Maryland
Department of Agriculture
Office of the Secretary

Agriculture | Maryland's Leading Industry

**Larry Hogan,** Governor
**Boyd K. Rutherford,** Lt. Governor
**Joseph Bartenfelder,** Secretary
**James P. Eichhorst,** Deputy Secretary

The Wayne A. Cawley, Jr. Building
50 Harry S. Truman Parkway
Annapolis, Maryland 21401
www.mda.maryland.gov

410.841.5880 Baltimore/Washington
410.841.5894 Fax
800.492.5590 Toll Free

**Overview of the Maryland Department of Agriculture**
**House Environment and Transportation Committee**
**Secretary Joe Bartenfelder**
**Wednesday, January 27, 2016**

## History of the Maryland Department of Agriculture

The Maryland Department of Agriculture was established as a principal department of state government in 1973. The department's focus on one particular sector of the economy (agriculture) is unique and reflects the recognition by lawmakers of agriculture's contribution to the state's economy, cultural diversity and quality of life.

The importance placed on promoting agriculture is made clear in Section 2-103(h) of the Agriculture Article in which the general powers and duties of the Secretary are defined: "The Secretary has general supervision, direction and control of the provisions of this article and generally to all matters in any way affecting or relating to the fostering, protection, and development of the agricultural interests of the state."

## The Department's Mission and Vision

**Mission:** To provide leadership and support to agriculture and the citizens of Maryland by conducting regulatory, service and educational activities that assure consumer confidence, protect the environment and promote agriculture.

**Vision:** To achieve excellence in services that preserve and protect agricultural resources and the environment, promote profitable agriculture and consumer confidence, and enhance the quality of life for all Marylanders.

## Units within the Department

The four units are:

1. **The Office of Marketing, Animal Industries, and Consumers Services** – This unit includes programs that ensure the wholesomeness and quality of Maryland farm products; safeguard against the introduction and spread of disease that can threaten vital animal industries; promote the production and consumption of Maryland agricultural products, and ensure fairness to consumers in the marketplace. Specific programs include Animal Health, Food Quality Assurance, Marketing and Agricultural Development, Weights and Measures,

the State Board of Veterinary Medical Examiners, the Maryland Horse Industry Board, and the Maryland Agricultural Fair Board.

The budgets of several independently operated programs are combined with this unit and include the USDA National Agricultural Statistics Service, the Tobacco Transition Program, Rural Maryland Council and the Maryland Agricultural and Resource-Based Industry Development Corporation.

2. **Office of Plant Industries and Pest Management** – This unit administers programs and enforces state or federal laws, regulations and quarantines related to management of pests that affect the health of crops and forests, application and disposal of pesticides within the state, mosquito control, pollinator health, quality of commercial agricultural products sold in Maryland, quality of seeds and turf, and control of noxious weeds. There are six programs: Forest Pest Management, Mosquito Control, Pesticide Regulation, Plant Protection and Weed Management, State Chemist, and Turf and Seed.

3. **Office of Resource Conservation** – This unit works closely with Maryland farmers to plan and implement conservation practices or best management practices (BMPs) and programs that balance crop and livestock production with the need to protect natural resources. Resource Conservation provides a range of educational, financial, technical assistance, and regulatory programs to support Maryland agriculture and protect natural resources for future generations. The office works with a number of local, state and federal agencies, while implementing policies of the State Soil Conservation Committee. This unit is made up of five programs: Conservation Grants, Nutrient Management, Program Planning and Development, Watershed Implementation, and District Operations.

4. **The Office of the Secretary** – includes the Office of the Secretary, Deputy Secretary, Principal Counsel, Communications, Government Relations, and the Maryland Agricultural Commission. The office also includes the Maryland Agricultural Land Preservation Foundation, and the Administrative sections of the department.

## Secretary's Personal Goals

1. Diversify and expand agricultural businesses;
2. Rebuild farmer trust in the department; and
3. Work directly with elected officials and legislators to promote the importance of agriculture.

## Goal Progress

### Diversify and Expand Agricultural Businesses

The department is helping farmers diversify their businesses and capitalize on expanding marketing opportunities arising from the growing consumer demand for local products and desire to better understand where their food comes from.

The department launched a revitalized Maryland's Best logo in May. This ongoing campaign emphasizes "Fresh, Local" and develops advertising designed to drive consumers to www.MarylandsBest.net to find local farms.

The department also promotes Maryland agriculture through a variety of campaigns and events including: Maryland's Ice Cream Trail, which includes eight farms stretching from Ocean City to Washington County; Governor's Buy Local Cookout, which kicks off "Buy Local Challenge Week"; and National Farmers Market Week (first week of August), which promotes local markets.

Through its international marketing arm, the department is working to open new markets abroad. Department staff recently participated in Cuba's International Trade Fair in Havana in November where they met with high level Cuban officials to promote Maryland products, especially soybeans, grains and poultry.

