# Maryland Agricultural Land Preservation Foundation FY 2022 Annual Report



## From the Executive Director

Dear Stakeholders,

I am pleased to present the FY22 Maryland Agricultural Land Preservation (MALPF) Annual Report. In this report I will review MALPF's accomplishments over this last year, as well as the progress over the past 8 years under the Hogan administration. This administration has significantly promoted the MALPF program, particularly in funding, which increased the rate of acres protected.



When Governor Hogan entered office in FY15, MALPF's Capital Budget was ~\$15 million, and has steadily grown to ~\$72 million for the FY23 budget. The annual rate of farmland protected over that same time frame has increased from 4,300 acres in FY15 to over 11,000 acres in FY22. The support of the Hogan administration and the dedication and commitment of the MALPF Board of Trustees, staff, attorneys, and appraisers, as well as all our county partners, has enabled the program not only to maintain a high level of success, but also to continue to raise the bar.

By fall 2022, MALPF had settled 70 of the total 80 easement offers in the FY21 application cycle, and entered into more than 90 contracts to purchase agricultural easements in the FY22 application cycle. These easement purchases bring a welcome influx of funds to the landowners of newly MALPF-eased farms, as well as into the agriculture industry at large.

As of FY22, MALPF has preserved **2,585 farms** across Maryland, totaling **348,307 acres** of land at a public investment of over \$874 million. Currently, MALPF is processing 239 new FY23 applications submitted by landowners desiring to enter into the MALPF program. These applications have been accepted by MALPF and forwarded to the Maryland Department of General Services for appraising.

This year, I am also pleased to highlight MALPF staff member, Kimberly Hoxter. Kim reached a milestone during FY22, marking 15 years as a dedicated Maryland State employee, all of which have been with the MALPF Program. Maryland Department of Agriculture (MDA) Secretary Joe Bartenfelder, Deputy Secretary Steve Connelly, and I presented Kim with a certificate to recognize her achievements. Kim's contributions have directly shaped and developed the stewardship side of the MALPF Program.



It continues to be an honor to serve as MALPF's Executive Director. I am regularly amazed by MALPF's continued growth and unwavering commitment to recognize and respond to the needs of Maryland's ever-changing agricultural industry.

Sincerely,

Michelle Cable

**Executive Director** 

## About the Program

### What is the Maryland Agricultural Land Preservation Foundation (MALPF)?

MALPF is a program with the primary purpose to preserve sufficient agricultural land to maintain a viable local base of food and fiber production for the present and future citizens of Maryland. The state program purchases development rights on farms and restricts them to only agricultural uses by using perpetual agricultural preservation easements, which are recorded in the land records. In other words, the program pays landowners to continue what they have done for years, decades, or sometimes a century or more farm their land

MALPF easements allow for all types of agricultural operations to be conducted on the farm. The MALPF easement defines agriculture/agricultural uses as "any use of the easement property which directly contributes to the production, conversion, processing, storage, or sale of agricultural products generated on the easement property and/or management of products such as livestock, horses, poultry, crops, trees, shrubs, plants, other vegetation, and aquaculture." It is important that the terms of the easement allow for owners to grow and evolve as the agricultural industry changes through the years.

MALPF was established in 1977, and has since grown into one of the most successful programs of its kind in the country.

Below are the eligibility criteria and procedures for the sale of an easement:

SIZE: The minimum easement size is 50 contiguous acres. If a property is less than 50 acres, a landowner may still be eligible to apply and should visit our website to review Fact Sheet 12, "Small Properties in the Agricultural Land Preservation Program," or confer with the local program administrator.

If a property is contiguous to an existing easement, the landowner may apply to sell an easement regardless of the acreage.

