

SOUTHERN MARYLAND TOBACCO CROP CONVERSION PROGRAM

KEY ACCOMPLISHMENTS - FY 2006

What's New in FY 2006? (details follow):

Buyout

- *Survey of Buyout recipients in winter 2005*

Land Preservation

- *Twenty-seven new farms under land preservation (2,960 acres) in four counties, 18,000 acres cumulative due to county leveraging*

Marketing

- *Twenty-six new farms and nine new businesses join So. Maryland, So Good (SMSG)*
- *Farmers Market Brochure, listing sites and map where all SMSG products can be found*

Agribusiness:

- *Southern Maryland Trails: Earth, Art, Imagination: trails, guide book, website*
- *Growing Grapes for Wine Grant Program*
- *Livestock Slaughter/Processing Facility Feasibility Study*

Education and Outreach

- *Marketing and Business Conference for Farms - 2-day Conference*
- *Biofuels Workshops*
- *Cornelia and the Farm Band, Four Public service announcements produced, new coloring book, website*
- *Discovering the New American Farmer: 30 minute documentary produced, wins Telly awards*
- *SMILES: Southern Maryland Invitational Livestock Expo*

TOBACCO BUYOUT:

- Now in our sixth year of the Tobacco Buyout, there are no new applicants, as the sign-up period ended in year five. Ninety-two percent of the 1998 eligible tobacco has been taken out of production forever for human consumption as 854 growers have taken Maryland's Tobacco Buyout. This represents 7.65 million pounds of tobacco and 83% of producers.
 - Annual affidavits are reviewed to assure compliance with each of the 854 contracts and their beneficiaries to confirm the growers have had no interest in tobacco and have met the criteria to stay in agriculture.
 - A sophisticated automated database was created and implemented in FY 2003 to assist in processing and tracking the Buyout contracts and annual renewal forms, and beneficiaries.
 - In late 2005, a survey was sent out to participants to gauge the average age of the producer; how many have grown or maintained their operation; whether or not they are full-time farmers; what are they currently producing, etc. These results were summarized and made available in January (see Attachment A).
 - We have met and/or exceeded the original target goals in our number one-priority program.

AGRICULTURAL LAND PRESERVATION:

- 2,956 acres have been directly preserved by the program in four counties of Southern Maryland in FY 2006, resulting in 9,833 acres cumulative over the five years of the program.*
- In 2006, 27 farms placed land under preservation (1 Anne Arundel, 16 Calvert, 4 Charles, 6 St. Mary's).
- Leveraging: These program funds enabled the five counties to make additional offers for agricultural land preservation and have leveraged the counties to place a total of 3,591 acres under agricultural land preservation in this fiscal year alone, and 18,297 acres over the five years of the program.*
- Two counties have used this incentive to improve their farmer's markets.

- We have met and/or exceeded the target goals in our number two-priority program. Some settlements have not yet occurred due to backlog in MALPF program, but will be using encumbered FY06 funds when settlements occur.

** In FY2005, total number of acres preserved was 1,971, not 2,138 as reported last year. This was due to an easement offer that ultimately was rejected by the landowner. Figures have been adjusted to reflect this change.*

AGRICULTURAL DEVELOPMENT / INFRASTRUCTURE “What Next”:

A market trends analysis of the Southern Maryland Agricultural Community conducted in the first year of the Buyout identified the needs and opportunities. The needs specifically included *Marketing support and Leadership development*. Among the key opportunities identified were: *green products (horticulture / nursery), livestock, produce and value-added processing, tourism, grapes/wine, hay, and the equestrian industry*. We are now also exploring biofuels and providing alternative energy from Southern Maryland farms.

MARKETING SOUTHERN MARYLAND

- ***So. Maryland, So Good (SMSG)*** -- This three-fold campaign seeks to 1) directly link farmers and buyers, 2) add value to local agricultural products through the use of an identifiable brand (logo), and 3) educate consumers about the benefits of buying from and supporting local farms. ***Directories and a website*** assist retail and wholesale buyers to find local products. ***Promotional materials*** help the consumer identify truly Southern Maryland products. ***A creative and assertive campaign actively advertises*** the program, and encourages and educates consumers to shop and dine at businesses, including farmers markets and farm stands that feature Southern Maryland farm products.
 - ***Direct contact facilitation*** provides direct links between farms and retail and wholesale buyers (stores, restaurants, caterers, universities and brokers).
 - ***Southern Maryland Farm Guide*** – From Arugula and Alpacas to Zinnias and beyond, this Guide leads customers to some of the finest and freshest farm products and services the region has to offer. The Guide, first developed in late 2002, was fully updated in the fall of 2005 with listings valid for the period 2006-2007. It lists farms, products, businesses and services throughout Southern Maryland. The Guide incorporates a broad range of products such as produce, meat, poultry, farm services, agritourism and farm-made gifts. The Farm Guide also distinguishes SMSG participants who promote the broader Southern Maryland regional agricultural community by actively featuring the SMSG logo.
 - Twenty-one new farms applied to be listed in fiscal 2006. A total of 176 farms were listed by June 2006 (Anne Arundel = 29, Calvert = 44, Charles = 33, Prince George’s = 27, St. Mary’s = 40).
 - The Guide is widely distributed to tourist centers, farmers’ markets, fairs, chambers of commerce, libraries, and other locales, and the nearby metro areas. The Directory also includes an array of services offered by the farms, including Agritourism, holiday and special events, and provides a list of restaurants and stores that buy and promote local products, as well as farm service businesses and agencies. Maps of each county are included, along with descriptions of the farms and markets where products can be found, product availability chart, as well as contact information. Farmers have expressed continued appreciation for the Directory. Farmers report increased calls and sales as a result of being listed, and have said it brought more business directly to their farms than anything else to date (see website and survey below).

