

AGRICULTURAL SERVICES Fall 2006

Report



www.montgomerycountymd.gov/agsservices

Montgomery County Department of Economic Development
18410 Muncaster Road, Derwood, MD 20855 | 301.590.2823

Page	Table of Contents
2	The Changing Face of Agriculture in Montgomery County
2	Agricultural Initiatives & Assistance Programs
4	Agricultural Statistics
6	Farmland Preservation
8	Agricultural Marketing

For over two hundred years, Montgomery County has been home to a strong agricultural industry. There is a long and rich farming heritage in the County, a heritage and tradition that has contributed greatly to the incredibly high quality of life enjoyed by Montgomery County residents. Preserving that heritage and sustaining a viable agricultural industry through land preservation efforts, agricultural economic development, and public policy initiatives continues to be a top priority in Montgomery County.

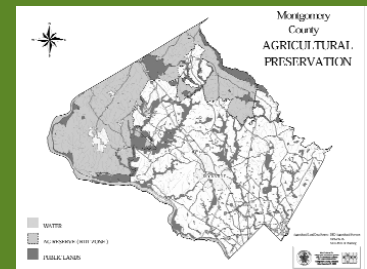
AGRICULTURAL SERVICES DIVISION SUMMARY

The Agricultural Services Division was created to support and promote the viability of the agricultural industry in Montgomery County. Agricultural activities occupy about one-third of Montgomery County's land area and the County's diverse agricultural industry – 577 farms and 350 horticultural enterprises – produces more than \$252 million in economic contribution and employs more than 10,000 residents. Fifty percent of the County's farmers are full-time agricultural operators. While the total market value of Maryland agricultural products has fallen since the last USDA Census, Montgomery has increased more than any other county in the state, rising more than 40 percent from 1997 to

2002. (refer to graphs on page 4) This outcome is attributed to the high-value crops sold by county nurseries, greenhouses and farm markets.

The Agricultural Services Division strives to increase the public's awareness of the value and economic impact of agriculture. In order to preserve working farmland, the Division works closely with farmers in the County's Agricultural Reserve. More than half of the County's 93,000 acres of viable farmland are now preserved through Transfer of Development Rights or easement purchase initiatives. The Division's goal is to protect 70,000 acres by the year 2010. 🌱

IMPORTANCE OF THE AGRICULTURAL RESERVE



The Agricultural Reserve represents a public policy focused on the preservation of agriculture and rural open space that has cultural and environmental significance to the County above and beyond its base economic impact. The Reserve has enhanced the quality of life of residents and visitors through numerous opportunities for access to locally grown produce and recreational uses. A combination of low building density and numerous farming and forestry conservation practices have protected the natural air and water filtration abilities of the Reserve's ecologically diverse landscape. The Agricultural Services Division works to protect this valuable County resource through preservation programs and by ensuring its continued economic viability as working farmland.

THE CHANGING FACE OF AGRICULTURE IN MONTGOMERY COUNTY

During the past 25 years, the horticultural sector has grown dramatically. The 350 horticultural businesses employ a majority of the people working in agriculture. With gross sales of \$125 million annually, horticulture is one of the largest sectors in agriculture and includes nurseries and landscaping companies, arborists, sod farms, lawn care firms, and green house businesses. Twenty percent of Maryland's horticultural industry is located in Montgomery County, which ranks second in the State in total number of horticultural firms.

Equine Industry

Equine operations have evolved into a major component of the agricultural industry, with more than 700 operations stabling about 12,000 horses in Montgomery County. Horses represent a tremendous opportunity for farmers and agricultural supply dealers because of the equipment, services and products needed to support the horse population, which exceeds the population of all other livestock combined. The growing hay industry in Montgomery County is directly proportional to the growing number of horses. As an added benefit, traditional livestock producers have access to the high quality veterinary services provided to horse owners.