**Buyer Grower Meeting**
The annual Buyer-Grower meeting, a wholesale local food trade show held in Annapolis, connects Maryland farmers, aquaculturalists, producers, and processors with a variety of buyers. This year more than 350 people participated in the January 20 event held at Navy-Marine Corps Stadium.

**Maryland's Horse Industry**
Maryland has more horses per square mile than any other state. They are an important part of the state's cultural heritage and the agriculture economy. The Maryland Horse Industry Board, a program within the department, has promoted the industry with "Touch of Class" awards, the Maryland Horse Chase, the 11-day My Maryland Horse Festival at the Maryland State Fair, and the development of the Horse Discovery network. The department has also supported a variety of equine events including: the Preakness Stakes, "Racing with the Times" movie premier, Fair Hill International, Maryland High School Rodeo Championship, and the Maryland Million.

**Agricultural Education**
As citizens becomes further removed from daily farm life, it is increasingly important to educate people about where their food comes from. Every year, the department promotes and supports Homegrown School Lunch Week through the Farm to School program. During the past year, the Secretary participated in the Maryland FFA Convention, read to students at Fullerton Elementary School to celebrate National Ag Day / Read Across Maryland, and also visited Sam Ogle Middle School in Prince George's County to learn about their garden initiative. The department is also working with the State Department of Education and industry representatives to help a Baltimore City school build greenhouses, raised bed gardens, incorporate agriculture into their curriculum, and create internships that could lead to future career opportunities.

**Rebuilding Farmer Trust**
Under the Hogan-Rutherford Administration, Maryland is open for business – and that includes farm and agricultural-based businesses. The department has been working with farmers to help them see the department as a resource that is here to help them.

As one of his first actions in office, Governor Larry Hogan proposed enhanced Phosphorus Management Tool (PMT) regulations as part of a broader **"Maryland Agriculture Phosphorus Initiative."** This initiative is designed to further Maryland's efforts to improve water quality, strengthen the agricultural industry, and bolster rural economies. The regulations, which went into effect June 8, reflect feedback from the agricultural and environmental communities and are a fair and balanced plan for limiting phosphorus.

The regulations included forming a PMT Advisory Committee and conducting an economic impact study. The committee met for the first time last month and eight farms are now participating in an on-farm economic impact study. Those eight farms are fully implementing the phosphorus management requirements this and next year, which will give the department a good idea of how the tool will impact their operations. Additionally, a significant number of fields have reported their soil phosphorous data back to the department and only 18 percent of the acres will be impacted by the PMT requirements. To help farmers meet the regulations, strong funding for the Manure Transport Program is available, with priority given to farms with high phosphorus soil levels. Thus, the department is in a position to assist those who want to start incorporating manure and need equipment in the short term in lieu of using custom applicators.

**Animal Waste Technology Fund**
Because managing manure will become an even bigger challenge to some farmers in the future, the department has funded five farm-scale projects related to manure to energy and animal waste management through the Animal Waste Technology Fund. Last month, another Request for Proposal was issued for an additional $2.5 million to fund projects that demonstrate new technologies on farms and provide alternate strategies for managing animal manure without impacting water quality. Ultimately, these projects will help farmers meet the requirements of the state's stringent nutrient management law. Of this new funding, $1 million will be directed at renewable energy or related components of project(s).

**Cover Crop Program**
The department is proud to announce another record setting year for the number of acres planted into cover crops this past fall. In 2015, Maryland farmers planted 492,244 acres in cover crops. For each of the last six years, Maryland has exceeded 400,000 acres planted in cover crops. With the additional help from these plantings, Maryland has been able to exceed its 2017 Watershed Implementation Plan milestone by 18 percent.

**Working with Elected Officials**
On January 11, the department invited legislators to tour the department, see the labs and hear from employees about the work they do to protect consumers and the environment and to promote agriculture. This past fall, the department hosted tours for legislators on 16 farms in seven counties. In all, 31 lawmakers, plus legislative staffers participated. At the Maryland State Fair, for the first time, the department hosted a breakfast and tour of the fairgrounds and had a great response from the two dozen officials who participated. The department will continue working with elected officials, policy makers and the general public to ensure they know about the importance of Maryland agriculture to our quality of life and overall economy.

## Additional 2016 Focus Areas

**High Path Avian Influenza**
Now that winter temperatures have plummeted, the fall migration of ducks and geese – the primary carriers of high path avian influenza, or bird flu – has started. The risk to flock owners, large and small, is now very high and a new outbreak was just reported in Indiana.

