

**Southern Maryland Agricultural Development Commission (SMADC)  
Market Analysis and Strategic Plan  
2011 - 2020**

Because the region's agricultural economy had traditionally been based on a single crop (tobacco), it was clear that the decline of tobacco in the last 1900s would precipitate a substantial loss of the farmland in the area. To mitigate this loss, the Tobacco Buyout program was conceived in 2000, and SMADC was established to administer the buyout and help local farms transition to a non-tobacco based model.

For the past ten years, SMADC has been providing support, training and guidance to those farmers that are diversifying their products and moving toward a market-driven business model. In addition to helping individual farms transition away from tobacco, it has also helped to shape an emerging new model of farming by funding research to identify and support new farm products likely to be profitable in the region and providing support and training in these key areas.

2011 marks the tenth years since the creation of SMADC and the launch of the Tobacco Buyout program. The payments to farms begin to come to a close this year as the first farms to enter the program reach the ten-year mark and receive final payments. All payments will close out by 2015.

This is a pivotal time for agriculture in Southern Maryland. A strong foundation has been laid for a new model of farming that is more diverse and sustainable than the old tobacco economy. Infrastructure is building for new agricultural models and a few key products are emerging, such as grapes, wineries, agritourism, meat, Christmas trees, etc.

Loss of farmland in this region has leveled during the Buyout phase (only 1% drop from 2002 - 2007 versus 10% drop from 1997 – 2002), however it is expected there will be a steep drop in percentage of acres in agriculture at some point in the coming decade when buyout payments end. This drop may be somewhat mitigated (or postponed) by the current economic climate in which land prices are historically low.

**Market situation:** Globally and locally, niche market farms tend to be emerging as successful. Also, farms that have diversified and offer several crops are more able to withstand economic cycles. A diverse range of agricultural products creates a healthier and more sustainable model of farming than one based on a single crop, however, it is a long-term process to build infrastructure for new products.

As key products emerge in a region, one danger is that the local consumer market will be quickly saturated and prices will fall (example: mums). This cycle can be countered by marketing to a wider audience. In some cases, a regional brand or cooperative venture may make this feasible.

Farmers cannot always keep up with demand (Buy Local Challenge, Southern Maryland Meats). This also applies to restaurants. Farmers face competition from products imported from adjoining states where broker and regional distribution centers have been encouraged and established.

**Pricing/value/profit:** With many products, small farms cannot compete with larger wholesale operations able to offer bulk quantities at a lower price. Often, the cost of a farm's retail products may be higher than those offered at the grocery store. Consumers may be willing to pay a higher price if the perceived

benefits are worth it (marketing can influence this). The price of fresh farm food may make it unavailable to under privileged customers; this is a challenge that needs to be addressed.

**Some positive trends that may impact the future of agriculture in this region.** Nationally, there is an explosion of support for “green” initiatives and heightened environmental accountability. Farms are key players in cleaner air and water. There is also mounting support for a “buy local” philosophy; this will benefit farms that raise and sell their products locally. There is a growing trend in local/heritage tourism, which can potentially benefit agritourism farms. And there is a heightened focus on eliminating childhood obesity; farms are poised to play a key role in better nutrition/health for children (and the entire community). It’s important for SMADC to leverage these factors when considering marketing strategies, product offerings, etc.

**Customer situation:** SMADC’s customers are farms and farm-related venues. (SMADC’s services are available to all farms, however a unique subset of the client base is that group receiving buyout checks.) A large percentage of SMADC customers are reaching a crucial point as buyout payments end. A distinct characteristic of this subset is that they are at or near retirement age. Many have indicated that their children do not intend to become farmers. Heirs are likely to sell land. This will need to be addressed.

SMADC differentiates between **market-driven** farms and those that are subsidized, as support is already available from other sources to farms growing grain crops and other commodity crops.

SMADC strives to nurture farms that have a positive economic benefit to the community (jobs, tax base) and also enhance quality of life for residents.

The trend for farm owners using computers and internet as a tool is rising, though still lower than general population. This trend impacts the way services are delivered via SMADC.

**Product situation:** SMADC’s products include support and services to individual farms and to the farming industry as a whole. This includes research, marketing, training, grants, navigating through state and federal regulations, exposing Southern Maryland farms to new markets, etc.

**Competition situation:** SMADC does not have competition in the traditional sense that retail businesses do, however it may be useful to assess areas where the support and services SMADC offers can dovetail with offerings of other agencies, and to analyze areas where it’s important to avoid overlap or redundancy.

