

## **TOBACCO CROP CONVERSION PROGRAM - - Results December 2001**

### **END OF FY '01 YEAR REPORT and PROGRAM DESCRIPTION**

“Tobacco production in Southern Maryland has been a tradition for many family farmers for generations, and has played an integral role in shaping their social, economic and personal lives. For the State of Maryland to encourage farmers to transition out of tobacco production is difficult, complex, and very emotional. Asking someone to give up something that has been a part of their heritage for many years is difficult for some, but others realize that public perception of tobacco, health issues, along with economies, believe it is time to move on to another enterprise.” (Transition Programs/Strategies for Southern Maryland Tobacco Farmers, prepared by the Tobacco Crop Conversion Task Force, December 10, 1999). Key policy objectives served include Regional Economic Development, Agricultural Infrastructure Developed and Maintained, and Agricultural Land Preservation.

The Program consists of three main components to assist farmers in the transition to alternative natural resource based enterprises and foster regional economic development: (1) Tobacco Buyout, (2) Infrastructure Development, and (3) Agricultural Land Preservation. The Buyout component is a voluntary program, which provides funds to a) support all eligible Maryland tobacco growers who choose to transition away from tobacco production forever while remaining in agricultural production and b) restrict the land from tobacco production for 10 years. The Infrastructure component will foster profitable natural resource based enterprises and foster regional economic development for Southern Maryland. The Agricultural Land Preservation component seeks to provide an incentive for Southern Maryland tobacco farmers to place land in agricultural preservation, and to enhance participation in existing Southern Maryland agricultural land preservation programs.

#### **MISSION**

To assist those farmers wanting to transition out of tobacco production into more profitable and life-sustaining crops, while preserving the rural-agricultural nature of the Southern Maryland region and maintain the economic viability of the community.

#### **VISION**

A vibrant farm economy that is market-driven, profitable, independent of tobacco sales, environmentally sound, and which protects the land base from unintentional sprawl.

#### **FY 2001 END OF YEAR REPORT**

The Following report provides the initial goals, objectives and performance measures that had been anticipated in January 2001 and reports the actual results for FY'01.

#### **KEY GOALS, OBJECTIVES AND PERFORMANCE MEASURES anticipated for 2001**

**Goal 1.** To help all eligible Maryland farmers leave tobacco production by offering a financial cushion, a “buyout”, if they forswear ever-growing tobacco again.

**Objective 1.1.** By June 2003, achieve 98%-100% tobacco farmer participation in the voluntary Tobacco Buyout and Transition Programs.

**Strategy 1.1.1.** Provide financial support to farmers who voluntarily choose to leave tobacco production.

**Strategy 1.1.2.** Maintain the trust the farmers have in their legislators and local officials such that they will leave the proven arena of tobacco for the uncertainty of the buyout and new potential crops (local public outreach)

#### **FY 2001 KEY BUYOUT PROGRAM ACCOMPLISHMENTS:**

- **Buyout Program program design completed**
- **Buyout Program implemented**
- **57% of all eligible growers have taken the Buyout**

- 66% of all known eligible pounds of tobacco have been removed
- Transition Program reviewed and abandoned
- All appeals heard and resolved
- All deeds and covenants searched and recorded
- Statistic surveys by County provided for property and non-property owners
- Automated database designed

**FY '02 Interim Report (December 10, 2001)**

- FY'02 Buyout Signup completed
- An additional 10% growers applied for the Buyout
- An additional 13% of all known eligible pounds will be removed
- All appeals heard and resolved
- Majority deeds and covenants searched and recorded
- Statistic surveys by County provided for property and non-property owners
- Automated database modified and underway
- GIS assisted mapping begun
- FY'02 Annual Buyout renewal begun
- FY'03 Buyout Signup begun

	Goal	Actual	Goal	Actual
FY'01 Performance Measures	2001	2001	2002	2002
<b>Inputs:</b>				
Number farmers applying for the program per year	650	649	156	100
Percent of all eligible growers applying for the program	68%	68%	84%	71%
<b>Output:</b>				
Total number of applying farmers who have contractually agreed to cease tobacco production	552	559	295	100
<b>Outcomes:</b>				
Cumulative reduction in pounds of tobacco (million pounds)	5.525	5.36	7.013	6.49
<b>Quality:</b>				
Percent of tobacco farmers who cease tobacco production via the program	58%	57%	79%	66%

**Goal 2.** To help Southern Maryland farmers develop local, profitable, market-driven agricultural enterprises that are not based in tobacco.

**Objective 2.1.** By June 2002, identify potential market niches and products accessible to Southern Maryland farmers that complement farmers' existing areas of expertise and/or develop new opportunities for natural resource based enterprises. Includes value-added products and incubator kitchen.

**Strategy 2.1.1.** Initiate new, and review and summarize existing, agricultural market studies applicable to Southern Maryland.

