

FY21

ANNUAL REPORT

**Maryland Agricultural
Land Preservation
Foundation**

A Message from the Executive Director

Dear Stakeholders,

The Maryland Agricultural Land Preservation Foundation (MALPF) had a very productive FY21. After returning to the annual application cycle in FY19, MALPF has been able to increase the rate of easement acquisitions for a third consecutive year! The dedication and commitment of all the MALPF Board of Trustees, staff, attorneys, and appraisers as well as all our county partners, has enabled the program to not only maintain a high level of success, but to continue to raise the bar through the years.



By the end of summer 2021, MALPF had settled 66 out of the total 88 easement offers in the FY20 application cycle and entered into contracts to purchase over 60 easements applicants in the FY21 cycle. These easement sales bring a welcomed boost of funds to not only farm owners, but the entire agriculture industry.

At the end of FY21, MALPF had preserved 2,504 farms across Maryland, totaling 337,305 acres at a public investment of over \$827 million. We are currently well underway in the appraisal process for the 188 new applications that were accepted and forwarded to the Maryland Department of General Services for the FY22 application cycle.



This year it was a special privilege to highlight our longest serving MALPF staff member, Diane Chasse. Diane reached a milestone in 2021, celebrating 25 years of dedicated service to the State of Maryland — 14 of those years have been with MALPF. Maryland Department of Agriculture (MDA) Secretary Joe Bartenfelder and Deputy Secretary Julie Oberg presented Diane with a certificate to recognize her achievements. Diane's contributions to the MALPF program have helped shape where the program is today.

It continues to be an honor to serve as MALPF's Executive Director. I am regularly amazed how MALPF continues to grow and evolve to respond and recognize the needs of an ever-changing agricultural industry in Maryland.

Sincerely,

Michelle Cable

Michelle Cable
Executive Director

ABOUT

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 conservation 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 MALPF’s website to review Fact Sheet 12, Small Properties in the Agricultural Land Preservation Program, or contact a 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 (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 floodplain 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 Group 1 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.

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 MALPF may limit the number of applications that are forwarded to the program in an application cycle.



2021 CERTIFICATION REPORT

Report on the Program for Certification of Local Agricultural Land Preservation Programs for FY21

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

- 1. Preserve the important role ag plays in maintaining the state's high environmental quality;**
- 2. Encourage development of county agricultural preservation programs, which complement MALPF's preservation efforts; and**
- 3. 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 three 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 FY21, Caroline 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 based on that review. Charles County, whose status as a certified county had lapsed, reapplied to the program and its land preservation program was certified again. Other counties were in the midst of their certification period and did not have to submit a recertification application.

As of June 30, 2021, 17 of the 23 counties are now certified, including Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Frederick, Harford, Kent, Montgomery, Prince George's, Queen Anne's, St. Mary's, Talbot, Washington, and Worcester. Fourteen of the 17 certified counties have been recertified for the extended period of five years. Planning and the MALPF Board have determined these 14 county farmland preservation programs have been consistently effective in achieving preservation goals (the three remaining counties will be eligible for the 5-year recertification period when they reapply).



2021 LEGISLATIVE UPDATE

House Bill (HB) 860/Senate Bill (SB) 692 – State Planning – Preservation of Agricultural Land – Goal

These two bills were passed into law in the 2021 legislative session during FY21, and became effective as of Oct. 1, 2021, during FY22.

Maryland has an official land preservation goal of 1,030,000 acres. The goal was initially created by Senate Joint Resolution 10/House Joint Resolution 22 in 2002. The resolutions tripled the acreage of productive agricultural land up to that point by MALPF, Rural Legacy, GreenPrint, and Local Purchase of Development Rights/Transfer of Development Rights programs. Originally, those four programs were to achieve the acreage preservation goal by 2022.

These bills, signed into law by Governor Larry Hogan, added two more easement programs to the effort: the Next Generation Farmland Acquisition Program run by the Maryland Agricultural and Resource-Based Industry Development Corporation and the Maryland Environmental Trust. The bill also extended the deadline for reaching the preservation goal to 2030.

Current data indicates that as of Nov. 9, 2021, the six programs have preserved 853,527 acres, or 82.9% of the goal.

HB 815 – State Agricultural Land Transfer Tax – Application of Nonagricultural Use Reduction and Exemption

This bill passed in the 2021 legislative session and became effective as of June 1, 2021.

MALPF's operating budget is funded by a percentage of the collected agricultural transfer tax (ATT). This bill may have a small, negative impact on MALPF, as it enables certain landowners to request a refund of some of the ATT paid during the past year.