- Training offered by the University of Maryland Extension (UME)
- Research by UME
- Grants offered by MARBIDCo, TEDCO or similar organizations
- Marketing by MDA

It may also be useful to examine some of the challenges involved in partnering successfully with other agencies. Another note mentioned in a recent survey of SMADC customers: SMADC provides many key services that would not otherwise be available.

## Internal Strengths/Weaknesses

**SMADC's staff is limited** (weakness) to three full time employees and an executive director. These four individuals, with the help of occasional consultants, are tasked with administering all SMADC programs. This constraint dictates prioritizing tasks and means that some goals involve longer timelines.

**SMADC's position as a regional entity** allows greater reach (strength). However, managing data from multiple counties complicates measurements (weakness), since counties may designate or define farms differently. Also counties may have different regulations and different demographics will dictate different solutions.

**SMADC's structure makes it more responsive** than many agencies to needs of the community (strength).

## External Opportunities/Threats

**Outdated perception of agriculture:** As farms transition and diversify, the face of farming in the region is changing. The very definition of a farm is being changing; today it may encompass a corn maze or a vineyard/winery. Tracking methods have not kept pace as the industry is in flux. It is a challenge to even track number of farms as definition morphs. Farming is outpacing the regulations as they innovate beyond the traditional farm model. Today's farmers are becoming more adept at marketing, at business management. However, they are often overlooked as valid partners in smart economic growth and development.

**Outdated regulations:** As farms seek to innovate and develop new business ventures to maintain and/or enhance profitability, layers of regulations are often encountered that not relevant in the emerging new model of agriculture.

**Aging farming population:** Many buyout recipients are less likely to transition to new farming models because they are at or near retirement age. The average age of the tobacco buyout farmer in Southern Maryland is 72.

**No influx of new/young farmers:** Heirs often leave the farm (sell farm) because of a perceived lack of potential for success and financial growth, or a fear of the inherent difficulty of working through regulations and permits. Working in an environment without ready access to internet (many farms do not have access to cable or broadband internet) is also a deterrent to young people and businesses.

**Saturation of market for new products:** While the market in the region may be limited (threat), however potential exists as certain niche markets gain momentum to bring together key players and expand outward, market as a region, and develop regional branding (opportunity).

## Strategic Goals and Objectives

### Goal 1: Thriving, market-driven farms that have the resources they need to be profitable

#### Objective 1.1: Targeted, smart growth in the region's overall agricultural development

*Strategy 1.1A: Identify and support key emerging opportunities most profitable to local farms (i.e. grapes, catnip, meat, aquaculture)*

- Initiative: Expand partnership with So. MD meat growers, add targeted meat directory to SMADC resources, assist with quality standards and branding
- Initiative: Expand partnership with Christmas tree growers in BLC holiday initiative
- Initiative: Support ongoing research to identify new emerging products
- Initiative: Offer product-specific grants, workshops and training for new and lucrative products as necessary
- Initiative: Identify trends small, niche /different kinds of farms, urban farms
- Initiative: Explore constraints to aquaculture industry (listening session)

*Strategy 1.1B: Develop regional brands (to market inside and outside the region)*

- Initiative: Strengthen existing brands: So. Maryland, So Good, Southern Maryland Trails: Earth, Art, Imagination
- Initiative: Develop emerging brand: Southern Maryland Meats
- Initiative: Work with sub-groups to establish product standards and criteria
- Initiative: Explore new brokering and wholesale strategies with farmers
- Initiative: Convene group to discuss marketing So. MD as agritourism destination
- Initiative: List agritourism and specific farms on the state websites (MD Tourism, MDA, etc.) to raise awareness
- Initiative: Explore having region designated as wine-growing area

*Strategy 1.1C: Work with local and state leaders to capitalize on trends and challenges impacting agriculture in Southern Maryland*

- Initiative: Shape, clarify and streamline relevant regulations
- Initiative: Refine communication strategies with leaders

*Strategy 1.1D: Address challenges posed by outdated Ag stereotypes*

- Initiative: Focus on streamlining, updating definition of farms to include new niche markets (i.e. agritourism is not recognized)
- Initiative: Standardize definition of farms as a region (based on total acreage vs. acreage in production fields)
- Initiative: Streamline, update tracking of ag related data where possible (i.e. agritourism, grapes are not represented in current census data)
- Initiative: Work with chamber of commerce in five counties to address lack of farm representation
- Initiative: Continue to improve the public perception of farms / farmers (public, leaders, etc.)