Over 25,000 directories have been placed in the hands of consumers and buyers over the three years of the program, including the 10,900 new copies of the in FY 2006.

- ***A Wholesale Directory of SMSG producers*** desiring contacts with interested buyers has been distributed to 59 commercial buyers currently purchase from local producers, including 24 stores, 32 restaurants, 1 broker, and 2 universities in the local and DC metro area.
- ***So. Maryland, So Good Holiday Brochure*** – first published in November of 2004, this annual Holiday Brochure was created to pique public interest and demand for farm products during the late fall and holiday periods. The new 2005 brochure featured an expanded list of 72 farms providing a wide variety of seasonal produce, home décor, farm gifts, flowers and plants, wine, meat and poultry, farm hosted holiday events and winter farm activities. There were over 700 visits to the ‘online brochure’ through February ’06.
- ***So. Maryland, So Good Farmer’s Market Guide*** – published May 2005 in response to requests from SMSG participant farms, celebrates the benefits of farmer’s markets and the local abundance of farm fresh, affordable, nutritious foods. The guide directs consumers to 16 Southern Maryland farmers markets, two regional wholesale auctions and to 13 regional farmer’s markets that feature Southern Maryland farm products. Nearly 2000 brochures have been distributed to date. Website visits to the on line guide indicate considerable public interest in farmers markets; advertisements placed in the Washington Post stimulated activity on the website with over 700 visits within the first three days of release.
- ***The So. Maryland, So Good Website (www. somarylandsogood.com) – A Virtual Farmers Market***
This website attracted over unique 25,000 visitors between December 2005 - June 2006, with an average of over 55,000 hits per month. The interactive *Directory of farms* continues to be the #1 entry, followed by considerable interest in *Things to do, Events* and continued regular activity on the *Restaurant, Store* and *What’s in Season* pages.

The site was completely reconstructed and launched in 2005. As the general public increasingly seeks information on line, this website provides an interactive, fully updated, automated database, and colorful graphics. The site includes a complete on-line version of the Farm Guide. Expanded information and resource fields feature upcoming events, workshops and seminars, what’s in season, recently published guides and brochures, SMSG restaurant and store listings, press releases, grant opportunities, and a special section for kids and teachers. Cumulative website statistics provide a dynamic overview of website use including number of daily hits and visits, most visited pages and preferred areas of interest, coupled with the ability to track the results of SMSG advertisements referred to the website.

Grant information on the website facilitates easy access to application forms and has increased the potential for greater audiences for SMSG marketing services. Grape grant information accessed online from February through June recorded over 350 visits.

Additionally, the website has over 52 established links with agricultural, governmental, information services and tourism websites and offers direct connections to participating farms, restaurants and stores.

- ***Promotional materials*** portraying the logo help consumers identify truly Southern Maryland products. The materials have been used in advertisements by farms, local grocers and restaurants throughout Southern Maryland and metro DC markets. Several local businesses are using the logo in their newspaper ads, newsletters, billboards, and even on their menus.
- ***A creative and assertive campaign actively advertises*** the program throughout the seasons and encourages and educates consumers to shop and dine at businesses that feature local products. Specially targeted ads drive the public to the SMSG Website for further information and copies of SMSG literature. In FY 2006, 43 SMSG ads were run in 12 publications in area newspapers and magazines with a combined total circulation of over 4,300,000 in the immediate local area, metro

DC and parts of Virginia and the entire state of Maryland. In addition regular press-releases are timed to coincide with special events, grant opportunities, and to showcase SMSG participants, products and publications. Independently authored articles and press releases reached an audience of more than 242,992. Over 2,000 website visits were recorded in direct response to date sensitive ads, in addition to telephoned consumer requests .

- ***Our assertive public relations campaign*** has brought SMSG representation to many special events specifically organized by the program to showcase the broad array of quality products available and to educate the public about the importance of supporting local farms. One prominent example was the “**40th Anniversary of the Tri-County Council for Southern Maryland Celebration**” reception at Calvert Marine Museum, which exposed Southern Maryland products to a gathering of over 250 legislators and officials from across the state. A specially designed menu created by a SMSG restaurant featured local seafood, grass raised beef, turkey, vegetables and fruits, supplied by eight SMSG area producers and a bakery. Other events where SMSG was represented:
 - ***State Highway Administration Annual Earth Day Event*** – held at the SHA headquarters in Baltimore, SMSG was invited to attend. The one day event attracted over 400 visitors including several schools and highlighted need for environmental and agricultural preservation in the State of Maryland. 450 coloring books, 256 SMSG brochures, Agritourism and Farm Guides, and 170 Trails guides were distributed.
 - ***County Fairs and other festivals*** – Nearly 15,000 literature pieces produced by the Commission were distributed in 2005-6 at these events. SMSG exhibited at all five county fairs, the state fair and numerous other public events, including the Patuxent River Appreciation Days, the Sotterly Riverside Wine Tasting Event, Calvert Country Market Spring Festival April ’06, Hard Bargain Farm Spring Festival May ’06, Isaac Walton League Event May ’06, Calvert County Farm Tour July ’06 and more. SMSG booths maintained a striking presence, and stood out with their innovative and inviting layout and informative displays. Interactive surveys for adults, combined with ‘farm trivia’ games for children created opportunities for direct interface with SMSG staff, helping to build awareness of the SMSG farms. Over 4850 agritourism brochures, 3392 Farm Guides, and 2205 Coloring Books placed in the hands of consumers at the county fairs alone. The SMSG booth at the Charles County Fair won the award for “Best Commercial Exhibit” for the second year running.
- ***A Survey of SMSG participating farms*** – the second annual SMSG survey was conducted in winter of 2005 to all 172 farms listed in the Farm Guide. Survey analysis indicate the SMSG campaign is making a significant marketing contribution with over 30% of farms reporting SMSG as directly responsible for increases in products sales in 2005. Close to 50% of farms surveyed continue to attribute increases in their buyer/consumer contacts to the SMSG marketing campaign, and over 50% of farms reported the Farm Guide as the top promotional SMSG resource that helped to bring consumers to their farms. Some quotes from the survey, “people call because they saw us listed in the directory (Farm Guide)” – Crispens Farm. “People like it (Farm Guide) and use it, it’s their assurance of truly local products” – White Oak Point Farm.
- ***A Survey of SMSG Restaurants and Stores***. Results show that stores and restaurants purchased more local products in 2005-6 and continue to request additional farm contacts for local products including wine, seafood, meat and poultry. All have indicated they would like **more** local products!
- ***Farmers Markets*** – Program funds provide promotional advertising for 13 Farmers Markets in the five counties. Sales in 2005 from these markets averaged \$1.8 million for over 185 Southern Maryland growers.