The department has spent the past year coordinating, training and preparing with the Maryland Emergency Management Agency, its counterparts in Delaware and Virginia, the poultry industry, and so many others who will be impacted if the disease arrives in the state. The department has participated in several table top exercises to simulate the actual scenario of an outbreak and issued several press releases to reach the general public. The department's two internationally accredited animal health diagnostic labs test every flock prior to slaughter, and animal health inspectors follow up on reports of sick birds. In addition, a Declaration of Emergency is ready for the Governor's Signature, should it be needed, which will help secure more support.

The department is as prepared as it can be considering no one knows what type of facility or where or when in the state it might hit. The U.S. Department of Agriculture's Regional Veterinarian has said the department is "light years" ahead of the states in the Midwest that had no warning or time to prepare.

**Pollinator Protection**
The President has directed the U.S. Environmental Protection Agency to engage state agencies in developing Managed Pollinator Protection Plans to mitigate risk to honey bees and other managed pollinators. Managed pollinator services in Maryland were estimated at $26.6 million for 2011. This includes the added value provided by honey bee pollination services to crops such as apples, peaches, soybeans, cantaloupe, cucumbers and watermelons. Honey production in Maryland has been valued at $325,000 (2012 Census of Agriculture). According to the Bee Informed Partnership, annual honey bee colony losses in Maryland for 2014-2015 were nearly 61 percent. Pressures on honey bees are varied and include nutrition, management, pests and diseases, winter, weak queens, and pesticides. In short, they need help.

On January 20, the department facilitated a summit at the University of Maryland, College Park to help us develop a Managed Pollinator Protection Plan to address risks to honey bees and other pollinators in our state. The summit was well attended by a diverse group of stakeholders and the response was overwhelmingly positive. Keynote speakers, breakout discussions, and real time electronic polling allowed state agencies and key stakeholders to identity opportunities and barriers to promoting pollinator health in the state. The final report from the summit will establish a framework for open communication and collaboration as Maryland develops and begins implementing its plan beginning spring 2016.

**Maryland Water Quality Nutrient Trading Policy Statement**

## Introduction

The Chesapeake Bay is the nation's largest estuary and a complex ecosystem. The Bay's vast watershed stretches across some 64,000 square miles and encompasses parts of six states and the entire District of Columbia. The cumulative impact of human activities throughout the watershed has caused increasing pollution from an overabundance of nutrients, primarily nitrogen and phosphorus, resulting in serious degradation of the waters of the Bay and the many rivers, streams, and creeks that flow into it.

Nutrients come from a variety of sources, including agriculture, wastewater treatment plants, septic systems, urban stormwater run-off, and atmospheric deposition. Although agriculture contributes the largest amount of nutrients, population growth and related development have made stormwater runoff the fastest growing source of Bay pollution. Despite extensive restoration efforts by the Bay states, the lack of significant progress prompted the U.S. Environmental Protection Agency to establish the Chesapeake Bay Total Maximum Daily Load, or TMDL, setting annual limits for nutrient and sediment loads and providing accountability through individual state Watershed Implementation Plans detailing targeted reductions from all sectors.

Achieving these reductions and maintaining the loading caps while accommodating continuing economic and population growth will be both challenging and expensive. Total cost estimates for adopting best management practices and/or installing controls to reduce nutrient discharges are enormous and vary widely from sector to sector. Since the costs of meeting the TMDL will be borne by all segments of society and all levels of government, it is imperative to identify and implement strategies to lower those costs.

Nutrient trading has emerged as a promising strategy for introducing cost-effectiveness and market-driven efficiency to the realization of nutrient reductions. Under this approach, sectors are given the flexibility to meet their load limits by purchasing credits or offsets generated from load reductions elsewhere. The likelihood that this option will be selected increases if the credit purchase is less expensive than other alternatives and the purchased reduction is deemed credible and verifiable.

Accordingly, attention has shifted to the agricultural community and other sources where compliance may be accomplished and exceeded at a much lower cost per pound than pollution reduction on site. The Maryland Departments of Agriculture (MDA) and the Environment (MDE) have been working collaboratively to establish a voluntary, market-based program to promote the use of trading as a viable option for achieving the State's nutrient reduction goals. This program envisions trading not only between sectors ("cross-sector trading") within Maryland, but ultimately between Maryland and the other Bay states ("interstate trading").

## Guiding Principles

The State of Maryland is committed to a new cross-sector water quality nutrient trading program that:

- Accelerates the restoration of the Chesapeake Bay while reducing the costs of implementation
- Maintains consistency with the federal Clean Water Act, Maryland law and regulation, and any other applicable requirements
- Offers competitive alternatives for accomplishing both regulatory and environmental goals
- Protects local water quality
- Uses the best available science and appropriate metrics to estimate and/or measure pollution reductions, manage risk, and ensure the validity of credits
- Provides accountability, transparency, and accessibility for all interested parties
- Includes necessary compliance and enforcement provisions
- Creates incentives for investment, innovation, and job creation
- Fosters collaborative partnerships between public and private entities and among diverse stakeholders
- Positions Maryland to participate in interstate trading activities

**Cross-Sector Trading: The Time is Now**

Maryland recognizes that the primary drivers for water quality trading are the regulatory programs that require pollutant reductions. MDE opened the door to trading, offsets, and the generation of nutrient credits in the point source sector under the auspices of the Policy for Nutrient Cap Management and Trading in Maryland's Chesapeake Bay Watershed adopted in 2008. Given the advances made by MDA in developing a web-based suite of tools to support trading, it is time for the State to implement policies that will broaden the availability of trading among sectors.

