University of Maryland, College Park to provide a greater focus on agriculture and extension education, and to establish a unique major in this area.

SECTION 10. AND BE IT FURTHER ENACTED, That the University System of Maryland shall use existing budgeted resources to conduct research to:

- (a) Develop poultry feeds that reduce the amount of ammonia in chicken excreta;
- (b) Improve poultry litter use in no-till cropping practices;
- (c) Determine how much poultry litter is produced and how much can be land-applied in an environmentally sensitive manner; and
- (d) Find alternative uses for excess poultry litter.

SECTION 11. AND BE IT FURTHER ENACTED, That if any of the programs under this Act receive an increase in funding in accordance with the provisions of this Act, the affected agencies shall report to the House Appropriations Committee, the House Environmental Matters Committee, the Senate Budget and Taxation Committee, and the Senate Education, Health, and Environmental Affairs Committee after 3 consecutive fiscal years of increased funding, in accordance with § 2-1246 of the State Government Article, on the impact of such increased funding on the effectiveness of the programs.

SECTION 12. AND BE IT FURTHER ENACTED, That:

- (a) There is an Incentives for Agriculture Task Force.

- (b) The Task Force consists of the following members:
 - (1) one member of the House Ways and Means Committee, appointed by the Speaker of the House;
 - (2) one member of the House Environmental Matters Committee, appointed by the Speaker of the House;
 - (3) one member of the Senate Budget and Taxation Committee, appointed by the President of the Senate;
 - (4) one member of the Senate Education, Health, and Environmental Affairs Committee, appointed by the President of the Senate; and
 - (5) the following seven members, appointed by the Governor:
 - (i) one representative of the Department of Agriculture;
 - (ii) one representative of the Comptroller's Office;
 - (iii) one representative from the Rural Maryland Council;
 - (iv) one representative of the Maryland Farm Bureau;
 - (v) one representative from agri-business;
 - (vi) one farmer in the State who is also a member of the Maryland Agricultural Commission; and
 - (vii) one farmer in the State who is also a member of the Young Farmer's Advisory Board.
- (c) From among its members, the Task Force shall elect a chair of the Task Force.
- (d) The Department of Legislative Services shall provide staff for the Task Force.
- (e) A member of the Task Force:
 - (1) may not receive compensation as a member of the Task Force; but
 - (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Task Force shall:

(1) review the final recommendations and report of the Agricultural Stewardship Commission released in January 2006;

(2) study existing tax incentives related to farming; and

(3) identify any new or additional tax incentives that would help farmers to be better stewards of the land while maintaining the economic viability of farming in the State.

(g) On or before December 1, 2006, the Task Force shall report its findings and recommendations to the Speaker of the House, the President of the Senate, the House Ways and Means Committee, the House Environmental Matters Committee, the Senate Budget and Taxation Committee, the Senate Education, Health, and Environmental Affairs Committee, and the Governor, in accordance with § 2-1246 of the State Government Article.

SECTION 13. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2006.