- ***Southern Maryland Regional Farmers Wholesale Market*** – In 2006, this market was one of two of the region’s wholesale auction markets for Southern Maryland. The Market (Cheltenham) requested support from program funds. This wholesale market supports over 450 Southern Maryland farmers and buyers and in 2005 brought in annual sales over \$300,000 to regional farmers.
- ***Calvert Country Market – An indoor, year-round farmers’ market*** in Calvert County continues to receive program funds. This market provides permanent, conditioned space for Southern Maryland farmers and their goods with fresh produce, seafood, local meats, cut flowers, crafts, a bakery, ice creamery and deli. Twenty- two vendors currently use the market. Funds or services in-kind are matched on a one-to-one basis by Calvert County. The Commission previously provided funds to complete the butcher shop.
- ***North St. Mary’s Farmer’s Market*** – This unique market features vendors from the local Mennonite and Amish communities. This market is open six days a week from “sunup to sundown” in the high summer. The Commission has provided funds to enhance and expand the parking area. Funds or services in-kind are matched on a one-to-one basis by St. Mary’s County.
- ***Other Farmer’s Market Events*** – SMSG participated in three market openings. The recently relocated Hyattsville Market in Prince George’s County, Glen Burnie market in its second year at a new location and the brand new South River Colony market in Anne Arundel. All three markets are situated in densely populated areas close to local shopping alternatives, yet attracted significant local interest from enthusiastic buyers seeking fresh farm products close to established residential and business neighborhoods.

AGRIBUSINESS DEVELOPMENT - AGRITOURISM

Capitalizing on our close proximity to major metropolitan areas, agritourism continues to be a major opportunity for the further development and crystallization of our ongoing efforts to build a program that encourages area tourism with Agritourism at its core, offering a lucrative alternative for regional farms.

- ***Southern Maryland Trails: Earth, Art, Imagination*** - The goal of our newest initiative, is “to provide economic benefit to Southern Maryland by providing visitors an attractive, unique and authentic experiences of the region’s culture and living heritage facilitating innovative partnerships between farms, artists, and related heritage sites and businesses.” A second and no less significant goal is to “educate ourselves about our own community”. By appreciating what we have here in Southern Maryland, we hope that our local citizens will be more compelled to support our local farms and businesses, as well as land preservation programs that enhance the rural beauty of our region. As one local reader was overheard to say on the day of the Trails launch, “*Reading this (guide) book makes me feel like I live somewhere special.*”
 - Following on a series of workshops, community meetings and field trips with farmers and local crafts and tourism officials in 2004-5, the first two trails were launched in October 2005. Celebrating products that are home-grown and hand-made, these trails have been created to showcase Southern Maryland’s farms, art, beauty, and living heritage. Two more trails were added September 2006, covering the entire five counties.
 - A comprehensive, informative and creative guidebook, published in fall of 2005, educates readers about the unique features of Southern Maryland. The guidebook was updated late summer of 2006 to include new sites in the existing trails, and three new counties. A fold-out map orients readers. Interesting tidbits give readers a sense of culture and history, and fun facts. The Guide is widely distributed to tourist centers, participant sites, fairs, chambers of commerce, and other locales, and the nearby metro areas.
 - A website, www.somdtrails.com, explains the trails and guidebook to visitors, and provides a means of communication with trails members.

- All Trails members were invited to a networking event in January to facilitate cross-promotion and events between farms and businesses, and to solicit ideas for improvement. Sixty percent of the trails members attended. A February workshop incorporated suggestions from the event, provided marketing education, and an opportunity to meet with state tourism officials.
- ***Celebrate the Bounty of our Lands and Waterways – Southern Maryland Agritourism Brochure*** – The second updated edition of this immensely popular brochure was published in the spring of 2005. This special brochure showcases farms, and heritage sites, and events that highlight the bounty of Southern Maryland’s lands and waterways. The SMSG website also lists events for each site.
 - Over 34,000 of these brochures have been distributed since 2004, including 15,000 in FY 2005. The brochure is also available on-line and remains consistently among the top five most visited pdfs on the website.
 - The brochure has won an award of distinction for its innovative format and design.

AGRIBUSINESS AND VALUE-ADDED DEVELOPMENT

- ***Regional Livestock Slaughter / Processing – Southern Maryland Meats***: A feasibility study was initiated for this group of livestock producers and agency representatives. The study is assessing the potential for a fixed facility, a mobile facility and a processing facility. The study is due in the fall of 2006. RC&D has provided funds for the second phase of this study, which will include a business plan.
 - Livestock production is on the rise in Southern Maryland as many farmers transition away from tobacco. There is no current livestock slaughter or processing facility in Southern Maryland for retail sales of meat products. Farmers now ship live animals to auctions or houses in Baltimore, Westminster, or Virginia. Because of this lack of infrastructure, most farmers say it is not cost-effective to consider retail sales of value-added meat. In March 2004, a meeting was held with regional farmers in which the call for a local slaughter/processing facility was strongly brought forth. Two workshops on value-added livestock and meat-were held in October 2004. Out of these workshops has evolved an active group of producers, called *Southern Maryland Meats*, interested in developing a local regional slaughtering/butchering facility.