**PRODUCTIVITY:** An easement is purchased on land that is either currently being used for producing food or fiber or has the capability to do so. Woodland management and harvesting operations are eligible to join this program. The productivity of the soil as measured by the U.S. Department of Agriculture's (USDA) Soil Conservation Service Land Classification System is a major criterion. Soil requirements for the property to qualify to participate in the program are:

- At least 50% of the land is classified as Class I, II, or III soils; or
- If the land is wooded, 50% of the land is classified as Woodland Group 1 or 2 soils; or
- If the reason the land could not meet the above conditions was because of flood-plain or wetland soils, those areas could be excluded as a percentage of land; or If there is an insufficient percentage of Class I, II, or III soils alone and there is an insufficient
- percentage of Woodland Groups I and 2 soils alone, the land would qualify if the combination of the two exceeded 60%; or Land with lower soil capabilities may qualify under certain conditions.
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**LOCATION:** Land that lies within the boundaries of a 10-year water and sewer service area plan is generally ineligible unless it has extraordinary productive capability and is of significant size.

**DEVELOPMENT RIGHTS:** A property must have at least one unused development right associated with the property to sell an easement.

**LOCAL CRITERIA:** The criteria listed above are the minimum eligibility standards set by the state. The program is administered jointly by the county and state. The county may impose criteria which could be in addition to or more stringent than the state. The county also ranks the applications in order of priority and may be limited by MALPF in the number of applications that are forwarded to MALPF in an application cycle.

## About MALPF Stewardship

An easement is a start of a permanent relationship between MALPF, the original land owners, and all subsequent owners of an easement property. Working together, these parties share the common goal of preserving farmland for the production of food and fiber for all Marylanders. Beyond the benefits to the agricultural industry, preserving the property provides other benefits to Maryland, such as restricting the spread of development, protecting wildlife habitat, and enhancing the environmental quality of the Chesapeake Bay and its tributaries.

#### Owners of MALPF easement properties are responsible for:

- **OWNERSHIP**: A property is preserved as a whole, no matter how many parcels or deeds make up that whole. When a property is transferred, it must be transferred whole and may not be subdivided. When selling a property, the seller must disclose the existing easement to potential buyers and contact MALPF as soon as possible with new owner information so records are up-to-date.
- **HEALTHY SOILS**: Easements require a current soil conservation and water quality plan. These plans, developed by the local Soil Conservation District, need to be updated every 10 years, or upon new ownership of the land. As part of updating property plans, owners can discuss adding a healthy soils component to their property plans. MDA has established a Healthy Soils Program to improve the health, yield, and profitability of Maryland's soils and promote the further adoption of conservation practices that foster soil health while increasing sequestration capacity. New and existing programs are being examined and expanded to find ways to capitalize on co-benefits for both air and water quality, and carbon sequestration that build upon Maryland's nationally-recognized progressive farming practices and programs.
- HEALTHY FORESTS: Easements with large amounts of wooded land may require a Forest Management (or Forest Stewardship) Plan. These plans, developed by a licensed forester, need to be updated every 15 years. Check your easement or contact MALPF to see if a plan is required for your property. When owners work with foresters to update their forest plans, they may be interested to learn about a number of emerging markets for forests that could include payments to farmers for ecosystem services, such as the new Family Forest Carbon Program, Woody Biomass Markets, Water Quality Trading, Wetland Mitigation Banks, or new ways of farming such as Agroforestry or harvesting Non-Timber Forest Products (nuts, berries). The health of the forest on easement properties may lead to additional benefits as these markets take shape over the years.

#### MALPF is responsible for:

- **MONITORING**: MALPF staff or representatives periodically inspect easement properties to ensure all aspects of the property are in compliance with the easement. Property owners utilize this time to meet with MALPF representatives to discuss their easement and get answers to any questions regarding the program.
- **ENFORCEMENT**: Easement compliance is enforced consistently across the state. MALPF attempts to resolve violations amicably, going back to the belief that good relationships take some effort. However, after all efforts have been exhausted, MALPF may pursue civil penalties or lawsuits.

MALPF remains committed to working with landowners to protect Maryland's farmlands, preserve rural communities, and carry on our state's agricultural legacy.

