



Maryland Department of Agriculture

Office of the Secretary

Wes Moore, Governor
Aruna Miller, Lt. Governor
Kevin Atticks, Acting Secretary
Steven A. Connelly, Deputy Secretary

The Wayne A. Cawley, Jr. Building
50 Harry S Truman Parkway
Annapolis, Maryland 21401
mda.maryland.gov

Agriculture | Maryland's Leading Industry

410.841.5885 Baltimore/Washington
410.841.5846 Fax

2/16/2023

Maryland Department of Agriculture Fiscal Year 2024 Operating Budget Response to Department of Legislative Services Analysis

The Department of Legislative Services (DLS) recommends that MDA comment on the difficulties it has experienced in hiring the 53 regular positions funded through the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund.

Currently, 44 of the 53 positions funded through the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund are filled. Recruitment for the nine vacant positions is underway.

Since the fall of 2020, MDA has conducted several recruitment efforts using a wide variety of strategies and advertisement outreach including Streamlined Certification with a \$1000 bonus for all employees meeting the selection criteria hired before 5/01/21, Open Recruitments at the position specific level and statewide level, and MDA HR has obtained approval for Streamlined Selection for all recruitments, so all qualified eligible list candidates have been invited to interview.

Advertising efforts have included: State Personnel Management System's online employment center, JobAps; Delmarva Farmer and Lancaster Farming newspapers; postings to online portals used by numerous colleges in Maryland and elsewhere; MDA Facebook page; and student organizations such as Minorities in Agriculture, Natural Resources and Related Sciences (MANNRS). Local newspaper ads were placed in The Frederick News Post, The Garrett County Republican, and The Guide (Eastern Shore) to further expand our outreach. Additionally, DBM Recruitment and Examinations conducted targeted recruitment efforts for us on Indeed, Career Builder, and Monster.

We continue to compete with our county and federal partners for a limited pool of qualified candidates. We have tried to narrow salary inequities with the submission of Annual Salary Reviews the last two years. While we have made improvements on a more attractive package for new hires, improved compensation for long-term qualified employees should be considered. Many of these employees missed step increases during their employment and even experienced furloughs.

DLS recommends that MDA comment on the targeting, time limited, and required additional actions program options for improving the effectiveness of the Cover Crop Program

As one of the most cost-effective Best Management Practices to mitigate nutrient and sediment loss on agricultural fields during fallow periods, the annual implementation of cover crops remain a critical component in achieving Maryland's Chesapeake Bay restoration goals. While commonly viewed as a single practice, the effectiveness of cover crops is highly variable due to a number of factors. The type or species of cover crop planted, method of planting, and date on which the crop was sown all affect the performance of the cover crops. Studies have shown that early planted cover crops outperform late planted crops. Likewise, planting methods that promote the best seed-to-soil contact outperform those that are not incorporated into the soil. In addition, certain species, such as annual rye, absorb residual nitrogen compared to other cereal grains. As a result, the Chesapeake Bay Program Partnership - Cover Crop Expert Panel was tasked with examining peer-reviewed literature to develop nutrient reduction estimates recommendations. The [Cover Crops Practices for Use in Phase 6.0 of the Chesapeake Bay Program Watershed Model](#) report includes 104 nutrient and sediment reduction estimates, which are further separated by region and land use. The Expert Panel concluded that early planted rye that was directly drilled into the soil provided the best nitrogen reduction at 45% while other methods can be as low as 3%.

While the management of the Maryland Cover Crop Program has evolved considerably since it was first introduced in 1997, the Department remains committed to providing the most cost-effective solutions to mitigate nutrient and sediment loss on agricultural land. Through the Cover Crop Advisory Committee, the Department evaluates and adjusts policies, requirements, and payment structure annually to ensure efficient and effective management of the Program. To avoid confusion and simplify the payment structure, the Program currently targets implementation based on the aforementioned agronomic criteria. Incentive payment options for the current program as represented in Figure 1 encourage early establishment, certain species, such as rye, as well as planting methods that promote the best seed to soil contact. These options closely align to the efficiency values recommended in the Expert Panel report.

Figure 1

2022-2023 COVER CROP PLANTING AND PAYMENT OPTIONS					
TRADITIONAL COVER CROPS PAYMENT OPTIONS	NO-TILL	CONVENTIONAL	BROADCAST WITH LIGHT, MINIMUM OR VERTICAL TILLAGE	AERIAL/ AERIAL GROUND SEEDING	BROADCAST STALK CHOP AND BROADCAST CULTIPACKER
Base payment:	\$55/acre	\$55/acre	\$55/acre	\$60/acre	\$55/acre
Plant by October 10, <i>add:</i>	\$10/acre	\$10/acre	\$10/acre	\$0/acre	\$0/acre
Aerial seed into standing corn on or before September 10, <i>add:</i>	\$0/acre	\$0/acre	\$0/acre	\$10/acre	\$0/acre
Plant rye or a multi-species cover crop, <i>add:</i>	\$15/acre	\$15/acre	\$15/acre	\$15/acre	\$15/acre
Terminate cover crop after May 1, <i>add:</i>	\$10/acre	\$10/acre	\$10/acre	\$10/acre	\$10/acre
Maximum Payment Amount:	\$90/acre	\$90/acre	\$90/acre	\$95/acre	\$80/acre
Flat rate: (for cover crops planted from November 6 through November 15)	\$45/acre	\$45/acre	\$45/acre	\$0/acre	\$0/acre

While the Department has and will continue to evaluate the potential adoption of additional incentive options, geographic targeting of funding may be administratively challenging to administer. Further, all reporting of cover crop implementation is aggregated by county into each reporting category as outlined in the Expert Panel report.