AGRIBUSINESS GRANTS AND BUSINESS PLANNING

- ***Growing Grapes for Wine in Southern Maryland*** – This grant program is the first of its kind in Maryland, and may become a prototype for a state-wide program. Towards a goal of increasing wine grape acreage in Maryland and capitalizing on an earlier research grant to Maryland Cooperative Extension, in FY 2006, the Commission created a grant program to provide matching funds towards the purchase of grape vines. The program is offered with the full partnership of Cooperative Extension to provide expertise and guidance through site visits and a two-day workshop on growing grapes in Southern Maryland. Grantees are required to attend the workshop, follow accepted cultural practices, and become members in the Maryland Grape Growers Association or Maryland Wineries Association to encourage networking and marketing potential.
 - Sixteen growers in four counties applied for the grant, nine were awarded for a total of 23 new acres under grape production in 2007. The Commission is excited about this new program and looks forward to working with the grantees and Cooperative Extension to help build this new industry in the Southern Maryland region.
- ***Southern Maryland Farm Viability Enhancement Grant Program***: provides business planning and grant assistance to farmers to diversify operations, add value to farm products and/or services,

and gain better market access. Sixteen farms have developed or are developing business plans. In 2006, two grants were approved as well as two business plan. The farms which received funds or are developing business plans are engaged in the following activities:

- Livestock expansion w/irrigation (2006)
- Roadside market for produce and flowers (2006 business plan)
- Value crops and commercial kitchen (2006 business plan)
- Agritourism/U-pick berries (2005 business plan and 2006 grant)
- Livestock – direct marketing (2004 – currently developing business plan)
- Greenhouse production for bedding plants and fall flowers and crops (2004)
- Extended-Season fruits and vegetables through Greenhouse production (2003)
- Expanded Nursery stock and bedding plants through Greenhouse production (2003)
- Agri-tourism, value-added apple products, and retail sales on-farm (2002)
- Nursery plants, high value produce, and livestock for value-added beef (2002)
- Early season bramble berries and expanded marketing strategies (hydroponics) (2002)
- Cow-calf operations (victim of the spring 2002 tornado) (2002)
- Livestock for Value-added beef (tornado victim) (2002)
- Nursery plants, high value produce, higher value grain production (tornado victim) (2002)
- Educational, diverse, innovative farm for school children (tornado victim) (2002)
- Grain and produce production and improved storage (tornado victim) (2002)

EDUCATION - ADVANCED LEVEL

Farmer Seminars / Workshops: In an effort to help farmers in the five southern Maryland counties continue to diversify and transition away from tobacco, education is an ongoing priority.

- ***LEAD Agriculture Maryland*** - On-going: Scholarships for Southern Maryland participants to attend the LEAD Agriculture Maryland course. A new applicant sponsored for the 2005 program is engaged in wine production.
- ***Marketing and Business Conference for Farms*** – 138 individuals from the five county area, including Metro DC and beyond attended the Winter Conference held in February 2006. Two full days of lectures, workshops and panel discussions on a variety of marketing, business and technical issues also offered intimate forums for learning in five targeted areas emerging as growing opportunities for farm profit. National speakers and state level professionals spoke on a number of topics. Conference meals provided showcase for winter farm products from five local farms. Sessions included:
 - Marketing for Success: Proven Paths to Increased Profits
 - Using the Internet to Gain new Customers
 - Marketing Strategies: Farmer Experiences
 - Creating Tourism Partnerships that Grow Business
 - Protecting your Farm Business – protecting farm assets / estate and financial planning
 - Insurance and Liability
 - 2006 Grant Opportunities: So. MD & USDA / Value Added Producer Grants
 - Growing Opportunities for Farm Profit – Greenhouse production, Berries & Fruits, Forestry
 - Extend your Season with Berries and Small Fruits
 - Growing Grapes for Specialty Wines
 - Quality Livestock for Niche Markets
 - Nursery / Greenhouse Business from Start-up to Success
- ***Hot on the Trails II*** – This half-day workshop offered marketing tools and tips for agritourism farms and businesses, and an opportunity to meet with state and local tourism officials. Thirty-five farms and businesses attended.

- ***Biofuels and Biodiesel Workshops*** – In the spring of 2006, we hosted two workshops on Biofuels and Biodiesel at the specific request of grain-producing farmers of Southern Maryland to initiate discussion on the opportunities for involvement in existing or potential activities in bio-fuel production. Attracting an audience of over 50 from the local agricultural community, the seminar included presentations from experts from both the ethanol and bio-diesel industries and farmers already in production with their own processing facilities. State officials and local legislature have also shown interest in the potential for bio-fuels production in Maryland as rising gas and energy prices have provoked increased public awareness for the potential of renewable energy options. The Commission is spearheading on-going discussions and will host an all-encompassing conference on alternative fuels and energy in Winter 2006-7.