A number of studies have shown that the potential cost savings from trading increase substantially when regulated stormwater sources can participate, and the scope and scale of trading expand. Under Maryland's new cross-sector trading program, trades may occur between point sources, including for the first time, Municipal Separate Storm Sewer System (MS4) permit holders, and between point sources and nonpoint sources, such as between MS4s and agricultural operations. Maryland's new policy will also allow MS4 jurisdictions to enter into cross-sector trading to meet a portion of their Bay TMDL requirements.

The trading framework for Maryland will facilitate trading by point and nonpoint sources for total nitrogen, total phosphorus, and suspended solids. Cross-sector trading will be permitted in Maryland within three geographic areas: (1) the Potomac River Basin; (2) the Patuxent River Basin; and (3) the combination of the remainder of the Western Shore, the Eastern Shore, and the Susquehanna River Basin. Interstate trading will be developed incrementally to build capacity within Maryland and ensure reciprocity between Bay state programs.

**Private Sector Role**

The development of a public marketplace for nutrient trading provides new employment opportunities for individuals and organizations offering services to support an emerging

environmental restoration economy. Beyond the benefit of retaining and creating agricultural jobs and generating supplemental farm income, the assessment and verification of credits, the need for annual inspections, the design and installation of structures and systems, and the acquisition, management, and re-sale of credits are expected to be sources of revenue for consultants, technical advisors, engineers, contractors, aggregators, and brokers.

**Next Steps**

To put a cohesive, credible, and transparent Water Quality Trading Program into place, Maryland plans to take the following steps:

- Develop a comprehensive Water Quality Trading document that builds on previous MDE Point Source Cap Management Policy and MDA's "Maryland Guidelines for the Generation of Agricultural Nonpoint Nutrient Credits in the Chesapeake Bay Watershed" and Credit Certification regulations.
- Reconstitute and convene the existing, stakeholder trading advisory group to review and refine the draft materials. The initial tasks of this group will be to finalize a guidance document and identify any needed amendments to State law or regulation and any other necessary actions to implement trading. The group's final report will be issued by spring 2016 and will be used to initiate trades within Maryland at the earliest possible date. This group also will continue as an ongoing advisory committee to provide direction to the overall trading program and oversee any further development or enhancement of the trading infrastructure.
- Hold a conference in mid-2016 to familiarize all interested parties with the guidance document and begin an exploration of interstate trading opportunities. Conclusion Nutrient trading offers an attractive alternative to more traditional approaches for reducing water quality problems and can often achieve results faster and at a lower cost. Maryland's new trading program provides expanded opportunities for all point and nonpoint sources to access the water quality marketplace as a means to secure for every Marylander the health, economic, and recreational benefits that come from the protection and restoration of the State's water resources.

## Department Communications

The Communications Office works to keep the public and other stakeholders up to date on all activities within the department.

- The department maintains a comprehensive website that uses a responsive design template, which makes the site easy to navigate on a desktop or mobile device. The staff updates the sites regularly. It is: www.mda.maryland.gov

- Maryland's Best – the marketing arm of MDA – also maintains a website and a searchable database that helps connect consumers with growers at: www.marylandsbest.net

## Social Media

The Communications section also has a robust social media presence. It not only provides more avenues to communicate with the public and agricultural professionals but also actively engages

with people by answering questions, correcting errors, stopping rumors and promoting the good work of the agricultural community. All are invited to follow along.

Twitter:

- Main MDA Twitter Account: @MdAgDept (www.twitter.com/MdAgDept)
- Maryland's Best (MDA Marketing) Twitter: @MdsBest (www.twitter.com/MdsBest)
- Maryland Horse Industry Board Twitter: @MdEquines (www.twitter.com/MdEquines)
- Maryland's Farm to School Twitter: @MDFarm2School (www.twitter.com/MDFarm2School)

Facebook

- Main MDA Account: www.facebook.com/MdAgDept
- Maryland's Best: https://www.facebook.com/pages/Marylands-Best/89703601400?ref=hl
- Maryland Horse Industry Board: www.facebook.com/MarylandHorseIndustryBoard
- Maryland Farm to School: www.facebook.com/pages/Maryland-Farm-to-School/135831876430648?fref=ts