

SOUTHERN MARYLAND TOBACCO CROP CONVERSION PROGRAM

KEY ACCOMPLISHMENTS - FY 2003 (July 2002 - June 2003)

Tobacco Buyout:

- Eighty nine percent of the 1998 eligible tobacco has been taken out of production forever as 779 growers will have taken Maryland's Tobacco Buyout by January 2004. This represents 7.331 million pounds of tobacco and 77% of the producers.
- Certified, return receipt letters were mailed to all remaining eligible growers in May 2003. Advertisements were placed in all newspapers for three months asking any remaining eligible growers to indicate their intent to take the Buyout in 2005, pending availability of funds. Applications will be sent to those who responded in late 2003.
- An additional 90 growers have indicated their intent to take the Buyout in its final year of application, pending availability of funds. This would represent 94% of the eligible tobacco as of January 2005, and a potential total of 7.75 million pounds.
- A sophisticated automated database was newly created and implemented in FY 2003 to assist in processing and tracking the Buyout contracts and annual renewal forms.
- We have met and/or exceeded the target goals in our number one priority program.

Agricultural Land Preservation:

- 2,100 acres have been directly preserved by the program in four counties of Southern Maryland in FY 2003, thus over the two years of the program, over 4,309 acres have been directly preserved by the program in four counties of Southern Maryland. These direct funds enabled four counties to make additional offers for agricultural land preservation and has resulted in supporting over 5,109 acres placed under agricultural land preservation in this fiscal year alone.
- Additionally, the funds enabled the fifth county, Prince George's, to create a new agricultural land preservation program.
- The program provided incentive for 9 new farms to apply for agricultural land preservation that may have not considered this option if not for the Bonus.
- Two counties have used this incentive to renovate and improve two farmer's markets (see Farmers' Markets below).
- We have met and/or exceeded the target goals in our number two priority program.

Infrastructure / Agricultural Development:

In the fall of 2001, a College of Southern Maryland market trends analysis of Southern Maryland (SMD) in the wake of the beginning tobacco Buyout identified several key items. First that SMD is poorly served by production and marketing infrastructure in all agricultural sectors except tobacco. The report found the farmers were looking to the TCC for guidance, feeling that other more traditional avenues of support had not been available, and identified a lack of entrepreneurship in SMD agriculture. The report identified areas of need and proposed areas for real expansion in Southern Maryland. The needs specifically included Leadership development and Marketing support. Among the key opportunities identified were: green products (horticulture), livestock, produce and value-added processing, tourism, grapes/wine, hay, and the equestrian industry.

• ***Marketing Southern Maryland Products***

This program is envisioned to work hand-in-hand with the Agricultural Business Park and So. Maryland, So Good (see below). Additionally, in response to farmers' requests, we are investigating options for off-premise product liability insurance with the Maryland Farm Bureau. This is a new challenge for farmers in Maryland. Increasingly, corporate chains require this insurance in order to conduct business, but there are no such policies at present in Maryland. Furthermore, corporate stores require large shipments of standardized product, thus necessitating consolidation for the

smaller growers. We are in the midst of conducting grower surveys, the results of which will guide the next steps to this piece of the program.

- ***Southern Maryland Harvest / So. Maryland, So Good***

A direct marketing program, Southern Maryland Harvest Fresh was initiated in 2002, with the assistance of a grant from MDA. Sixty farmers and 46 stores participated in the first year of this program (FY 2002-3). The program was initially conceived to facilitate buying and selling of products from the five Southern Maryland counties. Directories of the sixty farmers and 46 stores were compiled and exchanged. In the spring of 2003, all of the corporate stores pulled out of the program due to changes in corporate policies. These stores no longer allow their local stores to buy directly from farmers, but insist on products being channeled through their corporate warehouses (located as far away as Arizona) and product liability insurance. (Partially funded through a separate grant.)

In the summer of 2003, we have evolved this program to become our “So. Maryland, So Good” direct marketing campaign. In addition to facilitating marketing links, this campaign is a branding campaign with the goal of adding value to locally produced or processed agricultural products through the use of an identifiable brand. The successful outcome will be a community-wide effort to enhance the quality of the life for our citizens by supporting the local economy. Promotional materials are being developed for farmers, stores, food handlers, and eventually restaurants that will help the consumer identify truly Southern Maryland products. With these promotional materials in hand, we plan to increase the number of farms, stores, and eventually restaurants and other institutions that buy and sell Southern Maryland farm products. The most successful outcome will be enhanced sales for the participating farmers and stores, as well as protecting the viability of Southern Maryland farms.