EDUCATION: ELEMENTARY AND TEEN EDUCATION

- ***Kids Cook*** – Now in its third year the Kids Cook educational package including full curriculum is available to view and download from the our website for individual classroom and home schooling venues, attracting an average of over 25 individual visitors per month (183 visits in 6 months). The evolving package includes curriculum for fourth grade, two coloring books and more (see below). A new website, www.letsgotoafarm.com, featuring kids cook and children’s education activities was also developed (see below).
- ***Cornelia and the Farm Band – Four public service announcements*** were created portraying messages to children and families about health, good nutrition and exercise that come from a farm. These animation pieces are being sent to local and state television stations for airing, and are a component piece of the educational package that will be made available to schools and home-schoolers. A unique jingle, “Let’s Go to a Farm” was created for the animation pieces.
 - Let’s Go to A Farm website – was created for viewers of the public service announcements, to educate and excite children and families about farms, farm products and services. The website is envisioned to link to state and national agricultural education programs.
 - The first ***Cornelia and the Farm Band*** coloring book, inspired by Southern Maryland children’s designs, was developed in 2004 to encourage children and their families to support the local farm economy in a fun and humorous manner. The coloring book uses the designs to teach subtle messages about the diversity of local farm products and services available in Southern Maryland, and give parents a message to support local farms. Over 39,000 copies have been distributed, including 10,835 in 2006.
 - A second ***Cornelia and the Farm Band*** coloring book, paralleling the messages of the four public service announcements was published in late August 2006. The book also contains humorous songs about farms to be sung to familiar children’s tunes.
- ***Southern Maryland Invitational Livestock Expo (formerly the 4-H: Southern Maryland Regional Livestock Judging Show)*** - As farms become fewer in number across the state of Maryland, it is increasingly important to find ways to reinforce farm children, and encourage educational network opportunities.
 - Following on the success of last year’s show project funds again sponsored the 2nd Southern Maryland Invitational Livestock Expo that also included a Dog Show. The two-day event featured fitting and showing, market and breeding competitions for beef, swine, sheep, dairy goats and meat goats. The dog show, a new addition to the show, offered obedience and fitting and showing classes. Open to children and youth up to the age of 21, a total of 76 children and youth representing eight counties including the Eastern Shore participated, bringing with them 275 animals, more than doubling last year’s registration. In addition to the competitions, educational and youth development events were held to foster

camaraderie and enhance participants' knowledge and appreciation for the area's agricultural heritage. Champions of the major show events were invited to present to the Southern Maryland Agricultural Development Commission members at their August meeting.

- There was also significant attendance by local and elected officials and the general public who were notified of the event through the local media, newspaper articles and cable and website announcements. Organizers are confident the show will become a highly anticipated regular annual event with even greater regional appeal. Plans for next year's show include a horse showmanship component and increased outreach to the community at large with expanded hands-on educational opportunities.
- With assistance from the commission, organizers of this event within the livestock community are in the process of forming a non-profit organization to be able to accept outside grants and donations so that the show can eventually become self-sustaining.

PUBLIC EDUCATION AND OUTREACH:

- ***Community Outreach:*** Educating the community about the state of Southern Maryland agriculture and ways to support our local farms continues to be an important facet of our work. We spoke on behalf of the farm community at many events, including MACO, the Charles Land Conservancy group, local rotary clubs, farm bureau annual dinners, and all local commissioners hearings. Some of these were broadcast through local cable television.
- ***Discovering the New American Farmer:*** A thirty minute documentary, using local stories to tell a national message, captures the "beauty and glory" of Southern Maryland's agriculture and natural resources.
 - This video is intended for use on television, in schools, and by the public. Its purpose is to educate viewers about the modern struggles of So. Maryland farmers as the region transitions out of tobacco and the responsibilities of So. Maryland consumers as the population rapidly increases in the area. The documentary will provide proactive suggestions on how to strike a balance between the sometimes opposing communities of farming and development, in order to support our agricultural economy, preserve our regions rural character and protect So. Maryland's environmental resources. Various voices and perspectives were collected to tell the story of So. Maryland's changing communities, including leading farmers, watermen, local legislators, and county officials. It has been sent to Maryland Public television and national rural satellite broadcast stations. It will be duplicated in DVD format for public distribution.
 - The film won two national Telly awards in the categories of education and culture in the spring of 2006.

For more information regarding this program, please contact the following:

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**Southern Maryland Agricultural Development Commission
Tri-County Council for Southern Maryland**

SOUTHERN MARYLAND TOBACCO CROP CONVERSION PROGRAM

Southern Maryland: Transitioning away from a Tobacco Heritage

For over 360 years, Southern Maryland's agricultural economy has been dependent on tobacco production. In 1992, tobacco accounted for two-thirds of the total value of all agricultural commodities produced in the region and provided the mainstay for over 900 full/part time growers. In 2000, the state of Maryland instituted a voluntary tobacco buy-out program to transition farmers out of tobacco production forever, to be administered by the Tri-County Council for Southern Maryland. The result of the Buyout has been an unprecedented and significant cultural and economic shift as has not been experienced since the advent of European settlers.

According to a study conducted in 2001, the region's heavy dependence on tobacco has left other agricultural sectors poorly developed. Little non-tobacco agricultural infrastructure is currently in place in Southern Maryland. Agricultural innovation and entrepreneurship are severely lacking. Economic indicators show that agriculture in SMD does worse than in other parts of the state as well as elsewhere in the nation. The lowest net returns per acre (price per unit) are in SMD, and very little of those returns circulate through the rest of the SMD economy. All of this is coupled with statistics that show urban sprawl and land development are occurring faster on Southern Maryland's remaining 244,000 acres of farmland than anywhere else in the state. In short, agriculture and the natural resource base in Southern Maryland are in need of major help.

To address these tremendous needs, the Tri-County Council for Southern Maryland, a non-profit, quasi-governmental body, convened the SMD Agricultural Development Commission to develop a program to stabilize the region's agricultural economy as farmers convert from tobacco to alternative crop and other agricultural enterprises. The Commission represents a cross-section of the region's community, from elected officials and local government, to representatives from higher education centers and traditional agricultural sectors, to private sector, business and finance representatives, and farmers. Together with the Council, the Commission has revised the Tri-County Council for Southern Maryland Strategic Plan for Agriculture.