#### Objective 1.2: A strong regional identity as a tourism and cultural heritage destination

*Strategy 1.2A: Expand the Southern Maryland Trails Earth, Art, Imagination*

- Initiative: Heighten awareness of farms as cultural tourism destinations
- Initiative: Continue to explore partner packages as tourism enticements
- Initiative: Continue to expand relationships with regional and state tourism offices, link Trails with local and state websites
- Initiative: Promote themed Trails daytrips (imaginative itineraries)

**Objective 1.3: Increased (potential) profit per acre for existing farms (5% by 2015)**

*Strategy 1.3A: Help individual farms to diversify their product offerings*

- Initiative: Offer farm-specific grants and support (i.e. business plan consulting)
- Initiative: Offer support/grants to update on-farm infrastructure

*Strategy 1.3B: Help farms increase profit margin of products currently offered*

- Initiative: Help farms identify and offer alternatives and value-added products (i.e. relish vs. cukes)
- Initiative: Offer seminars/workshops on innovative marketing strategies (CSAs vs. markets, etc.)

**Objective 1.4: Increased consumer market for the region's farm products (10% by 2020)**

*Strategy 1.4A: Increase the number of local consumers that buy from So. Maryland farms*

- Initiative: Help consumers find farms via on-line and print directories of So. Maryland farms (i.e. Farms for the Holidays, SMSG Farm Guide, Equine Guide, Trails)
- Initiative: Add "benefits" message to relevant print and on-line marketing
- Initiative: Expand Buy Local Challenge to include winter and spring info
- Initiative: Motivate consumers to make "green" choices

*Strategy 1.4B: Explore ways to get fresh farm food to markets that do not traditionally purchase from local farms (schools, hospitals, other institutions)*

- Initiative: Convene forum or listening session with major players to discuss options
- Initiative: Expand partnerships with hospitals via BLC campaign
- Initiative: Increase number of schools participating in Farm to School program
- Initiative: Explore increasing distribution

*Strategy 1.4C: Explore ways to increase purchase of farm food by restaurants and stores*

- Initiative: Convene listening session with major players to discuss challenges/options
- Initiative: Continue/expand current wholesale program and marketing

**Objective 1.5: SMADC will generate revenue.**

*Strategy 1.4A: Devise plan to generate revenue via advertising and membership fees*

- Initiative: Expand advertising component in on-line and print directories (i.e. Farms for the Holidays, SMSG Farm Guide, Equine Guide) based on Trails model
- Initiative: Consider membership fees for *So. Maryland, So Good* (based on Trails model)
- Initiative: Pursue external grants and external revenue generating activities

**MEASURING OUTCOMES FOR GOAL #1:** SMADC will track number of farms in the five-county regions expanding into key product areas over one, three and 10 year increments. Additionally, SMADC will track success of these new ventures as measured by increased profit per acre of farmland specifically used for these products. SMADC will track approximate profit per acre of a sampling of farms through a combination of methods, including gathering input from farm owners, and state and national statistics, and then extrapolating based on acres of land in farming in the region. SMADC will estimate numbers of consumers of farm products through a combination of methods, including tracking consumers' use of SMADC websites, and tracking of sales at farmers' markets.

## **Goal 2: A Maryland where farmland preservation and environmental stewardship positively impact the quality of our air and water and protect one of our greatest assets, the Chesapeake Bay**

### **Objective 2.1: 30,000 additional acres in land preservation by 2020, pending availability of funds**

*Strategy 2.1A: Promote incentives for landowners to put land under state and/or local land preservation programs*

Initiative: Match county and state funds for land preservation programs prioritizing former tobacco land

*Strategy 2.1B: Explore innovative land preservation initiatives (land trusts, private partners)*

Initiative: Explore land trusts, private partners

### **Objective 2.2: Increased environmental stewardship among farms (more farmers using better practices)**

*Strategy 2.2A: Develop and offer incentives for environmental stewardship practices*

Initiative: Create green stamp of approval for stewardship practices

Initiative: Promote and facilitate the use of conservation equipment and practices

Initiative: Expand partnerships with relevant organizations (NRCS, SCS, NGOs)

*Strategy 2.2B: Strengthen public awareness of the roles farms play in a healthier environment*

**MEASURING OUTCOMES FOR GOAL #2:** SMADC will track number of acres in farmland and under land preservation over one, three and 10-year increments. (There is a challenge in calculating preserved acres in that some counties record preserved land differently.) SMADC will track number of farms actively improving environmental stewardship via farm surveys and tracking of use of equipment and track how many more acres are under soil conservation each year with its partners.