This bill provides the ability for a landowner that had entered into a contract of sale prior to July 1, 2019, which the transfer of the property required payment under the ATT, to request a refund of any excess tax paid in accordance with Title 14, Subtitle 9 of the Tax - Property Article on or after July 1, 2019. The number of eligible parties able to request a refund is finite and may have a minimal impact on the total amount of ATT available to be disbursed to the state.

2021 REGULATORY UPDATE

15.15.11 Corrective Agricultural Land Preservation Easements

COMAR 15.15.11 establishes the criteria and procedures for a landowner to enter into a corrective Deed of Easement for farmland subject to an existing MALPF easement, which may be necessary for a number of reasons (e.g., the correction of an error in the legal description for the property). These revisions: a) better organize and format the regulation, and clarify certain terms and provisions therein, in conformity with the MALPF's interpretation and application of the regulation from its inception; and b) more clearly articulate the circumstances under which, and procedures whereby, administrative approval by MALPF staff is authorized for routine corrective easement applications.

15.15.16 Guidelines for Granting Overlay Easements and Rights-of-Way

The revisions to this regulation add criteria and eligibility standards in which MALPF can consider overlay easement requests. These revisions provide opportunities to review and authorize overlay easements in reasonable situations that were otherwise prohibited. The revisions also provide a definition of "conservation values" as used in this regulation.

These regulations were published in the Maryland Register for public comment on May 7, 2021, during FY21, and were codified in August 2021 in FY22.

Alternative Energy Policy

Through legislation passed in 2019, the State of Maryland has set a requirement that 50% of all energy will come from renewable sources by 2030. MALPF-preserved farms are able to help the State of Maryland meet this benchmark by establishing alternative/renewable energy systems on their properties for their agricultural and residential energy needs. Examples of alternative/renewable energy systems include solar, wind, tidal, and geothermal. If the system is a roof-mounted solar system, there is no impact to the land available for agricultural production so MALPF approval is not needed. All other types of systems require MALPF approval.

MALPF policy allows for the installation and use of these systems, provided that the energy generated does not exceed 125% of the energy used on an annual basis, for residential and agricultural uses. Landowners are allowed to be reimbursed by the energy utility/provider for excess power generated, which exceeds 100% of the energy used on an annual basis, up to the cap of 125%. The energy generated by the systems may be used for the landowners' residential and agricultural uses on the easement property(ies) and any additional properties owned by the landowner.

Any request for a system will be assessed to determine the impact to the overall agricultural operation of the acres coming out of production. For any questions about this policy, please contact a local county administrator or call the MALPF office at (410) 841-5860.

2021 STEWARDSHIP UPDATE

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.

Maintaining good stewardship is a medley of responsibilities. 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 and its staff are committed to working with landowners to protect Maryland farmland, preserve rural communities, and carry on our state's agricultural legacy.

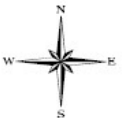


MALPF STATE MAP

Maryland Agricultural Land Preservation Foundation Easements



0 12.5 25 50 Miles



TOTAL EASEMENTS ACQUIRED

County	Number of Easements	Acreage	Cost	Percent of Total
Allegany	15	1,868	\$3,897,056	0.55%
Anne Arundel	44	5,519	\$22,817,783	1.64%
Baltimore	251	25,547	\$95,332,002	7.57%
Calvert	35	4,715	\$12,267,678	1.40%
Caroline	234	33,922	\$36,886,945	10.06%
Carroll	384	44,986	\$100,360,995	13.34%
Cecil	105	15,680	\$39,140,174	4.65%
Charles	87	12,732	\$44,216,547	3.77%
Dorchester	99	15,610	\$22,171,563	4.63%
Frederick	155	23,410	\$59,823,146	6.94%
Garrett	59	7,326	\$10,672,464	2.17%
Harford	152	16,245	\$54,945,214	4.82%
Howard	33	4,084	\$8,181,710	1.21%
Kent	119	22,196	\$50,079,361	6.58%
Montgomery	34	5,074	\$20,640,953	1.50%
Prince George's	20	1,972	\$15,524,196	0.58%
Queen Anne's	192	32,527	\$62,114,044	9.64%
St. Mary's	136	13,613	\$57,182,666	4.04%
Somerset	57	6,349	\$9,920,879	1.88%
Talbot	83	12,853	\$32,968,149	3.81%
Washington	89	14,185	\$37,365,588	4.21%
Wicomico	63	7,634	\$14,049,674	2.26%
Worcester	58	9,259	\$16,968,382	2.74%
TOTALS	2,504	337,305	\$827,527,168	100%