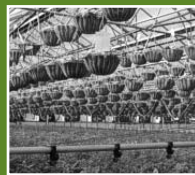


Agritourism



Agritourism has become quite popular nationwide and is a growing part of the agricultural industry. Orchards, pick-your-own operations and on-farm produce markets provide urban residents with opportunities for recreation, education and the purchase of fresh, healthy, local farm products. Recognizing a demand by visitors for family-oriented activities, many operations have expanded their on-site offerings to include hay mazes, barnyard animal petting and feeding stations, wagon rides, campfires, private special event hosting, and harvest/holiday festivals. The Agricultural Services Division has worked to promote agritourism through its Farm Tour & Harvest Sale and its Farm Directory in an effort to help farmers realize the full earning potential of their farms.

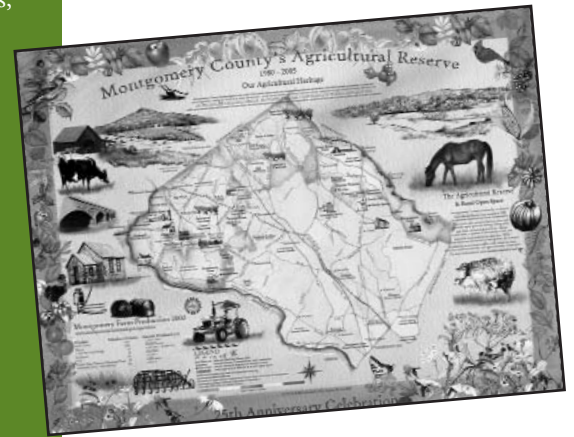
Agriculture for the Future



While traditional farming persists, the face of agriculture is also changing, adapting to new demands and taking advantage of new markets. Montgomery County's recognition of the changing needs of agriculture as a community and as an economy will allow it to fulfill its commitment to sustaining a viable agricultural industry.

AGRICULTURAL INITIATIVES & ASSISTANCE PROGRAMS

Montgomery County is committed to the agricultural industry and businesses that pursue farming. In order to keep these businesses viable, the Division provides a diversity of programs and services designed to address the needs of the farm community. Weighing the needs of farmers against the needs of the rural community creates a challenging environment that makes it difficult to promote rural economic development opportunities. These challenges often involve a diversity of competing interests revolving around Agricultural Preservation and Open Space Preservation.



25th Anniversary of the Ag Reserve

2005 marked the 25th Anniversary of Montgomery County's Agricultural Reserve. Celebrate Rural Montgomery, in cooperation with the Department of Economic Development (DED), sponsored numerous events throughout the year that highlighted and helped celebrate this important milestone in the history of our award-winning Agricultural Reserve. As part of the celebra-

tion, a commemorative map of the County was commissioned and made available for purchase by the public. Maps are still available for purchase from the Division at a cost of \$12.00. Please call 301-590-2823 for more information.

Deer Management Programs

In response to the increasing environmental, health, safety and economic problems caused by the overpopulation of white-tailed deer in Montgomery County, the County Executive requested that the DED and other County departments develop and implement new deer-related initiatives and expand existing deer monitoring and management programs. The Agricultural Services Division is working in conjunction with M-NCPPC, the Deer Management Work Group, Montgomery Soil Conservation District, Maryland Cooperative Extension and the Maryland Department of Natural Resources as part of this County-wide deer management effort.

Deer Management Workshops and the Deer Donation Program –

New initiatives are helping farmers overcome the problems caused by white-tailed deer. Deer Management Workshops are designed to educate farmers and hunters about effective deer management on private property. The Deer Donation Program encourages farmers and hunters to harvest more deer in a responsible manner by providing a local, minimum-hassle deer collec-



tion site. It is administered in partnership with Farmers and Hunters Feeding the Hungry, a nonprofit organization that coordinates the collection, processing and donation of venison to the nation's hungry. The program took in 39 deer during the 2004-2005 season, and 51 deer in the 2005-2006 season.

County Weapons – The Division is currently involved in an attempt to conform County Weapons Law to existing State law regarding distance requirement for the discharge of a weapon. County law requires shooters to be a greater distance from buildings and roads than does State law, making the control of deer logistically prohibitive on many smaller farm parcels.

Sunday Hunting – The combined efforts of the County's agricultural community and agricultural support services encouraged the Maryland State Legislature to pass into law HB 939, removing Montgomery County from the list of jurisdictions in which hunting on Sundays is completely prohibited.