Recognizing the Maryland Cover Crop Program has traditionally provided grants to agricultural producers for reimbursement of costs associated with the planting and management of winter cover crops, the Department has been evaluating the incorporation of cover crops into a whole-farm management concept, ensuring that resource needs are being met while promoting soil health, environmental sustainability, and economic viability. The Department introduced a Cover Crop Plus Program specifically designed to promote cover crops as a longer-term on-farm management strategy. Rather than implementing a time-limited program, the Department seeks to refine and expand the Cover Crop Plus Program to encourage a holistic management approach. The Cover Crop Plus Program currently requires applicants to implement a Soil Conservation and Water Quality Plan on their enrolled farms. In addition, applicants must maintain adequate ground cover throughout the year by implementing no-till or conservation tillage practices. The Program also incentives enhanced nutrient management practices, such as a Pre-sidedress Soil Nitrate Test, to more effectively manage nutrient applications. As the Department continues to improve the Cover Crop Plus Program, additional incentives, including those associated with the Maryland Agricultural Water Quality Cost-Share (MACS) Program, may be considered by the Cover Crop Advisory Committee.

DLS recommends that MDA comment on the safety of high densities of poultry given the potential for the generation of HPAI; the likelihood of future highly pathogenic avian influenza events in Maryland; the steps MDA currently is taking to limit Maryland's exposure; and the next steps needed at the State, regional, and national scales by MDA and its state and federal partners to forestall the next outbreak.

Avian influenza (AI) viruses are classified as “low pathogenic” or “highly pathogenic” based on their genetic features and the severity of the disease they cause in poultry. As of 2/13/23 there have been 758 positive cases of Highly Pathogenic Avian Influenza (HPAI) in 47 states. This particular strain of AI is airborne, highly contagious and has very high mortality. All Maryland poultry is at high risk especially as migratory waterfowl migrate to breeding grounds in Canada. Of those affected flocks, 316 were commercial poultry flocks and 442 backyard flocks affecting 58.4 million birds. As recently as 2/1/23 testing of hunter harvested waterfowl had positive samples in Dorchester County. Other species of birds are also infected including black vultures and eagles.

MDA continues to work with our partners in the poultry industry, Delaware Department of Agriculture and USDA to continue encouraging enhanced biosecurity measures on farms. MDA’s Salisbury Animal Health Lab continues to test samples on preharvest movement of birds. MDA also continues to respond to sick bird calls. Lastly, the Department has an established incident command structure to respond to potential outbreaks, and therefore, MDA may need additional emergency appropriations in the future if USDA changes their response assistance formula.

DLS recommends that MDA comment on what changes it anticipates in the 2023 Farm Bill, what changes in the 2023 Farm Bill would be beneficial to Maryland farmers, and how more Maryland farms may take advantage of the potential funding from the 2023 Farm Bill.

Maryland farmers benefit from the farm bill safety net program, specifically Commodity Title programs encompassing corn, wheat, soybean and barley acres. The programs are designed to stabilize prices for staple commodities. Commodity Title programs are delivered by local Farm Service Agency offices through which farmers voluntarily sign up.

Risk management programs like Crop Insurance and FSA’s Noninsured Assistance Program (NAP) provide risk management tools available to all farmers. Crop insurance policies are sold by independent crop insurance companies and NAP is available at FSA. Risk Management policies are key safety net programs important to farmers. The Dairy Margin Protection program is important for Maryland’s small and medium sized dairy farms to mitigate high feed costs, low milk prices, or a combination of both.

DLS recommends that the budget bill language restricting funding pending the submission of quarterly reports from MDE and MDA on compliance and enforcement inspections and positions be included in the fiscal 2024 budget. For administrative purposes, this recommendation will appear in the operating budget analysis for MDE – U00A.

The Administration will continue to provide the annual report on compliance and enforcement inspections and positions. MDA respectfully disagrees with funding restrictions pending submission of the report.

DLS recommends that MDA comment on its plan for increasing farm profitability in terms of programs and funding levels, the magnitude of the impact it expects to achieve, and the economic and regulatory forces that affect farm profitability in Maryland

MDA plans to ramp up its efforts with value-added farm operations. Value-added enterprises may hold significant income and risk diversification benefits for farmers across a wide spectrum of agricultural production. Traditional commodity production of high volumes at the lowest (labor) cost is characterized by low profits and the need to constantly expand the size of the farming operation. This has had significant effects in many rural areas as less competitive producers continue to leave farming. Advocates of value-added production expect value-added agriculture to create the potential for higher profit margins for producers. Value-added agriculture also expands opportunities for rural communities in processing and marketing these products to end-users, as well as stimulating growth and expansion of rural businesses. As more new farmers return to farming practices, additional value-added enterprises will allow them to be more competitive and viable. The Department's goals are to reduce burdensome regulations, broaden the value-added programs offered within the Department and support farm operations by offering incentives for value added products. The department also anticipates adding a value-added specialist with the budget allotment being carved out by SB 34/ HB 389 which was introduced during the 2023 legislative Session.

A 2018 study by the Business Economic and Community Outreach Network (BEACON) of Salisbury University showed the overall value-added ag sector supports 74,000 jobs with an economic impact of over \$20 billion to Maryland's economy. This in turn adds around \$875 million to state resources. The increased economic activity will be of benefit to rural communities by creating jobs and providing local activities for residents to participate in. This will also lead to an increase in employment, income taxes, and increased economic activity. In addition, profitable farms will preserve and protect our farmland and rural landscape.

Operating Budget Recommended Actions

DLS concurs with the Governor's allowance.

MDA Accepts this recommendation.