MISSION

To promote diverse, market-driven agricultural enterprises*, which coupled with agricultural land preservation, will preserve Southern Maryland's environmental resources and rural character while keeping the region's farmland productive and the agricultural economy vibrant.

*"Agricultural enterprises" and "natural resource based enterprises" are used interchangeably and are broadly defined as tobacco-free sustainable agriculture, and includes forestry and aquatic resources and agriculturally related activities such as agri-tourism and value-added processing.

VISION

A diversified, profitable Southern Maryland agricultural industry thereby enhancing the quality of life for all citizens.

The Tobacco Crop Conversion Program consists of three main components—Tobacco Buyout, Infrastructure / Agricultural Development, and Agricultural Land Preservation as follows:

OVERARCHING GOALS

- (1) The **Tobacco Buyout** component is a voluntary program which provides funds to a) support all eligible Maryland tobacco growers who choose to give up tobacco production forever while remaining in agricultural production and b) restrict the land from tobacco production for 10 years should the land transfer into new ownership.
- (2) The **Infrastructure / Agricultural Development Program** will foster profitable natural resource based enterprises and regional economic development for Southern Maryland by assisting farmers and related businesses to diversify and develop and/or expand market-driven agricultural enterprises in the region through a) economic development and b) education.

- (3) The **Agricultural Land Preservation** component seeks to provide an incentive for Southern Maryland tobacco farmers to place land in agricultural preservation, to enhance participation in existing Southern Maryland agricultural land preservation programs, and to assist infrastructure needs for farmers' markets.

For more information regarding this program, please contact the following:

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Street Address: 15045 Burnt Store Road, Hughesville, MD

**TRI-COUNTY COUNCIL for SOUTHERN MARYLAND
SOUTHERN MARYLAND AGRICULTURAL DEVELOPMENT COMMISSION**

Southern Maryland Regional Strategy – Action Plan for Agriculture

**KEY ACCOMPLISHMENTS BY OBJECTIVES, STRATEGIES, ACTION PLANS and MFRs
FY 2006 (July 2005 - June 2006)**

Goal 1. Transition Maryland growers away from tobacco production for human consumption

<i>Objective 1.1</i>	<i>By the year 2005, 85-90% of the eligible tobacco growers in Maryland will no longer produce tobacco in Maryland for human consumption</i>
Strategy 1.1.1	Administer the Tobacco Buyout Program for the State of Maryland which offers a monetary incentive for growers who produced tobacco in 1998 to forever cease tobacco production for human consumption
Action Plan	<ul style="list-style-type: none"> • Tobacco Buyout

KEY ACCOMPLISHMENTS - FY 2006 (July 2005 - June 2006)

Managing for Results

	Actual	Actual	Goal	Actual	Goal	Goal
Performance Measures	2004	2005	2006	2006	2007	2008
Inputs:						
Number of farmers applying for the program per year	67	76	na	na	na	na
Output:						
Total number of applying farmers who have contractually agreed to cease tobacco production	67	76	na	na	na	na
Efficiency:						
Applications and contracts processed in timely manner (%)	100	100	na	na	na	na
Payment checks issued in timely manner (%)	100	100	100	100	100	100
Outcomes:						
Cumulative number of growers out of tobacco	779	854	854	854	854	854
Cumulative pounds of eligible tobacco out of production (millions)	7.331	7.65	7.65	7.65	7.65	7.65
Quality:						
Percent of tobacco farmers who cease tobacco production via the program (cumulative)	76%	83%	83	83	83	83
Percent of tobacco pounds that are out of production via the program (cumulative)	89%	92%	92%	92%	92%	92%
Payments issued in timely manner (%)	100	100	100	100	100	100

Goal 2. Assist farmers and businesses to diversify and develop market-driven agricultural enterprises

Objective 2.1	Targeted marketing programs for Southern Maryland developed
Strategy 2.1.1	Develop and support programs for retail and/or wholesale markets for Southern Maryland agricultural products
Action Plan/Step	<u>Marketing Southern Maryland Products (now So. Maryland, So Good (SMSG))</u> <ul style="list-style-type: none"> Develop a marketing program to enable Southern Maryland producers to gain access to metropolitan markets
Action Plan/Step	<u>Southern Maryland Fresh Harvest (now SMSG)</u> <ul style="list-style-type: none"> Develop a targeted marketing project for growers to direct market Southern Maryland fresh products
Action Plan/Step	<u>Southern Maryland Regional Farm Product and Services Directory (now SMSG)</u> <ul style="list-style-type: none"> Update and develop Farm Product and Services Directories to promote Southern Maryland farm, store, and restaurant retail and wholesale products and services
Action Plan/Step	<u>Farmer's Market Promotion and Development</u> <ul style="list-style-type: none"> Assist counties and producers in the promotion and development of farmers' markets for local products

Managing for Results

Goal 2. Objective 2.1: Targeted marketing Programs for Southern Maryland developed

Strategy 2.1.1	Develop and support projects for retail and/or wholesale markets for Southern Maryland agricultural products
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	Actual	Actual	Goal	Actual	Goal	Goal
Performance Measures	2004	2005	2006	2006	2007	2008
Inputs:						
Number of grower applications: Farm Guide and SMSG (merged)	143	169	190	197	205	210
Number of store participants: SMSG (now including stores, restaurants, institutions)	34	50	60	59	65	70
Number of Farmers' Market applications	14	13	13	13	13	13
Output:						
Market trends, loan, and feasibility studies assessed ¹	2	0	1	1	0	0
SMD Directories published (Regional, Direct-market) ²	3	4	2	3	2	2
Efficiency:						
Directories published in timely manner	3	4	2	3	2	2
Farmer market applications and contracts processed timely	100%	100%	100%	100%	100%	100%
Outcomes:						
Number of growers / businesses advertising in Directory ³	177	245	265	254	270	275
Number of Farmers Markets supported/promoted ⁴	14	13	13	18	18	18
Number of Farmers' benefiting from farmers' market promotion, enhancement ⁵	550	500	550	671	685	700
Quality:						
Advertising campaign – number of direct mailings, media ads ⁵	1.35 m	5.5 m	4 m	4.4 m	3 m	3 m

1:Livestock slaughter/processing feasibility study nearly completed August '06.

