

## DEPARTMENT OF AGRICULTURE

### SUMMARY

The Department of Agriculture helps farmers produce high-quality commodities, promotes Maryland agricultural products, and protects consumers and the environment. In pursuit of these activities, the Department is organized into four main offices: Office of the Secretary; Marketing, Animal Industries and Consumer Services; Plant Industries and Pest Management; and Resource Conservation.

The FY 2006 - FY 2010 Capital Improvement Program provides funds for three programs which help farmers preserve Maryland's farmland, transition from growing tobacco to other crops, and reduce nutrient (nitrogen and phosphorus) runoff. These programs are the Agricultural Land Preservation Program, the Tobacco Transition Program, and the Agricultural Cost-Share Program.

The Agricultural Land Preservation Program preserves productive agricultural land, limits the extent and impact of suburban development, and protects the rural character of Maryland's landscape. Through the end of FY 2004, the program has permanently preserved 235,426 acres of agricultural land. The \$212 million provided by the FY 2006 – FY 2010 Capital Improvement Program will preserve approximately 106,000 additional acres.

The Tobacco Transition Program provides funds to farmers who transition from growing tobacco to other crops. The program also purchases easements to retain land in non-tobacco agricultural use.

The Agricultural Cost-Share Program was created in 1983 as a result of an agreement among the Bay States (Maryland, Virginia, Pennsylvania), the District of Columbia, the U.S. Environmental Protection Agency, and the Chesapeake Bay Commission to reduce the amount of nutrients (nitrogen and phosphorus) entering the Chesapeake Bay. As agriculture is the most extensive use of land, other than forest, in Maryland and in the Chesapeake Bay watershed, agricultural activities account for a significant portion of the nitrogen and phosphorus entering the Chesapeake Bay. The Agricultural Cost-Share Program provides financial incentives to farmers to implement best management practices which reduce nutrient runoff from Maryland's farmland. Capital projects funded through the program are reducing nitrogen entering the Chesapeake Bay by an estimated 1,505,000 pounds per year, and phosphorus entering the Chesapeake Bay by an estimated 58,000 pounds per year.

### CHANGES TO FY 2005 - FY 2009 CAPITAL IMPROVEMENT PROGRAM

#### Changes to FY 2006

None

#### Changes to FY 2007 - FY 2009

None

# DEPARTMENT OF AGRICULTURE

## FY 2006 - FY 2010 Capital Improvement Program Grants and Loans

OFFICE OF THE SECRETARY  
Budget Code: LA1111

**Agricultural Land Preservation Program** **FY 2006 Total**    **\$29,731**

This program preserves productive agricultural land and woodland, limits the extent and impact of urban sprawl development, and protects agricultural land and woodland as open space through the purchase of perpetual preservation easements. Financial support for this program usually comes from the State property transfer tax, agricultural transfer tax, local matching funds, and the Federal Farmland Protection Program. FY 2006 funding will preserve approximately 14,800 acres of farmland.

<u>Source</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>TOTAL</u>
SF	<b>24,731</b>	26,900	33,000	42,900	53,000	180,531
FF	<b>5,000</b>	6,000	6,500	7,000	7,000	31,500
<b>TOTAL</b>	<b>29,731</b>	32,900	39,500	49,900	60,000	212,031

### Fund Summary

	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Estimated</u>	<u>FY 2006</u> <u>Estimated</u>
Beginning Balance	16	273	-
REVENUE			
GO Bonds	21,600	5,000	-
Transfer Tax	-	-	8,041
Agricultural Transfer Tax	5,171	5,000	5,214
County Participation and Other Funds	11,996	12,750	13,000
Federal Grants	4,032	5,000	5,000
Other Income	89	30	90
<b>TOTAL REVENUE</b>	<b>42,888</b>	<b>27,780</b>	<b>31,345</b>
<b>TOTAL AVAILABLE</b>	<b>42,904</b>	<b>28,053</b>	<b>31,345</b>
EXPENDITURES/ENCUMBRANCES			
Operating Expenses	955	1,300	1,439
Indirect Expenses	150	150	175
Easement Purchases	41,526	26,603	29,731
<b>TOTAL EXPENDITURES/ENCUMBRANCES</b>	<b>42,631</b>	<b>28,053</b>	<b>31,345</b>
Ending Balance	273	-	-

## DEPARTMENT OF AGRICULTURE

### OFFICE OF MARKETING, ANIMAL INDUSTRIES AND CONSUMER SERVICES

Budget Code: LA1213

**Tobacco Transition Program** **FY 2006 Total**     **\$9,525**

This program assists tobacco growers with the transition to growing alternative crops and starting natural resource-based enterprises. The Department of Agriculture works with the Tri-County Council of Southern Maryland to operate the program and disburse the funds. The Tobacco Transition Program has three capital components: the Tobacco Buyout component under which eligible tobacco growers will receive one dollar per pound per year for ten years to stop growing tobacco; the Infrastructure Development component which provides funds to foster profitable natural resource-based enterprises; and the Agricultural Land Preservation component which will purchase easements on an additional 3,000 acres in FY 2006.

<u>Source</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>TOTAL</u>
GO Bonds	<b>5,000</b>	5,000	5,000	5,000	-	20,000
SF	<b>4,525</b>	6,000	7,200	7,300	7,350	32,375
<b>TOTAL</b>	<b>9,525</b>	11,000	12,200	12,300	7,350	52,375

### OFFICE OF RESOURCE CONSERVATION

Budget Code: LA1505

**Maryland Agricultural Cost-Share Program** **FY 2006 Total**     **\$6,500**

This program provides financial assistance to Maryland's farmers for installing one or more of about 20 nationally recognized best management practices (BMPs) that reduce soil and nutrient runoff from farmland. The program requires a minimum 12.5% cost-share match from grantees. In addition, State financial assistance for most BMPs is limited to \$20,000 per project or \$50,000 per farm. These limits increase to \$75,000 per project and \$100,000 per farm when proposed BMPs include animal waste storage facilities.

<u>Source</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>TOTAL</u>
GO Bonds	<b>6,500</b>	7,000	7,250	7,500	8,000	36,250

#### Total Program - Department of Agriculture

<u>Source</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>TOTAL</u>
GO Bonds	<b>11,500</b>	12,000	12,250	12,500	8,000	56,250
SF	<b>29,256</b>	32,900	40,200	50,200	60,350	212,906
FF	<b>5,000</b>	6,000	6,500	7,000	7,000	31,500
<b>TOTAL</b>	<b>45,756</b>	50,900	58,950	69,700	75,350	300,656