**Strategy 2.1.2.** Assess, with local growers, agricultural alternatives to profitably substitute for tobacco. Identify which enterprises growers think will work, might work, and won't work.

**Strategy 2.1.3.** Provide funds and design options for grants and loans to foster local innovative alternative agriculture enterprises. Loans to be leveraged by existing county economic development programs and/or banks.

**Strategy 2.1.4.** Provide funds for educational programs to foster agricultural awareness and promote leadership and professional development within the agricultural communities of Southern Maryland.

**FY '01 KEY INFRASTRUCTURE / AGRICULTURE DEVELOPMENT ACCOMPLISHMENTS:**

- Funds received May 2001
- 36 grant applications received, 17 grants approved
- Southern Maryland Production Trends and Market Opportunities Assessment resumed
- Revolving Loan Assessment Resumed
- Financial Fair design begun
- Opportunities for Profit Trade Fair and Educational Showcase design begun

- Transitions Quarterly Newsletter initiated (two newsletters published)
- One LEAD Maryland Scholarship awarded

**FY '02 Interim Report (December 10, 2001)**

- Southern Maryland Production Trends and Market Opportunities completed
- Infrastructure and Agricultural Development Program Designed
- Revolving Loan Assessment Completed. Loan Program deferred
- Financial Fair completed (excellent participation from the financial community)
- Opportunities for Profit Trade Fair and Educational Showcase completed (300 participants)
- Southern Maryland Farm Viability Program Design begun and completed
- Everything Southern Maryland Marketplace Program Design begun
- One Educational Farmer Tour completed (Northern Neck Virginia)
- Second Educational Farmer Tour design begun

	Goal	Actual	Goal	Actual
FY'01 Performance Measures	2001	2001	2002	2002
<b>Inputs:</b>				
Staff and consultants' hours made available to execute market studies, loan options, and value-added enterprises	tbd	200		
Solicit grant proposals	1	36	5	
Meetings with growers to access interests and/or options	10	40	10	
<b>Output:</b>				
Market, loan, and value-added studies assessed	tbd	2	1	
Grants issued	5	17	3	
Possible market niches and products identified	tbd	5	5	
<b>Outcomes:</b>				
Profitable market niches and products targeted	tbd	5	5	
Incubator kitchen construction begun	10/01	-		

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- Revolving Loan Assessment Resumed
- Financial Fair design begun
- Opportunities for Profit Trade Fair and Educational Showcase design begun
- Transitions Quarterly Newsletter initiated (two newsletters published)
- LEAD Maryland Scholarship awarded, Funds available to MD Ag Education Foundation

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- Southern Maryland Production Trends and Market Opportunities completed
- Infrastructure and Agricultural Development Program Designed
- Revolving Loan Assessment Completed. Loan Program deferred
- Financial Fair completed (excellent participation from the financial community)
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**Goal 3.** To prevent unintentional sprawl and enhance the rural character of Southern Maryland landscape.  
**Objective 3.1.** Enhance existing agricultural land preservation programs within Southern Maryland, encourage Southern Maryland counties without agricultural preservation programs to get certified by the Maryland Office of Planning, and provide an incentive to eligible Southern Maryland tobacco farmers to place their land under agricultural preservation.

**Strategy 3.1.1.** Supplement existing county preservation programs targeting farms with 50 acres or greater.

**Strategy 3.1.2.** Assist in getting all local programs certified.

**Strategy 3.1.3.** Provide an incentive for tobacco farmers taking the buyout to put their land under agricultural preservation.

**FY '01 AGRICULTURAL LAND PRESERVATION PROGRAM ACCOMPLISHMENTS:**

- **Funds received May 2001**
- **Agricultural Land Preservation Program redesign begun**
- **Incentive Bonus Award made (Ann Arundel County)**

**FY '02 Interim Report (December 10, 2001)**

- **Agricultural Land Preservation Program redesign completed**
- **Agricultural Land Preservation Program Guidelines issued**
- **Memorandum of Understanding for five counties design begun and reviewed**
- **Three Counties Agricultural Land Easements pending**

	<b>Goal</b>	<b>Actual</b>	<b>Goal</b>	<b>Actual</b>
<b>FY'01 Performance Measures</b>	<b>2001</b>	<b>2001</b>	<b>2002</b>	<b>2002</b>
<b>Inputs:</b>				
Funds made available to support existing county preservation program (thousands)	<b>800</b>	<b>0</b>	<b>1,200</b>	
Funds available to support incentive for tobacco farmers	<b>300</b>	<b>300</b>	<b>300</b>	
<b>Output:</b>				
County programs strengthened	<b>1</b>	<b>1</b>	<b>4</b>	
Number of eligible Growers who place land under agricultural preservation	<b>tbd</b>	<b>1</b>		
<b>Outcomes:</b>				
County acres permanently preserved	<b>475</b>	<b>31</b>	<b>475</b>	
Counties participating				
Growers' Acres permanently preserved				

**tbd = yet to be determined**