Maryland's Soil Conservation Districts

Allegany	301-777-1747, ext. 3
Anne Arundel	410-571-6757
Baltimore County	410-527-5920, ext. 3
Calvert	410-535-1521, ext. 3
Caroline	410-479-1202, ext. 3
Carroll	410-848-8200, ext. 3
Catoctin	301-695-2803, ext. 3
Cecil	410-398-4411, ext. 3
Charles	301-934-9588, ext. 3
Dorchester	410-228-5640, ext. 3
Frederick	301-695-2803, ext. 3
Garrett	301-334-6950, ext. 3
Harford	410-838-6181, ext. 3
Howard	410-489-7987
Kent	410-778-5150, ext. 3
Montgomery	301-590-2855
Prince George's	301-574-5162, ext. 3
Queen Anne's	410-758-3136, ext. 3
St. Mary's	301-475-8402, ext. 3
Somerset	410-651-1575, ext. 3
Talbot	410-822-1577, ext. 3
Washington County	301-797-6821, ext. 3
Wicomico	410-546-4777, ext. 3
Worcester	410-632-5439, ext. 3

Maryland
Department of Agriculture
Office of Resource Conservation

Conservation Grants Program
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Annapolis, MD 21401
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Helping Farmers Bridge the Cost-Share Gap

Maryland's Low Interest Loans for Agricultural Conservation

Let LILAC Help

Low Interest Loans for Agricultural Conservation (LILAC) are available to help farmers install best management practices (BMPs) on their farms, purchase conservation equipment and adopt new technologies that help protect natural resources and safeguard water quality in streams, rivers and the Chesapeake Bay.

Although federal and state cost-share programs are available to farmers who want to install protective BMPs on their farms, most do not cover 100 percent of the installation costs. Moreover, equipment purchases, new technologies and start-up costs for major projects are not usually covered. That's where LILAC can help. LILAC loans provide farmers with up-front funds needed to bridge the cost-share gap and get a project up and running.

Many farmers use LILAC loans to supplement cost-share payments for high dollar BMPs such as animal waste management systems or stream protection practices. LILAC loans may also be used to purchase certain types of equipment to control soil erosion, inject manure into the soil or manage crop nutrients. In addition, farmers may use LILAC loans to adopt new technologies such as integrated optical sensing equipment, nutrient application equipment, and global positioning systems that manage agricultural nutrient applications.

Guaranteed by the Maryland Water Quality Revolving Loan Fund, LILAC loans are typically offered at three to four percent below market rates and are available at lending institutions statewide. Read on to learn more.

LILAC
Low Interest Loans for Agricultural Conservation

What's Covered

All of the BMPs cost-shared by the Maryland Agricultural Water Quality Cost-Share (MACS) Program are eligible for LILAC loans. In addition, certain types of conservation equipment used to store, handle, transport or apply animal manure may be eligible. Following are examples of BMPs and equipment commonly financed through LILAC:

- Animal waste storage or management systems
- Heavy use areas
- Manure spreaders, loaders, pumps, agitators and related hardware
- Equipment needed to inject or incorporate manure into the soil
- Conservation tillage equipment such as deep no till rippers and no-till planters or drills
- Technical equipment used for the precision application of nutrients
- Erosion control structures
- Sediment control ponds
- Composting facilities
- Stream protection practices
- Grazing land management
- Wetland creation and enhancement

How to Apply

Contact your local soil conservation district (SCD) for free technical assistance in designing or verifying eligible BMPs or equipment needed to address water quality issues. The SCD can help you apply for cost-share grants and obtain a certification from the Maryland Departments of Agriculture and Environment confirming that the BMPs or equipment meet all technical criteria for LILAC. This certificate must be presented to a participating bank when applying for a LILAC-supported loan.

LILAC Eligibility Requirements

Qualifying projects must be located on a farm and designed to address nonpoint source pollution related to agricultural sources. Individuals, partnerships, corporations, trusts or other business enterprises may qualify for a LILAC loan if an owner, landlord or tenant participates in the operation of a farm. Additionally:

- Applicants must have an existing or potentially critical condition on agricultural land with a high potential for movement of nutrients, sediment, wastes or agricultural chemicals into State waters.
- The proposed BMP(s) must comply with standards and specifications established by the USDA Natural Resources Conservation Service (NRCS) or the Maryland Department of Agriculture's Conservation Grants Program.

Terms and Conditions

The terms and conditions of LILAC loans are set by the lender. The interest rate is discounted typically three to four percent below the lender's normal cost of funds. These loans are guaranteed by the Maryland Water Quality Revolving Loan Fund and administered by the Maryland Department of the Environment in coordination with the Maryland Department of Agriculture and the state's 24 soil conservation districts.

NOTE: *LILAC loans cannot be used to finance BMPs or other capital improvements on farms defined as Concentrated Animal Feeding Operations (CAFOs). Privately owned projects considered point-source water pollution control projects by the Environmental Protection Agency or the Maryland Department of the Environment are ineligible.*

Participating Agricultural Lending Institutions

EASTERN SHORE
MidAtlantic Farm Credit

Chestertown	410-778-0757
Denton	410-479-2323
East New Market	800-573-3028
Salisbury	410-742-7191
Pocomoke City	410-957-1181

SOUTHERN MARYLAND
Colonial Farm Credit

Hughesville	301-274-3167

CENTRAL MARYLAND
MidAtlantic Farm Credit

Bel Air	410-838-4242
Hagerstown	301-797-5151
Frederick	301-663-4192

WESTERN MARYLAND
Farm Credit of the Virginias

Oakland	301-334-8542

ADDITIONAL LENDERS
Bank of America
BB&T
Citibank
CNB (formerly Centreville National Bank)
Community Bank of the Chesapeake
EagleBank
First United Bank and Trust
The National Bank of Cambridge
Old Line Bank
PNC Bank
Sandy Spring Bank
Susquehanna Bank
TD Bank
Wells Fargo Bank

Farmers may apply to any branch office of a participating lender and are encouraged to shop for the best rate/terms. Certain bank branches may be unaware of program details. Work with your soil conservation district to identify lenders familiar with LILAC. A complete and updated list of all lenders may be found at the Maryland Department of the Environment's website at **www.mde.maryland.gov**. Click on "Water" in the left menu bar, and choose "How do I Find Information on Water Quality Financing?" from the menu selections. Scroll down the left menu bar and click on "Linked Deposit."

Manure Injection Equipment

Stream Protection Practices

Animal Waste Storage Structures

Heavy Use Areas

Composting Facilities