



Southern Maryland Farm Viability Enhancement Program

Farm Plan and Grant Guidelines 2008

The purpose of the **2008 Southern Maryland Farm Viability Enhancement Program** ("Program") is to improve the income and environmental integrity of participating farms through the development and implementation of Farm Viability Plans ("Plans").

Planning Phase: Comprehensive yet focused farm plans are developed by the farmers with a team of agricultural, economic and environmental consultants. The team will suggest ways to increase on-farm income through improved management practices, diversification, direct marketing, etc. In addition, the team may also make recommendations regarding environmental concerns on participating farms.

Implementation Phase: Farmers who have developed a Plan with the Commission may apply for grant funds of up to \$10,000, \$20,000 or \$40,000. If approved, the Commission would provide funding to implement certain portions of the Plan. The Council will fund only those projects that it determines will improve the viability of the agricultural operation. In exchange, the participant(s) agree to place their land under agricultural land preservation and apply an agricultural use covenant for the duration of the grant.

The Program will be administered by the Southern Maryland Agricultural Development Commission (SMADC / Commission).

PHASE 1: PLAN DEVELOPMENT

Farmers develop a plan with a team of agricultural, economic and environmental consultants, upon approval of the application. **Applications due April 15, 2008.**

Eligibility

To be eligible for participation in the Program, an applicant must own, or be a co-applicant with the owner of, at least 5 acres of land in agricultural use. It is not necessary to have taken the Tobacco Buyout, but no tobacco may be produced on the land for human consumption.

Criteria for Selection

Applicants will be evaluated and selected based on the following priority criteria:

1. The number of acres placed in the program:
 - All farms are eligible for grants of up to \$10,000 or \$20,000 or less.
 - Applicants requesting over \$20,000 will be awarded extra points if the land is currently (or about to be) placed under Agricultural Preservation.
 - Grants between \$20,000 and \$40,000 will only be awarded to farms that meet the following:
 - 50 acres or more, and under agricultural land preservation.
 - Less than 50 acres, but meet the criteria to be under Agricultural Land Preservation and have been approved by the local Agricultural Land Preservation Board. The land must be within an Agricultural Land Preservation District within five years of the grant award.
2. The suitability and productivity of the land for agricultural use based on its soil classification, physical features, and location.
3. The degree of threat to the continuation of agriculture on the land due to factors such as financial stability, urban encroachment, or management changes which may negatively impact continuing agricultural activity.

4. The degree to which the project would accomplish environmental objectives, such as the protection of water resources or flood plains and preservation of historical, open space, and aesthetic amenities.
5. Previous grant recipients are not eligible to apply.

Application Procedure

Anyone interested in applying to the Program may request an application from the Commission. The application will request at least the following information:

1. A vision of farm production goals, financial expectations and time lines and how the participation in the program would increase on-farm income
2. A United States Department of Agriculture (USDA) Natural Resources and Conservation Service map and farm plan, or its equivalent, showing the breakdown of various soil types and acreage possessing soil capability classes I through VI, and the following:
 - The land area to be covered by the viability plan
 - The land to be covered by a possible agricultural use covenant if different from the land covered by the plan.
3. A full description of the current agricultural activities carried out on the land including the types and quantity of the crops, number of livestock, and/or acreage leased or used by others for agricultural purposes
4. A statement as to how this participation in this program enhances **other federal, state and local programs to preserve, protect and foster agriculture and agriculture open space**
5. A statement indicating whether the applicant either currently participates (**or anticipates** participating and when) in any other federal, state or county programs
6. A statement of the present financial situation of the farm including the gross farm income and copies of Schedule F form for the most recent three tax years
7. A statement identifying any farm debt
8. A statement indicating if any family members receive income from employment other than farm income identified above
9. **If the owner is not principally engaged in agricultural activities**, a statement must be submitted by the owner regarding the short and long-term plans for keeping the property in agricultural use
10. A copy of the current deed(s) to all the parcels of the property described in (2), and a plan recorded in the registry of deeds delineating the property, book, and page numbers included
11. Authorization for the Commission to conduct a field inspection of the land to be covered by the Plan. Upon receipt of an application, the Commission may conduct a field inspection.

Application Evaluation

The following process will be followed to evaluate and approve the applications based on the above-listed criteria. Accepted applicants will be notified in writing of their acceptance into the Program. All information is held confidential.

- Applications are reviewed by either an Advisory Review Committee or the Agricultural Infrastructure Committee.
- Recommendations are provided to the SMD Agricultural Development Commission.
- Final approval will be made by the SMD Agricultural Development Commission.

Application Approval

Upon approval of an application, the Commission and a team of specialists will work with the applicant to prepare a Plan. The Plan will include a resource and economic assessment of the agricultural operation and suggestions for actions to increase the overall viability of the farm.

PHASE II: PLAN IMPLEMENTATION

Any farmer who has developed a Farm Viability Enhancement Plan with the Commission **may then apply for grant funds** to implement the plan. Phase II of the Program involves an agreement between the Commission and the participant(s) where the owner of the property would permit an agricultural use covenant as detailed below. In exchange, the Commission would provide funding to implement certain portions of the Plan. The Commission will fund only those projects that it determines will improve the

viability of the agricultural operation. **To be considered for grant funding, the farm plans and grant requests are due April 15, 2008.**

The Commission may offer the participant(s) either of two funding options. Participant(s) must agree to implement designated components of the Plan and to the entire conditions of options (1) or (2):

1. **In exchange for up to ten or twenty thousand dollars**, the participant(s) will agree to a 5-year agricultural use covenant **to be filed by the Commission among County land records**
2. **In exchange for up to forty thousand dollars**, the participant(s) will agree to a 10-year agricultural use covenant **to be filed by the Commission among County land records**

In addition, the participant(s) must agree to all of the conditions listed below:

1. A Default of the Agreement will occur if the participant(s) violates any portion of the agreement, in which case the Commission may require repayment of any money plus interest paid by the Commission to the grantee under the Agreement and/or place a lien on the land.
2. The Commission will monitor progress of the plan and may suggest modifications.
3. The participant(s) must be in compliance with the State of Maryland's nutrient management program.
4. All co-owners of the land must agree to the terms of the agreement. There will be no exceptions.
5. The participant(s) must sign a form stating that they have no interest in tobacco production for human consumption.

Proposed Timelines

April 15, 2008 Applications (Phase I) due back to SMADC
Dec. 2008 Business Plans due / Grant Applications (Phase II) due
Dec. - Jan '09 Plans Reviewed / Approved
January 2009 Initial funds disbursed

For more information and an application, please call or visit or write to us:



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