One Sunday of bow hunting and one Sunday of firearms hunting have been added to the County's hunting season, and it is estimated that these two extra days of hunting will increase the deer harvest by about 15%, providing farmers another valuable tool in managing the deer on their properties.

Fuel-Energy Tax Relief

The agricultural industry consumes large quantities of energy, and the rising cost of fuel, propane, electricity and the

associated energy taxes threaten the economic viability of County agriculture.

The Agricultural Services Division administers the Fuel-Energy Tax Program for Certified Agricultural Producers, through which qualified agricultural producers pay the County's energy tax at a residential rate rather than a higher commercial rate. Any producer with property protected by an AEP, MALPF or RLP preservation easement or enrolled with one or more specified County, State or Federal programs or agencies is eligible for this reduced fuel-energy tax rate.

Technical Assistance with the Regulatory and Legislative Process

The Agricultural Services staff provide technical assistance to farmers who need to obtain necessary approval and permits to expand farming operations. This assistance also includes the representation of farmers as part of the regulatory and legislative process. Agricultural Services represents the needs and interests of farmers at the State and County government level.

The Agricultural Services Division also works to educate the public and the government about County agriculture so that each remains sensitive to the challenges of farming in a largely urbanized county. Through educational and promotional activities, the Division provides rural economic development opportunities in the County's Agricultural Reserve.

Comprehensive Study on the County's Equine Industry

In 2001, the County completed a 2 year comprehensive study on the importance of horses and their economic contribution as part of the County's Agricultural Industry. This study was conducted in cooperation between the Montgomery Soil

Conservation District and the Agricultural Services Division; the results are available on the division's website. Through the study, a new database of horse operations was developed for use in conjunction with the County's Geographic Information System (GIS).

Agricultural Emergency Drought Assistance Program (Ag. EAP)

The lack of normal rainfall during the 1990's created tremendous economic hardship for County farmers. The droughts of 1997 and 1999 will be recorded as some of the worst during the 21st Century. In an attempt to provide financial assistance to

AGRICULTURAL STATISTICS

Economic Contribution to County's Economy

Over 179 County farms have annual sales of \$10,000 or more. The average farm size is 130 acres and 40 percent of the farms are greater than 50 acres in size.

Traditional Agriculture	\$41,634,000
Horticultural Industry	\$125,330,000
Equine Industry	\$84,855,896*
Total	\$251,819,896

*Annual Costs

Montgomery County Agricultural Industry

Total Land in Montgomery County:

316,800 acres

Agriculturally Assessed Lands: 82,346 acres

Land in Farms: 75,077 acres

Percent of Land in Farms: 24%

Number of Farms: 577 farms

Number of Horticultural Businesses: 350

Average Farm Size: 130 acres

Total Cropland: 53,209 acres

Harvested Crop Land: 44,161 acres

Pasture Land: 12,536 acres

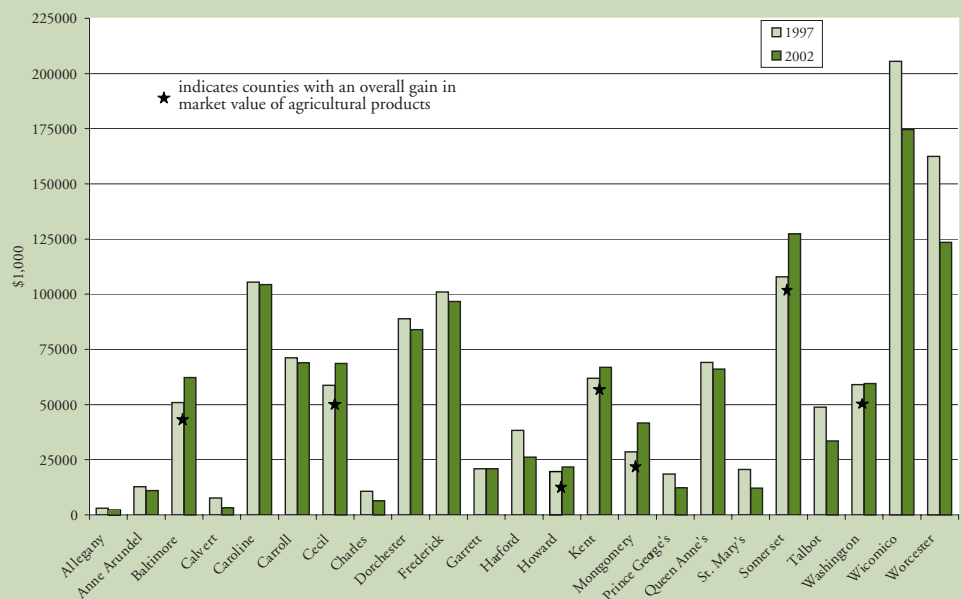
Woodland (Public 31,513 and Private

57,487): 89,000 acres

Average Age of Operator: 57.4 years

Percentage of Principal Occupation Farmers: 50.0%

Market Value of Agricultural Products in Maryland Counties: 1997 & 2002



Farms by Type of Enterprise

Crop or Livestock	Number of Farms	Amount Produced
Beef	104	2,201 Cows
Horse	783	12,000 Horses
Dairy	7	1,546 Cows
Sheep	47	952 Sheep
Corn for Grain	48	1.04 Million Bushels
Corn for Silage	14	20,805 Tons
Wheat	34	313,107 Bushels
Soybeans	43	403,042 Bushels
Hay	192	26,145 Tons
Fruits, Vegetables, Flowers	33	3,000 Acres
Christmas Trees	18	
Production Nurseries and Greenhouses	175	900 Acres
Sod	26	4,500 Acres
Landscape, Arborist, Lawn Care	150 businesses	

Statistics provided by United States Department of Agriculture (Census of Agriculture 1992/1997/2003) and University of Maryland Cooperative Extension - Prepared by: Montgomery County Department of Economic Development Agricultural Services Division 301-590-2823 May 2006

farmers, Montgomery County created the first County-funded Drought Assistance Program in the nation.

In 1997, the County approved \$500,000 which was distributed to 67 farmers and covered 26,254 acres. In 1999, \$1.0 million was approved and these funds were distributed to 94 farmers, covering over 36,590 acres. The AgEAP program was administered by the Agricultural Services Division and serves as an example of Montgomery County's commitment to preserving both farmland and the business of farming. Many farmers would not be in business today if the County Government, through the Duncan Administration, had not created this critical program to help farmers in their time of need.

Request for a Comprehensive Tree Trimming Program

Through the Agricultural Services Division, a Tree Trimming Survey was conducted throughout the County's agricultural community in 2002. The results indicated the need for the County Government to establish a County-wide tree-trimming program. Public roads, whether urban or rural, need to meet the needs of the citizens and businesses that use them each day. A comprehensive tree-trimming program can reduce the costs incurred from damaged vehicles, school buses, fire trucks and farm equipment and it demonstrates the County's concern for the safety of all those who use County roads. Tree trimming is a recurring maintenance need due to the

growth rate of vegetation, and will remain a high priority in the Agricultural Reserve.

Weed Control

Weeds such as Johnsongrass, shattercane, thistle and multiflora rose pose a danger to the productive capability of all non-forested lands, and three of these four weeds have been classified as noxious and prohibited by State law. Landowners are obligated to control these weeds on any lands they own or operate in the State of Maryland. In cooperation with the Agricultural Services Division and the Maryland Department of Agriculture, Montgomery Weed Control, Inc. provides a service to farmers and other landowners in need of control options for these noxious weeds.

Bio-Fuels

The rising cost of traditional energy has created a demand for alternative fuel-energy sources. An opportunity is evolving for County agriculture to participate more fully in the production of bio-fuels from crops such as soybeans and corn. Bio-fuels have multiple environmental and economic advantages over oil-based fuels, and give farmers an additional market for their crops. Increasing the production of bio-fuels will provide the United States with a reliable, renewable domestic energy supply while providing some alternatives to foreign oil.

Ethanol E-85 Program – The Maryland Grain Producers Association in cooperation with the Montgomery County Department of Public Works and Transportation estab-

lished an Ethanol E-85 Program for County fleet vehicles and the general public. The use of ethanol fuel furthers public policies that mandate the reduction of air pollution and the creation of alternative markets for grain products. The demand for ethanol by the County Government represents a future market opportunity for farmers who grow corn, the crop that is used to produce this alternative fuel.