## **Goal 3: A future where profitable farms play an integral role in the health and quality of life of our community**

### **Objective 3.1: Increased access by underserved markets to fresh and healthy foods by 2015**

*Strategy 3.1A: Explore ways to get fresh farm food to impoverished and underserved community via a means that is profitable to farmers yet affordable to these consumers*

Initiative: Convene listening session with major players to discuss regional Food Policy Council

Initiative: Explore minimally processed farm foods strategy

**Objective 3.2: Improved childhood health (reduction of childhood hunger and obesity) and overall community health through enhanced role of farms in nutrition and exercise**

*Strategy 3.2A: Improve nutritional quality of children's diets by making farm foods more accessible*

Initiative: Increase participation of local schools in Farm to School programs

Initiative: Explore minimally processed farm foods strategy for school lunches

*Strategy 3.2B: Improve nutritional quality of children's diets by making farm foods more desirable*

Initiative: Expand/distribute educational info about the value farms play in health and in reducing childhood obesity

Initiative: Facilitate development of regional Food Policy Council

Initiative: Expand Cornelia program as a teaching tool about nutrition, good health and the fresh food / farm connection

*Strategy 3.2C: Stress importance of exercise and outdoor activity with emphasis on agritourism*

Initiative: Expand Cornelia program as a teaching tool about exercise, good health and the farm / agritourism connection

**Objective 3.3: New farmers recruited to counteract loss of farmland**

*Strategy 3.3A: Recruit farmers relocating from other areas, new and second-career farmers*

Initiative: Maintain/expand FarmLINK and Growing New Farmers program

Initiative: Provide additional resources for ag classrooms and training (CASE, etc.)

Initiative: Catalogue existing assets, tools and resources for new farmers

Initiative: Create package / tool kit to attract new farmers

Initiative: Explore/address unique needs of specific communities (i.e. immigrant farmers)

*Strategy 3.3B: Create exit strategy for those farms that have not successfully transitioned at end of Buyout phase*

Initiative: Explore referring qualified farms to Social Services or other agencies that offer support not covered by SMADC

Initiative: Create package of resources (to include other agencies programs also) for farmers exiting the Buyout Program who have not successfully transitioned out of tobacco

Initiative: Educate owners and families of those exiting the Buyout Program on options for keeping land in agriculture

*Strategy 3.3C: Provide incentives for farm children to network and remain in farming*

Initiative: Continue SMILE program

*Strategy 3.3D: Educate children/youth on advantages of career in farming*

Initiative: Expand Cornelia program as a motivation and teaching tool about the advantages of a farm career

**Objective 3.4: 10% more active, efficient partnerships that support region's farms by 2015**

*Strategy 3.4A: Explore possible new partnerships that can assist SMADC in reaching goals*

Initiative: Research how other areas use networks to increase effectiveness

Initiative: Incorporate partnership tracking into current projects

*Strategy 3.4B: Explore ways to increase effectiveness of current partnerships*

Initiative: Facilitate exchange of information between partners

Initiative: Evaluate ways to enhance offerings of other partners while avoiding redundancy or duplication of services

Initiative: Leverage partnerships for better ongoing exposure for So. MD farms (MD Tourism, MDA, etc.)

*Strategy 3.4C: Expand/support Southern Maryland Trails program to build productive partnerships among local farms and businesses*

Initiative: Facilitate exchange of information between partners

**Objective 3.5: Strengthened public awareness of the value of farms to the local economy, future food security**

*Strategy 3.5A: Expand Buy Local Challenge*

Initiative: Expand messages and outreach through Buy Local Challenge

*Strategy 3.5B: Expand partnerships between farms and economic development sector*

Initiative: Explore Chamber of Commerce as partner for farms

**MEASURING OUTCOMES FOR GOAL #3:** SMADC will track number schools (children) receiving farm food through Farm to School program and estimate additional children with increased access to farm food through other avenues. SMADC will also estimate the number of underserved that receive fresh, local farm foods. SMADC will estimate number of new farms in the region.

For more information about this program, please contact:

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