2:Farm Guide, holiday brochure and farmers market brochure

- 3: 176 in directory, 50 stores and restaurants and 28 implement and suppliers
 4: 18 FM (retail and wholesale) in brochure
 5: 196 farmers from farmers markets, 475 Cheltenham
 6: Direct mailings (8,300) and 35% of combined circulation for ads

Goal 2. Objective 2.2. Farmers and agri-businesses diversified and on-farm and related income increased

Strategy 2.2.1	Develop and implement a grant program to provide incentives and professional support for farmers to increase on-farm income and preserve the farm's environmental resources (Southern Maryland Farm Viability Enhancement Program)
Strategy 2.2.2	Develop opportunities for value-added processing
Strategy 2.2.3	Develop and support a regional agri-tourism program
Strategy 2.2.4	Promote, advertise and recruit agri-businesses into and from Southern Maryland
Strategy 2.2.5	Provide matching grant support for targeted local, state and federal agricultural grant programs

	Actual	Actual	Goal	Actual	Goal	Goal
Performance Measures	2004	2005	2006	2006	2007	2008
Inputs:						
Number of applications for SMD Farm Viability & Grape Grants	4	6	3	24	10	15
Number of relevant local, state and/or federal grants	1	0	1	0	1	1
Output:						
Cumulative number of Farm Viability Business Plans developed	13	13	15	14	17	22
Agri-tourism Brochures published	1	1	2	2	2	2
Number of applications for relevant matching grants	0	1	2	1	1	1
Efficiency:						
Applications and plans processed timely	100%	100%	100%	100%	100%	100%
Grant funds processed in timely manner	100%	na	100%	100%	100%	100%
Outcomes:						
Number of farms with viable business plans (cumulative)	13	13	14	14	17	20
Business Incubator / Processing Kitchen design underway	na	na	1	1	0	0
Number of producers/business participating or enhanced in agri-tourism as a result of program ¹	84	88	95	153	175	200
Matching grants awarded	0	1	1	0	1	1
Quality:						
Advertising campaign – number of direct mailings, media ads ²	1.35 m	5.5 m	4 m	4.4 m	3 m	3 m

1: 88 in brochure, 65 in trails guide

2: Direct mailings (8,300) and 35% of combined circulation for ads

Managing for Results

Goal 2. Objective 2.3. *Information and education to enable the agricultural community to diversify farm and related operations provided*

Strategy 2.3.1	Develop and/or support relevant trade fairs, conferences, workshops and seminars on select related topics
Strategy 2.3.2	Support and develop education and training opportunities in agriculture, leadership and business management
Strategy 2.3.3	Provide information through diverse media (eg: newsletter, website, resource library)

	Actual	Actual	Goal	Actual	Goal	Goal
Performance Measures	2004	2005	2006	2006	2007	2008
Inputs:						
Funds available for Infrastructure programs	yes	yes	yes	yes	yes	yes
Output:						
Number of Educational Tours developed	2	2	2	1	2	2
Educational opportunities (fairs, conferences, courses, seminars, etc.) sponsored through program ¹	18	43	22	30	25	25
Number of scholarships awarded	1	1	1	1	1	1
Number of farmers / businesses directly receiving information ²	1500	1919	1750	2234	2300	2500
Efficiency:						
Grant or sponsoring funds processed in timely manner	100%	100%	100%	100%	100%	100%
Outcomes:						
Number of agri /businesses enhanced/developed as a result of tours, education, trade fairs, grants, etc. (participants in workshops, etc.) ³	300	876	350	940	500	600
Quality:						
Advertising campaign – number of direct mailings, media ads ⁴	1.35 m	5.5 m	4 m	4.4 m	3 m	3 m

1: 6 workshops, 8 community meetings, 12 public outreach and 4 special events

2: Direct mailings: 2234 = 854 (tobacco mailings: winter conference); 780 holiday brochure mailing and web, 300 trail meetings and web, 150 trails January meeting and 150 biofuels mailing and web

3: Grantees (24), Workshops & Special Events (969), trips (1 livestock),

4: Direct mailings (8,300) and 35% of combined circulation for ads

Goal 3. To promote and support agricultural land preservation in Southern Maryland.

Objective 3.1	<i>Incentives for landowners to put land under state and/or local agricultural land preservation programs and to support the counties' agricultural land preservation programs provided</i>
Strategy 3.1.1	Provide an incentive for landowners who take the Tobacco Buyout to place their land under agricultural preservation as specified in the Tobacco Buyout Contract by receiving an additional 10% of the easement price, pending availability of funds
Strategy 3.1.2	Match State / County Easements for agricultural land easement on a one-to-one basis. First priority will be given to landowners who have committed to the Tobacco Buyout and received their first payment. Remaining funds may be used for agricultural land easements of other agricultural landowners
Objective 3.2	<i>Acquisition of County land for Farmers' markets on a one-to-one match from the County and General Market Support</i>
Strategy 3.2.1	Provide support and funds upon request for acquisition of land for a Farmers' Market. Acquisition may include either the purchase of land or a long-term lease agreement. Funds may also be used for general market support.