Bio-Diesel – Montgomery County is exploring a public/private partnership to invest County resources in feasibility studies for the production and distribution of bio-diesel fuel in northern-central Maryland. Locally-produced bio-diesel can provide an alternative market for County soybeans, give farmers more options in the purchase of fuel-energy for farm equipment, and further the County's reputation as a forward-thinking, economic leader. 🏡



COOPERATION WITH OTHER AGENCIES

The Agricultural Services Division cooperates closely with other agricultural support services at all three levels of government. Partnering with the Montgomery Soil Conservation District, the USDA Farm Service Agency, and Maryland Cooperative Extension enables the Division to serve farmers more effectively and efficiently. Through the sharing of data, records, experience, personnel and funds, these four organizations adhere to high standards of accountability while providing County farmers with access to educational opportunities, and up-to-date information on agricultural practices and youth development programs such as 4-H.

FARMLAND PRESERVATION

“In order to save the bay, we have to save the farmer.” – Kim Coble, Maryland Executive Director of the Chesapeake Bay Foundation

Agriculture as a working landscape in Montgomery County dates back to early colonial times, and still thrives today. Success in maintaining a viable agricultural industry can be attributed in part to farmers and rural landowners who voluntarily participate in agricultural land preservation programs. These agricultural preservation programs place perpetual easements upon the land, which imposes limits on residential development. Montgomery County is fortunate in being able to offer a variety of programs to farmers and rural landowners as they explore future land use decisions. These programs, allied with agricultural economic development initiatives, create powerful tools that help maintain the agricultural land base and promote a healthy rural-resource-based economy.

Transfer of Development Rights (TDR) Program

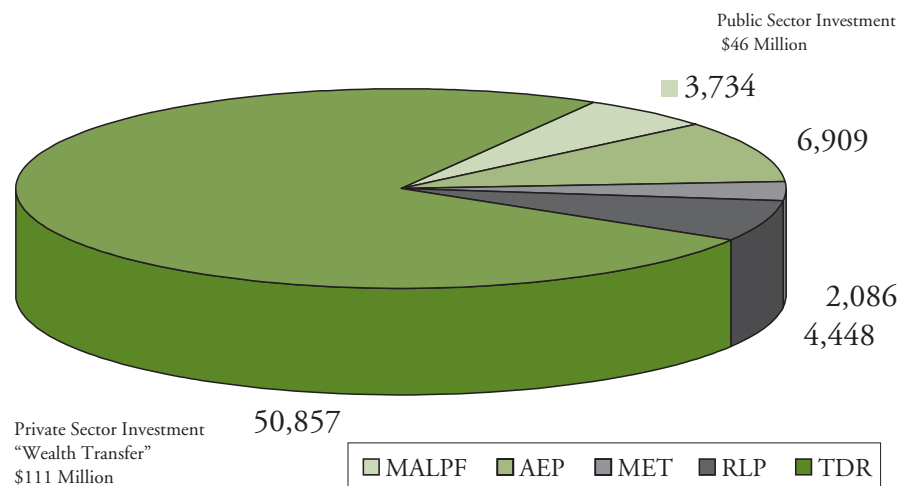
The Transfer of Development Rights (TDR) Program is unique among the farmland

preservation tools available to the County because it represents a private-sector investment in farmland preservation and the rural economy. The program allows developers to increase density in designated receiving areas outside the Agricultural Reserve through the purchase of Transferable Development Rights (TDRs) from farmers. For every unit of density transferred into a designated receiving area, a development right is extinguished on a corresponding farm parcel. Developers purchasing TDRs provide income to the farmer that is often used for purchasing additional farmland, farm equipment, or estate planning.

Purchase of Development Rights

The Purchase of Development Rights (PDR) represents a voluntary program through which the County or State uses public funds to purchase development rights on a farm. A permanent deed restriction is placed on the property that permits agricultural activities but prevents residential or commercial development on the land in perpetuity. The development rights inherent in the land are extinguished at the time of settlement. The deed restriction is a legally binding contract that ensures the farm will remain in agriculture; it is also referred to as a conservation easement.

