

The Future of Sustainable Farming and Forestry in Maryland: Major Findings and Recommendations

Where Are We?

The Food Industry and National Policies: For a variety of reasons, consolidations in the food industry and evolution of U.S. trade and food policy and price supports have conspired against the ability of Maryland and other East Coast farmers to compete in increasingly national and global markets, which dominate all aspects of the food system from production through retail sales and consumption.

Impacts of Development: Development and fragmentation of agricultural and forest land has hurt both industries statewide and in most regions and counties. Competitive, commodity-scale livestock production is limited to a relatively few locations still capable of sustaining it. The forest resource is highly fragmented on small, privately owned woodlots, which are increasingly difficult to harvest and compromised as reliable sources of timber, discouraging industry investment further up the supply and utilization chain.

Smart Growth Policy: Local smart growth initiatives are slowing the loss of the rural land base and supporting continued production, but are not sufficient to protect agriculture and forestry from disruptive impacts of development. This situation shows no sign of changing. But some forms of agriculture may, up to a point, continue to benefit from development and the markets it creates. And there may be ways in which both agriculture and forestry can benefit from real integration of land use policy and management and industry investment.

Environmental Policy - Agriculture: The nutrient management burdens imposed by the Restoration have certainly affected some farmers in some sectors, probably mid-sized dairy/ livestock more than any other. But these demands in many sectors have pushed technological advancements that, in addition to minimizing nutrient export, also help minimize costs, increase yields and maximize efficiency. Cost share programs help support these endeavors, and sufficient phase-in time for requirements seem to provide sector stakeholders adequate time to adjust, and may be putting MD farmers ahead on the learning curve other states may soon have to navigate.

Environmental Policy – Forestry: Small, individually owned woodlots in developed areas are more difficult to harvest. Access points and pathways for equipment are limited and complicated by seasonally wet soils. Sediment and erosion control and logging permits often vary by county, complicating things for loggers who harvest from multiple locations for timber volumes needed by mills and manufacturers. These plans and permits are disproportionately difficult and time consuming to prepare relative to the volume of the timber commodity produced. Harvesting permits are valid for only two years, so approvals are typically sought immediately prior to intended harvest dates. Weather, seasonal demand for timber, landowner priorities, schedules and capacities of small numbers of loggers and forest management planners, and demand from loggers' clients conspire to preclude harvesting from many small, individually owned lots.

Where's Farming Headed: After a century of declines in most agricultural sectors, we find four reasons to be optimistic about Maryland agriculture as an important driver of the state's rural economy in the twenty-first century:

- *Poultry and Grain:* Maryland's top two agricultural sectors benefit from proximity to each other, a reciprocal relationship, and access to large markets on the east coast. Poultry producers obtain feed from and sell litter to nearby grain farms, many with prime soils, which in return have a reliable market for their grain and a source of relatively inexpensive, soil building fertilizer in the form of poultry manure.

- *Local Food Systems*: The local food movement and evolving consumer preferences are creating growing marketing opportunities for small scale livestock, fruit, vegetable, and value added production. These opportunities are increasingly attractive as more consumers are willing to pay for food they want from sources they know. However, a veritable labyrinth of federal, state, and local health and food safety regulations that has arisen over a century constrains realization of the market potential for such enterprises—often unnecessarily according to stakeholders. The next challenge is to overcome the labyrinth.
- *Environmental Policy*: On balance, implementation of environmental regulations appears to be helping Maryland agriculture, not hurting it. The costs of complying with environmental regulations are not insubstantial; however, they have not put large numbers of Maryland farmers out of business, because technologies that help meet the requirements have also helped farmers increase yields, lower input costs, and become more efficient. Many believe this has given Maryland farmers a potential competitive head start, over farmers in other states who have yet to confront the full implications of the Clean Water Act.
- *Impacts of Climate Change*: Notwithstanding the potential large loss of land, especially forest, to sea level rise on the Eastern Shore, long-term climate predictions from the USDA suggest that farmers in Maryland and on the East Coast may benefit from more rain and more moderate temperature increases than other parts of the country. Nonetheless, challenges to both forestry and agriculture presented by climate change remain formidable, primarily on the Eastern Shore and Dorchester County.

Public Policy Priorities

Farming and forestry represent Maryland's perhaps two biggest rural economic development opportunities. We suggest six public policy priorities are fundamental to their realization.

1. We see the first priority as strategic, public-private planning efforts for both industries. These are needed to help policy makers understand that the foundations on which the State's rural economies are built are at stake; that the consequences of not addressing these challenges is to lose industry sectors by chance and attrition; and that great opportunities exist for rural economic growth through intentional policy choices.

For farming, a strategic plan should address the following at a minimum:

- Better confluence between land use policies and industry investment.
- Develop supportive relationships between farmers and residential communities.
- Better support for production and marketing to national/global markets, and direct and indirect local marketing in the Bay region, including labor issues.
- Strategically evaluate and address obstacles to local food systems.
- Monitor and measure implementation of the plan and its outcomes in the industry and rural communities.

For forestry, a strategic planning effort should address these priorities:

- Better confluence between land use and environmental policies and industry investment;
- Reduce impediments to forest management and logging on small, privately owned woodlots;
- Improve access of small woodlot owners to markets;
- Increase the stability of timber supply from small woodlots for users;
- Encourage business development of a broader diversity of in-state wood utilization facilities;

- Develop supportive relationships between forest landowners who want to grow and harvest timber and the neighboring public.
- Monitor and measure implementation of the plan and its outcomes in the industry and rural communities.

2. Combine land use management and preservation to protect larger, more contiguous tracts of resource land from development.

How? Some success has occurred where easement acquisition programs have been combined with strong comprehensive plans and zoning, but neither is sufficient on its own.

3. Make land use and regulatory outcomes that affect the industries predictable, so that industry investment decisions can be informed and not speculative.

How? Coordinate local land use policy (comprehensive planning) and state environmental policies (evolution of nutrient regulations) with industry stakeholders, so that land use and regulatory outcomes are geographically and operationally predictable for industry investors. Evolve environmental policy for both industries through collaborative public/ private process.

4. Plan physical and economic development together in rural areas, to ensure that respective interests of farming, forestry and residents are served, clear expectations exist among stakeholders, and conflicts are minimized.

How? "Purposefully Planned Rural Communities:" When development can occur or expand in rural areas, give equal billing to farms, forests and residents in the planning and implementation process, encourage mutual support among members of the community.

5. Identify and address regulatory and market obstacles to local food systems, so farmers can capitalize on this ubiquitous and biggest growth opportunity for Maryland agriculture.

How: That's the subject of another project we're working on.

6. Simplify Logging on Small Woodlots and Expand Access to Green Building Markets. Make sediment and erosion control more complementary to forest stewardship planning. And continue to make "green building material" markets more accessible to owners of these small woodlots.

How? Consider extending the timespan of permits to 5 years, and append them to Forest Stewardship Plans that most landowners obtain for tax purposes. Minimize or eliminate variations in permits among counties that do better reduce erosion and protect water quality.