AS OF JUNE 30, 2021

FY21 EASEMENT SETTLEMENTS

County	Number of Easements	Number of Acres	Acquisition Costs		Average Farm Size in Acres
			Average Per Acres	Total	
Allegany	2	190	\$1,832	\$347,640	95
Anne Arundel					
Baltimore	6	422	\$7,463	\$3,149,947	70
Calvert					
Caroline	5	535	\$2,408	\$1,289,420	107
Carroll	7	692	\$5,726	\$3,960,271	99
Cecil	3	454	\$4,063	\$1,845,737	151
Charles	13	1,368	\$2,271	\$3,106,268	105
Dorchester	2	439	\$2,445	\$1,073,529	220
Frederick	6	852	\$4,893	\$4,169,974	142
Garrett					
Harford	10	666	\$7,129	\$4,745,280	67
Howard					
Kent	8	1,341	\$3,478	\$4,663,348	168
Montgomery	2	218	\$6,504	\$1,414,879	109
Prince George's	1	235	\$3,361	\$788,991	235
Queen Anne's	7	926	\$4,020	\$3,723,795	132
St. Mary's	4	363	\$7,321	\$2,656,714	91
Somerset	3	281	\$2,482	\$697,821	94
Talbot	4	680	\$3,553	\$2,414,544	170
Washington	3	352	\$3,532	\$1,243,713	117
Wicomico	2	149	\$4,093	\$609,444	74
Worcester	3	494	\$2,464	\$1,216,367	165
TOTALS	91	10,656	\$4,047	\$43,117,680	117

AS OF JUNE 30, 2021

FY21 EASEMENT ACQUISITION COSTS

Fiscal Year	Number of Farms	Acquisition Costs	Number of 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	\$43,117,680	10,656

AS OF JUNE 30, 2021

MALPF BOARD & STAFF

Appointed Board Members

- **William Allen**, Chair, Member At-Large
- **Cricket Goodall, Vice Chair**, Maryland Farm Bureau Representative
- **Elizabeth Hill**, Maryland Agricultural Commission Representative
- **Catherine Cosgrove**, Member At-Large
- **Robin Kable**, Member At-Large
- **Joseph W. Wood**, Member At-Large
- **J. Bruce Yerkes**, Maryland Grange Representative
- **Gilbert O. Bowling, Jr.**, Member At-Large
- **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
- **Diane Chasse**, Administrator
- **Chana Turner**, Administrator
- **Sarel Cousins**, Administrator
- **Kim Hoxter**, Administrative Officer
- **Amanda Massoni**, Administrative Specialist

COUNTY PROGRAMS

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Chair: Ben Sansom

ANNE ARUNDEL

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Parks
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Annapolis, MD 21401
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Chair: Maureen Heimbuch

BALTIMORE

Megan Benjamin
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(410) 887-3480
Chair: John Merryman

CALVERT

Ronald Marney
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Prince Frederick, MD 20678
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Chair: Tom Hance

CAROLINE

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Health & Public Services
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(410) 479-8100
Chair: Beth Carmean

CARROLL

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County Office Building
225 N. Center St.
Westminster, MD 21157
(410) 386-2241
Chair: Tom Irwin

CECIL

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200 Chesapeake Blvd.,
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(410) 996-5220
Chair: Shelly Hastings

CHARLES

Charles Rice
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Growth Management
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La Plata, MD 20646
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Chair: Charles E. Bowling

DORCHESTER

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Chair: Vacant

FREDERICK

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(301) 600-1474
Chair: Samuel G. Tressler III

GARRETT

Siera Wigfield
Office Of Planning & Land
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Oakland, MD 21550
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Chair: Gary Berkebile

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Chair: John Stump

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Chair: Mickey Day

KENT

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Chair: David Hill

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PRINCE GEORGE'S

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20772
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Chair: Stephanie DeVill-
Eugene

QUEEN ANNE'S

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Soil Conservation District
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Chair: Vacant

ST. MARY'S

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Leonardtown, MD 20650
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Chair: Steve Reeves

SOMERSET

Catherine Skeeter
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Somerset County Office
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(Acting)

TALBOT

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Chair: Bob Meyers

WICOMICO

Frank McKenzie
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(Acting)

WORCESTER

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Natural Resources Division
Worcester County EP
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Snow Hill, MD 21863-1070
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Chair: Vacant

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Annapolis, MD 21401
mda.maryland.gov

Maryland Agricultural Land Preservation Foundation

Maryland Department of Agriculture
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Annapolis, MD 21401
mda.maryland.gov/malpf



Governor Larry Hogan
Lt. Governor Boyd K. Rutherford
Secretary Joseph Bartenfelder
Dep. Secretary Julianne A. Oberg