	Actual	Actual	Actual	Goal	Actual	Goal	Goal
FY'04 Performance Measures	2003	2004	2005	2006	2006	2007	2008
Inputs:							
Funds made available to support existing county preservation program (thousands)	1,325	902	1,473	1,718	1,875 ¹	2,025	2,100
Bonus funds available to support incentive for tobacco farmers (thousands)	287	147	378	107	Na ²	389	140
Output:							
County programs strengthened	5	5	5	5	4	5	5
Number of eligible Growers who place land under agricultural preservation (cumulative, inc. leveraged matching) ¹	40	74	90*	100	117	130	140
Outcomes:							
Cumulative acres permanently preserved (inc. matching)	7534	12,735	14,706*	16,000	18,297	19,500	21,500
Counties participating	5	5	5	5	5	5	5
Quality:							
Payments issued in a timely manner	100%	100%	100%	100%	100%	100%	100%

1: At end of FY 06, approval granted to reallocate \$445,000 of infrastructure funds to preservation, making total funds available 2.3 million

2: No counties requested funds for Bonus in FY'06

*** In FY2005, total number of acres preserved was 1,971, not 2,138 as reported last year (cumulative 14,706 preserved, not 14,873). This was due to an easement offer that ultimately was rejected by the landowner. Figures have been adjusted to reflect this change.**

** see text on Land Preservation

For more information regarding this program, please contact the following:

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 Tri-County Council for Southern Maryland
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Attachment A

2006 Tobacco Buyout Survey Summary (conducted Oct.-Dec. 2005)

Summary of the survey:

- The survey results are encouraging.
- We are beginning to see the transition into new and profitable agricultural enterprises,
 - such as nurseries and green products,
 - value-added production,
 - grapes for wine and
 - agri-tourism, increase in number.
- These results combined with the statistics that show
 - a majority of farms are maintaining their operations in So. Maryland are promising
 - and reinforce our strategic programs in marketing, agribusiness and education, protecting farm assets and estate planning, and biofuels.

The Southern Maryland Agricultural Development Commission sent out a survey along with the 2006 Buyout Annual Renewal Form. The following summary is from the information collected from the voluntary survey. As per the Maryland Tobacco Buyout Statistics, there are 854 Buyout participants (Grower Contracts). The survey was sent to all of the living Tobacco Buyout participants. 590 Buyout participants responded to the survey. However, not every question had responses, so the number of responses to questions does vary. The responses came from Anne Arundel, Calvert, Charles, Prince George's and St. Mary's counties. We also received one response each from Cecil and Queen Anne Counties.

Before the Buyout

Tobacco was a very popular cash crop because it didn't need a lot of land and it could be grown on a part-time basis. Our survey results bear this out as over 55% of the respondents identified themselves as part-time growers before the buyout. Just over 40% stated they were full-time farmers.

After the Buyout

Approximately 66% of the respondents consider themselves as part-time growers and 33% as full-time. After five years into the buyout, this represents approximately a 10% shift in the respondents.

Farm Operation

The Buyout came into existence with the desire to help the farmer stay in agriculture. This was done by making the payments over a 10-year period and providing tools such as land preservation, grant programs and our marketing programs for the grower to use to help him find an alternative crop or agribusiness. Over 50% stated that their farm operation has been maintained or grown since the buyout. Just over 45% have downsized their operation.

What do you currently grow/raise?

We gave the grower an opportunity to list all of what he/she currently grows and/or raises. We received 574 responses. Please keep in mind that more than one category could be marked on each survey. The traditional crops remain a stronghold. Grains and livestock received 326 responses, hay 216, vegetables 171 and cattle livestock 131. The "alternative" crops and/or agribusiness had a strong showing of 104 responses. This represents grapes for wine, greenhouse bedding plants, nursery plants, cut flowers, agritourism and animals raised such as emus, horses and llamas. Hay is the 2nd most grown crop, due to the growing equine community.

Grown or Raise Differently

Again, we gave the grower an opportunity to list all he/she raises that is new or different since they took the buyout. We received 371 responses. The top three listings are grains/soybeans 169, produce 95 and hay 73. The category “animals” received 24 responses and consists of livestock, goats, hogs, horses and rabbits. And “alternative” received 22 responses and consists of cut flowers, greenhouse bedding plants, and mums.

Market Farm Goods

We receive 487 responses asking how the participant markets their goods. Again, more than one response could be checked off. The top three were 195 responses for shipping (e.g., grains/soybeans), 125 direct marketing to retail customer and 94 direct markets to wholesale buyer. We were pleased to see that over 25% respondents direct sell to the retail customer. This strengthens the ties of the farms and community. We hope to see this figure continue to rise.

Grower Age

The average age of a tobacco grower is over 50 years of age. Approximately 65% of the respondents are over the age of 50. Approximately 36% are under the age of 50.

Open Ended Questions

The next three questions are open-ended, therefore very difficult to tabulate. Some surveys were bland and at the extreme end others gave very long answers. We have grouped these into broad categories.

Where do you see yourself and your farming operation in 5 to 10 years?

We received 397 responses to this question. Fourteen thought their business would increase, 269 thought it would stay the same, 50 thought they would be retired or dead, 22 thought their business would decrease and thought they would diversify into something else. We had approximately 85 uncertain and miscellaneous responses.

What would you like to see the Southern Maryland Agricultural Development Commission do for you?

We received 212 responses. Some of the participants want the Commission to handle everything from regulatory issues, obtain better prices and provide tax breaks and lower taxes. 17 responded that they would like the Commission to develop new markets, 14 sited new initiatives, 16 said land preservation and 16 farmer initiatives and preserve farming. 24 didn't have an opinion and 25 responses were very general, e.g., “help me farm,” “all they can,” etc.

What information or workshop would you like to see the Commission offer?

We received 135 responses. 29 responses did not have any comments and there were 34 general comments. We received 20 responses for “alternative crops”, 10 on “marketing”, eight on “farm preservation”, 8 on “how to make more money” and 4 on “estate planning”.

FOLLOW-UP: The Commission offered workshops in the winter of 2006 on all of these topics.