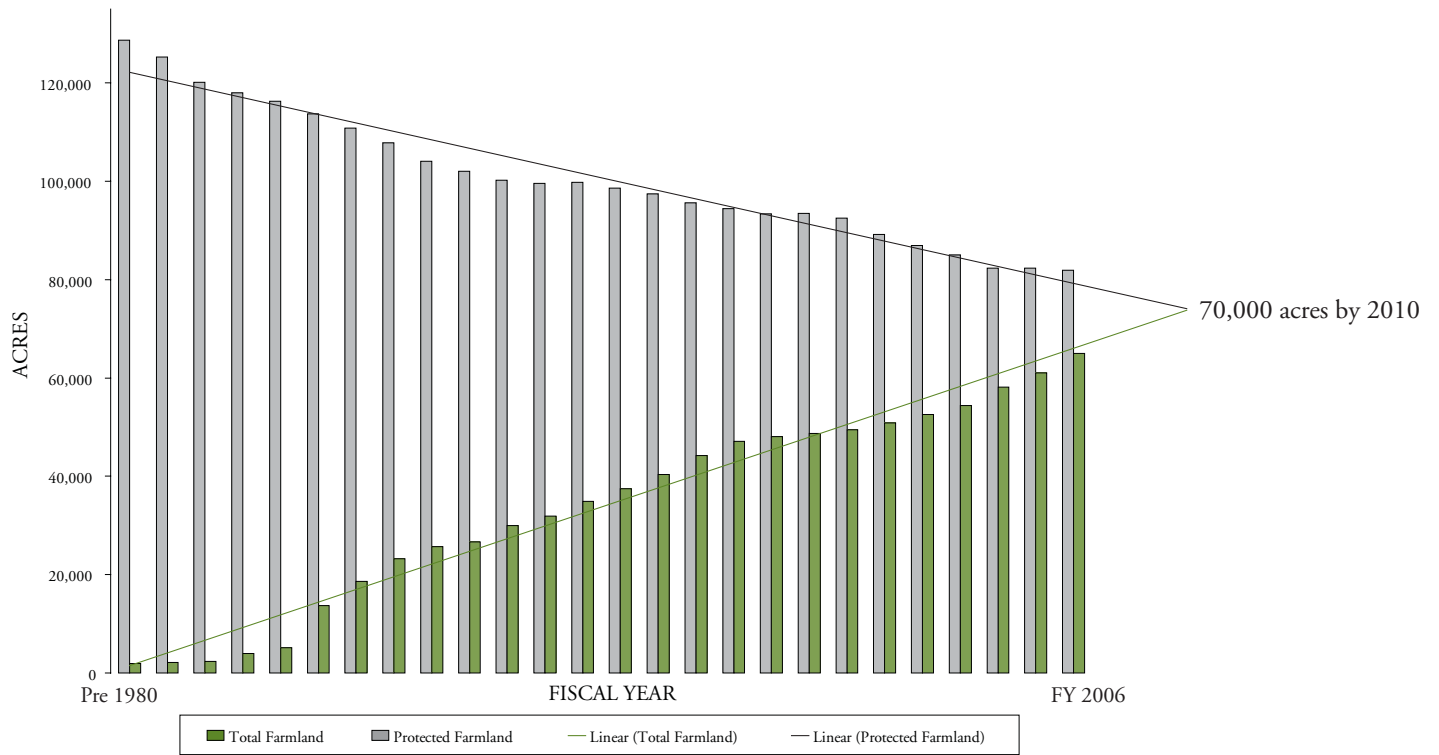
Farmland Protected by Easements as of June 30, 2006 – 68,034 acres