# FY22 Legislative Report

### <u>SB 541/HB 727 – Great Maryland Outdoors Act</u>

The main objective of this bill is the infusion of staff and funding to the state's park service. This bill also provides MALPF with a one-time appropriation for fiscal year 2024 of ~\$16.5 million to the MALPF Fund, a special fund used for MALPF acquisitions and other capital expenses. The 2024 appropriation is a reimbursement by the state for funds previously redirected from the MALPF Fund for General Fund budgetary shortfalls. The Great Maryland Outdoors Act became effective as of June 1, 2022.

### <u>SB 567/HB 1282 - Property Tax – Agricultural Accessory Use Improvements –</u> <u>Study and Report</u>

This bill requires the Department of Agriculture and the Department of Assessment and Taxation to conduct a joint study of the assessment of agricultural accessory use improvements, and to submit a report of findings and recommendations to the Senate Budget and Taxation Committee and the House Ways and Means Committee on or before December 1, 2022. This bill became effective as of June 1, 2022.

### <u>SB 860/HB 1039 – Property Tax – Community Solar Energy Generating System –</u> <u>Agrivoltaics</u>

This bill allows lands that are used simultaneously for agricultural purposes and community (large scale) commercial solar energy generation (agrivoltaic use) to be tax assessed and qualified as land that is actively used for farm or agricultural purposes. This bill became effective as of June 1, 2022, and applicable to all taxable years beginning after June 30, 2022.



# FY22 Certification Report

### FY22 Report on the Certification of Local Agricultural Land Preservation Programs

Maryland's Certification of Local Agricultural Preservation Programs, known as the Certification Program, was created in 1990. The goals of the program are to:

- Preserve the important role agriculture plays in maintaining the state's high environmental quality;
- Encourage development of county agricultural preservation programs, which complement MALPF's preservation efforts; and
- Employ agricultural land preservation as a tool to manage growth.

Counties able to demonstrate they have an effective program to preserve productive farmland and forests are eligible to participate in the Certification Program. Local preservation programs consist of a combination of preservation tools such as low-density agricultural zoning, purchase or transfer of development rights programs, right-to-farm policies, support for agricultural businesses, and the designation of agriculture as the best use of certain lands.

To qualify for and retain certified status, counties are required to designate a Priority Preservation Area (PPA). Counties concentrate their preservation efforts and program funding into their PPAs in order to preserve large contiguous blocks of agricultural and wooded land.

Participation in the Certification Program by interested counties is voluntary. Certified counties enjoy the benefit of retaining 75% of their locally generated agricultural transfer tax revenue, while non-certified counties retain 33%. All retained revenue must be spent or encumbered for qualifying land preservation expenditures within 6 years of collection, otherwise those collected funds revert to MALPF. The increase in participating counties' share of the agricultural land transfer tax helps to support and enhance their preservation programs in ways that best meet local goals and needs.

In FY22, Calvert County was recertified through joint action by the Maryland Department of Planning (Planning) and the MALPF Board. To determine eligibility for recertification, Planning reviews each county request against the Certification Program's regulatory requirements, and then makes a recommendation to the Secretary of Planning and the MALPF Board.

As of June 30, 2022, 17 of the 23 counties are now certified. Recertification reports were due on October 1, 2022 (extensions are available) for the 10 certified counties whose certification periods end on June 30, 2023, including Anne Arundel, Baltimore, Carroll, Cecil, Frederick, Kent, Montgomery, Queen Anne's, St. Mary's, and Worcester counties.

A 5-year recertification period is required by law for county farmland preservation programs that Planning and the MALPF Board determine to be consistently effective in achieving preservation goals. Seven of the certified counties are submitting interim reports this year, including Calvert, Caroline, Charles, Harford, Prince George's, Talbot, and Washington counties.

## Board Field Trip - Creamery

Since March 2020, the MALPF Board of Trustees ("Board") has held its monthly meetings virtually, with the Board, MALPF staff, county partners, landowners, and other interested parties participating either through their computers, or by phone. The virtual Board meetings have been efficient and successful, with the Board electing to maintain meeting virtually rather than returning to in person meetings.