A website is being developed that features farm products, the farms, stores and eventually restaurants and other institutions. Media events will help to showcase the program and educate consumers. The website will also link directly to the farms and other participants and enable direct communication.

Elementary school materials featuring Southern Maryland farms and products are also envisioned.

- ***Southern Maryland Harvest Directory***

The Southern Maryland Harvest Directory, a Farm Product and Service Directory, was developed and widely distributed throughout the Southern Maryland region (tourist centers, farmers’ markets, fairs, chambers of commerce, libraries, and other locales). Farmers have expressed great appreciation for the Directory. Some farmers have said it has brought more business to their farms than anything ever before.

The Directory was developed based on voluntary responses to a survey sent to the more than 5000 farmers registered with the US Department of Agriculture National Agricultural Statistics. The directory consists of a voluntary listing of all products offered by the farm community in the five counties, and an array of services offered by the farms, including agrotourism, holiday events, and even cancer respite. The directory includes maps of each county, descriptions of the farms and markets where products can be found as well as contact information. The Directory also provides a sample list of restaurants that buy and promote local products, as well as farm service businesses and agencies.

The Directory is accessible on the internet (tccsmd.org). A new website (southernmarylandharvest.com) is being developed to periodically update the directory, and enable farmers to update their own information. This will include materials for new applicants. (Partially funded through a separate grant.)

- ***Farmers Markets***

- ***Promotional advertising***

- Market sales for over 221 Southern Maryland growers were increased by promotional advertising for 16 Farmers’ Markets in the five counties. Sales in 2002 from these markets averaged \$1.4 million.

- ***Southern Maryland Regional Farmers Wholesale Market***

- The region’s only wholesale produce and plant auction market for Southern Maryland (Cheltenham) continues to be supported by program funds and a grant from MDA. This wholesale market supports over 200 Southern Maryland farmers and buyers. Two studies have been undertaken to investigate the potential to improve and expand the physical and economic capacity of this market (see below, SMD Agri-Business Park). The studies will be completed in Fall 2003.

- ***Calvert Country Market***

- A new eight-month indoor farmers’ market in Calvert County Programs was established with the support of program funds. Much along the lines of our envisioned “Everything Southern Maryland”, this market provides permanent, conditioned space for Southern Maryland farmers and their goods. The market features fresh produce, seafood, cut flowers, crafts, a bakery and eventually a butcher, 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.

St. Mary's Northern Farmers' Market

The St. Mary's Northern Farmers' Market predominantly features Amish and Mennonite farmers and is exceedingly popular for consumers and tourists. Revenues from this market alone exceeded \$250,000 in 2002. The market site is in great need of expansion as it is rapidly outgrowing the current capacity. 2003 funds have been encumbered to assist this expansion. A land survey is underway, and work is expected to commence this fall. Funds or services in-kind are matched on a one-to-one basis by St. Mary's County.

• ***Southern Maryland Agri-Business Park and Regional Processing Kitchen (Park)***

Program Description: With the advent of the Maryland Tobacco Buyout, the need to diversify and increase income from Southern Maryland (SMD) farms is stronger now than ever before. The vision of the Park is to serve as a launching pad for beginning and existing SMD businesses, as well as an attractant for larger agricultural businesses into the region. The Park could provide services to the community such as education, information and training on processing, manufacturing, marketing, and business management, as well as initial test marketing and distribution. We are specifically looking to expand our existing wholesale market (see above), develop a value-added manufacturing center, become a distribution center for horticultural products, and provide the technical and educational services described above. By creating new businesses, enhancing existing businesses, and encouraging SMD producers to become and/or interface with value-added processors, the economic baseline of all will be increased.

We have entered into a partnership with the Maryland Food Center Authority (MFCA), which has the business acumen and experience to operate and manage such a privatized agricultural park, and could enhance the existing SMD wholesale produce auction market. A site analysis study was undertaken in the summer of 2002, which identified the Cheltenham regional market site as the ideal Southern Maryland locale. Cheltenham has the land area necessary to permit the diverse, multiple agricultural business enterprises as envisioned. Its location on a major thoroughfare (Route 301) through Maryland and its proximity to major metropolitan areas makes it a lucrative business site, and will help to attract and retain larger businesses as anchor tenants to help underscore the cost of operations.

An MOU was developed between the MFCA and the current landlord, MDA, for a long-term lease of the site, pending the positive outcome of two studies. These studies are underway to address the engineering capacity of the site, and identify potential anchor tenants. The studies will be completed in the fall of 2003.