Beginning in 2022, MALPF staff organized 'field trips' for the Board and staff to visit MALPF easement farms, giving the Board an opportunity to meet the landowners, learn about the specific farms, and to learn about different types of agricultural operations around Maryland. The field trips are not official Board meetings, but learning opportunities, as well as an avenue for the Board members to interact in person with each other again.

The first field trip in the summer 2022 was to Rock Hill Orchard and Woodbourne Creamery in Montgomery County. Owner John Fendrick gave the Board a glimpse into the operation, including Maryland's first all-pasture, robotic milking dairy operation which involves a voluntary milking system that allows each cow to set their own milking schedule (with the incentive of tasty grain) – it is fascinating! The farm has acres of fruits and produce that they sell directly at their farm store, and use when making their delicious ice cream, which all happily sampled!



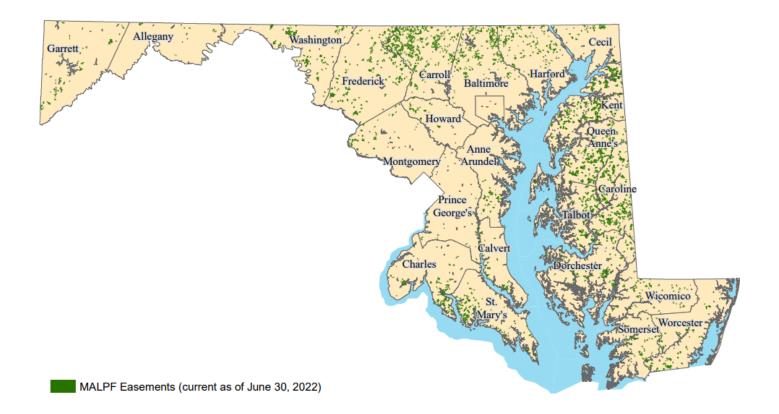
## Board Field Trip - Horse Farm

In fall 2022, the Board visited Winbak Farm in Cecil County. Jack Burke, General Manager, provided a wealth of information about this Standardbred Breeding farm. The scope of the operation, physically extending into Delaware (as well as having a base in Canada) was amazing to learn about, from breeding, training, racing, sales, and the retirement of the older horses, not to mention the staffing needed to run an equestrian operation of that size. The Board and staff learned so much about this Standardbred operation, and about the robust equestrian industry in Maryland.



The Board is looking forward to field trips continuing in 2023, with plans to visit a handful of farms of varying operations around the State. Getting out and meeting the farm owners and seeing the farms in person provides both Board and staff opportunities to see the impact that the MALPF program has made around the State.

### MALPF Easements - State Map



### Total Easements Held by MALPF (As of June 30, 2022)

County	Number	Acreage	Cost	% of Total
Allegany	18	2,010	\$4,100,079	0.60%
Anne Arundel	46	5,702	\$24,235,814	1.71%
Baltimore	259	26,201	\$99,795,376	7.85%
Calvert	35	4,715	\$12,267,678	1.41%
Caroline	239	34,538	\$38,831,997	10.34%
Carroll	392	45,500	\$103,364,543	13.62%
Cecil	106	15,855	\$39,837,465	4.75%
Charles	90	13,555	\$46,025,807	4.06%
Dorchester	102	15,993	\$23,064,701	4.79%
Frederick	164	24,840	\$66,462,246	7.44%
Garrett	62	7,721	\$11,755,486	2.31%
Harford	158	16,786	\$58,437,521	5.03%
Howard	33	4,084	\$8,181,710	1.22%
Kent	123	23,239	\$53,952,531	6.96%
Montgomery	34	5,074	\$20,640,953	1.52%
Prince George's	20	1,972	\$15,524,196	0.59%
Queen Anne's	199	33,826	\$66,994,835	10.13%
St. Mary's	141	14,334	\$61,092,459	4.12%
Somerset	61	6,731	\$11,574,629	2.02%
Talbot	85	13,383	\$35,726,574	4.01%
Washington	92	14,732	\$39,750,697	4.41%
Wicomico	64	7,794	\$14,669,774	2.33%
Worcester	62	9,725	\$18,017,591	2.91%
TOTALS	2,585	348,307	874,304,661	100.00%