Through this partnership and the use of the Cheltenham site, SMD will further its regional identity, harmonizing high technology businesses with prosperous natural resource-based businesses. This initiative will go a long way in promoting a positive industrious image for Southern Maryland and its farmers.

• ***Southern Maryland Farm Viability Enhancement Grant Program***

An exciting new grant program was implemented that provided expert outside assistance to farmers to increase farm income as they transition away from tobacco. The program, Southern Maryland Farm Viability Enhancement Program, provides business planning assistance to farmers on strategies to diversify operations, add value to farm products and/or services, and gain better market access. A total of eight farms developed business plans, including a special session of the grant program for victims of the 2002 Spring tornado. Charles County Commissioners match the funds with \$80,000, thus enabling five additional farmers to come into the program. Envisioned as a two-year pilot program, 2004 will be the last year this program is offered.

The first applications were received in FY 2002. Nine farms received assistance developing farm business plans. Two of them are among the top five former tobacco producers in Southern Maryland. One farm elected to drop out of the program, finding the regulatory process in Maryland too cumbersome. The eight farms which received funds are engaged in the following activities:

- Agri-tourism, value-added apple products, and retail sales on-farm
- Nursery plants, high value produce, and livestock for value-added beef
- Early season bramble berries and expanded marketing strategies (state-of-the art hydroponic system)
- Cow-calf operations (victim of the spring 2002 tornado)
- Livestock for Value-added beef (tornado victim)
- Nursery plants, high value produce, higher value grain production (tornado victim)
- Educational, diverse, innovative farm for school children (tornado victim)
- Grain and produce production and improved storage (tornado victim)

A third round of applications for 2003 was completed. We received nine applications, and have approved four farms to move to Phase II. These farms are developing business plans with the consultants. Once reviewed and if approved, the farms will receive grant funds in the fall of 2003. Business plans for these four farms are as follows:

- Wetland plant species – production for wetlands restoration programs
 - Agri-tourism, horse farm (farm was retrieved from impending development)
 - Extended-Season fruits and vegetables through Greenhouse production
 - Expanded Nursery stock and bedding plants through Greenhouse production
- ***Grape and Wine Potential in Southern Maryland***
 The potential for grapes and wine processing in Southern Maryland is high, but as yet, undeveloped. Interest in the region is high and continues to expand. An extension of a previous grant was awarded to the Southern Maryland Cooperative Extension for continued research on grape varieties, production practices, and wine processing in SMD. The research involves on-farm trials, and research on the Cooperative Extension Research Station in Upper Marlboro.
- ***Livestock Processing, Marketing, and Value-Added Opportunities***
 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. A study is just being completed that addresses these demands, current infrastructure, and potential for expanded livestock processing as well as potential outlets for Southern Maryland livestock and meat products. It is envisioned that the results of this study will be disseminated to farmers and will be used as a platform to develop a future strategy for this important need.
- ***Leadership and Entrepreneurial Development and Education***
Advanced Level Education:
Nx Level - Advanced level courses and agricultural and related curriculum for K-12 children's education programs in Southern Maryland have been minimal. In 2003, the program helped initiate the Nx Level Course through the College of Southern Maryland, a nationally recognized course for agricultural entrepreneurship and business management.) The program sponsored scholarships for two SMD farmers to attend the first course in the Spring of 2003.

LEAD Agriculture Maryland: Scholarships for Southern Maryland participants to attend the LEAD Agriculture Maryland course are on going. One new applicant was sponsored in 2003 who is currently engaged in specialized oyster production.

Elementary and Teen Education:
Mobile Science Agricultural Laboratories: Eleven weeks of agricultural education to children in K-12 was sponsored through the Maryland Agricultural Education Foundation's mobile science laboratories. Weeklong sessions in Agricultural Products, Aquatics, and Biotechnology were offered to eight schools in the region. (Funded through a separate grant.)

Take Me Out to the Ballgame: A creative, highly entertaining and informative video, highlighting Maryland's top agricultural products, was sponsored through funds to the Maryland Agricultural Education Foundation. The video highlights agriculture's importance in the daily lives of all Marylanders and will be available for elementary school teachers in Fall 2003. (Funded through a separate grant.)

Southern Maryland 4-H: Youths involved in 4-H agricultural education in four counties were supported by program funds. Specifically, the funds were used to provide hands-on educational learning opportunities such as agriculturally related learning laboratory kits to teach youths about animals, agriculture, horticulture and farming. Additionally, funds were used to develop career awareness for older 4-H teens about futures in agricultural industry and sponsored trips for teens to attend National 4-H Agricultural Educational programs.

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

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