## Charles County Easement



### FY22 Easement Settlements (As of June 30, 2022)

County	Number of Easements	Number of Acres	Acquisition - \$ per Acre	Acquisition -Total \$	Ave. Farm Size (Acres)
Allegany	3	141	\$1,438	\$203,023	47
Anne Arundel	2	183	\$7,763	\$1,418,031	91
Baltimore	8	654	\$6,827	\$4,463,374	82
Caroline	5	617	\$3,155	\$1,945,052	123
Carroll	8	513	\$5,851	\$3,003,547	64
Cecil	1	176	\$3,971	\$697,291	176
Charles	3	823	\$2,186	\$1,799,260	274
Dorchester	3	382	\$2,336	\$893,139	127
Frederick	9	1,430	\$4,643	\$6,639,100	159
Garrett	3	395	\$2,743	\$1,083,022	132
Harford	6	541	\$6,450	\$3,492,307	90
Kent	4	1,043	\$3,713	\$3,873,170	261
Queen Anne's	7	1,299	\$3,728	\$4,843,776	186
St. Mary's	5	721	\$5,424	\$3,909,793	144
Somerset	4	381	\$4,337	\$1,653,750	95
Talbot	2	530	\$5,208	\$2,758,425	265
Washington	3	547	\$4,360	\$2,385,110	182
Wicomico	1	160	\$3,876	\$620,100	160
Worcester	4	466	\$2,249	\$1,049,209	117
TOTALS	81	11,003	\$4,247	\$46,730,477	136

Note: There were no settlements in Calvert, Howard, Montgomery or Prince George's Counties.

### FY22 Easement Acquisition (As of June 30, 2022)

FISCAL YEAR	NO. OF FARMS	ACQUISITION COST	ACRES
FY77 - FY06	1,708	\$342,578,700	236,259
FY07	70	\$40,297,919	9,592
FY08	106	\$78,270,208	13,810
FY09	79	\$68,588,962	9,787
FY10	68	\$52,814,641	8,816
FY11	14	\$6,783,740	1,527
FY12	41	\$21,217,570	4,692
FY13	16	\$7,925,597	1,773
FY14	52	\$26,302,733	6,117
FY15	33	\$19,569,931	4,324
FY16	31	\$17,719,957	4,219
FY17	28	\$17,062,423	4,481
FY18	56	\$29,561,084	7,402
FY19	46	\$23,838,120	5,530
FY20	65	\$31,486,292	8,335
FY21	91	\$43,127,680	10,656
FY22	81	\$46,730,477	11,002

## MALPF Board and Staff

#### **Appointed Board Members**

William Allen, Chair, Member At-Large
Cricket Goodall, Vice Chair, Maryland Farm Bureau Representative
Gilbert O. Bowling, Jr., Member At-Large
Catherine Cosgrove, Member At-Large
Gary Dell, Member At-Large
Elizabeth Hill, Maryland Agricultural Commission Representative
Joseph W. Wood, Member At-Large
J. Bruce Yerkes, Maryland Grange Representative
Vacant, Young Farmer Representative

#### **Ex-Officio Board Members**

Honorable Dereck E. Davis, Maryland State Treasurer Honorable Peter Franchot, Maryland Comptroller Honorable Joseph Bartenfelder, Maryland Secretary of Agriculture Honorable Robert McCord, Maryland Secretary of Planning

### **Foundation Staff**

Michelle Cable, Executive Director Chana Turner, Administrator Sarel Cousins, Administrator Kim Hoxter, Administrative Officer



## County Program Contacts

### (Chair of County Agricultural Advisory Boards listed in *italics*)

· · ·	Agricultural Auvisory Doards	
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ANNE ARUNDEL Barbara Polito Dept. of Recreation & Parks 1 Harry S. Truman Pkwy, MS 3225 Annapolis, MD 21401 (410) 222-7317 Chair: Maureen Heimbuch	<b>FREDERICK</b> Anne Bradley Planning & Permitting 30 North Market Street, 2 <sup>nd</sup> Flr. Frederick, MD 21701 (301) 600-1474 <i>Chair: Samuel G. Tressler III</i>	<b>ST. MARY'S</b> Donna Sasscer Dept. of Econ. & Com. Dev. P.O. Box 653 Leonardtown, MD 20650 (240) 309-4021 <i>Chair: Steve Reeves</i>
BALTIMORE Megan Benjamin Baltimore Co. Dept. of Planning 105 West Chesapeake Ave, Suite #101 Towson, MD 21204 (410) 887-3480 Chair: Steve Myer	GARRETT Siera Wigfield, Senior Planner Office Of Planning & Land Management 203 South 4 <sup>th</sup> Street Room 210 Oakland, MD 21550 swigfield@garrettcounty.org (301) 334-7477 <i>Chair: Gary Berkebile</i>	SOMERSET Catherine Skeeter Planning & Zoning Somerset County Office Complex 11916 Somerset Avenue Princess Anne, MD 21853 (410) 651-1424 Chair: Grayson Laird (acting)
CALVERT Jennifer David Dept. of Planning & Zoning Courthouse Square 205 Main Street Prince Frederick, MD 20678 (410) 535-1600 x-2238 Chair: Tom Hance	HARFORD William Amoss Planning & Zoning 220 South Main Street Bel Air, MD 21014 (410) 638-3235 <i>Chair: John Stump</i>	<b>TALBOT</b> Anne Roane, Dept. of Planning & Zoning aroane@talbgov.org 215 Bay Street, Suite 2 Easton, MD 21601-2782 (410) 770-8032 <i>Chair: Robert Saathoff</i>
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CARROLL J.P. Smith, Jr. County Office Building 225 North Center Street Westminster, MD 21157 (410) 386-2214 Chair: Tom Irwin	KENT Carla Gerber, AICP Planning, Housing & Zoning 400 High Street Chestertown, MD 21620 (410) 778-7474 <i>Chair: David Hill</i>	WICOMICO Benjamin Zito 125 North Division Street, Rm 203 Salisbury, MD 21803-0870 (410) 548-4860 <i>Chair: Eugene Lowe, III (Acting)</i>
CECIL William Goldman, Planning & Zoning wgoldman@ccgov.org 200 Chesapeake Blvd., Suite 2300 Elkton, MD 21921 (410) 996-5220 <i>Chair: Shelly Hastings</i> Vice Chair: Norman Anderson	MONTGOMERY Mike Scheffel 18410 Muncaster Road Derwood, MD 20850 (301) 590-2856 Chair: Michael Jamison	WORCESTER Katherine Munson Natural Resources Division Worcester County EP One West Market Street, Room 1302 Snow Hill, MD 21863-1070 (410) 632-1220 X1302 Chair: vacant
CHARLES Charles Rice, Dept. of Planning & Growth Management ricec@charlescountymd.gov 200 Baltimore St. La Plata, MD 20646 (301) 645-0651 <i>Chair: Charles E. Bowling</i>	PRINCE GEORGE'S Jeanine Nutter Soil Conservation District Field Service Center 5301 Marlboro Race Track Road Upper Marlboro, MD 20772 (301) 574-5162 X3 <i>Chair: Stephanie DeVille-Eugene</i>	

Maryland Agricultural Land Preservation Foundation

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Governor Larry Hogan Lt. Governor Boyd K. Rutherford Secretary Joseph Bartenfelder Dep. Secretary Steven A. Connelly

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