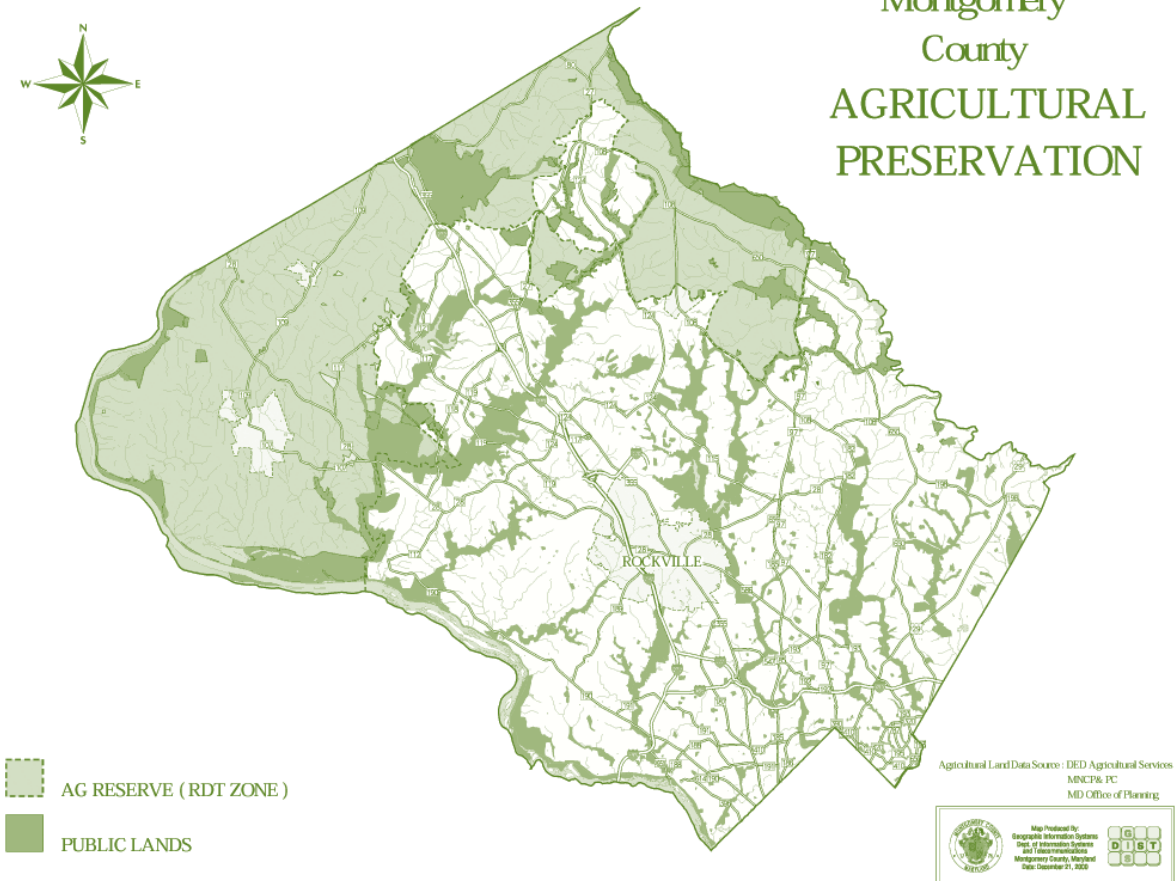
Farmland Protected by Easements as of June 30, 2006 – 68,034 acres

Farmland Preservation (as of June 30, 2006)	Acres Protected	Year Started	Authorized by
Montgomery County Agricultural Easement Program (AEP)	6,909	1987	County
Montgomery County Transfer of Development Rights (TDR)	50,857	1981	County
Maryland Environmental Trust (MET)	2,086	1967	State
Maryland Agricultural Land Preservation Foundation (MALPF)	3,734	1977	State
Rural Legacy Program (RLP)	4,448	1997	State
Total Farmland Protected	68,034		

Protected Farmland Acres and Total Farmland Acres



Montgomery County AGRICULTURAL PRESERVATION



AGRICULTURAL MARKETING

As part of the Department of Economic Development, the Agricultural Services Division is responsible for the promotion of agriculture as part of the County's economy. To that end, the Division seeks to connect local consumers with the agricultural products and services available within the County. Several distinct, ongoing marketing initiatives were developed to achieve this objective.

Farm Tour

The annual Farm Tour & Harvest Sale was organized to celebrate Montgomery County's agricultural heritage, provide an educational opportunity for urban and suburban County residents, and to encourage the direct marketing of farm products to consumers. The Farm Tour & Harvest Sale runs the fourth weekend in July, and is a popular family outing for thousands of local residents.

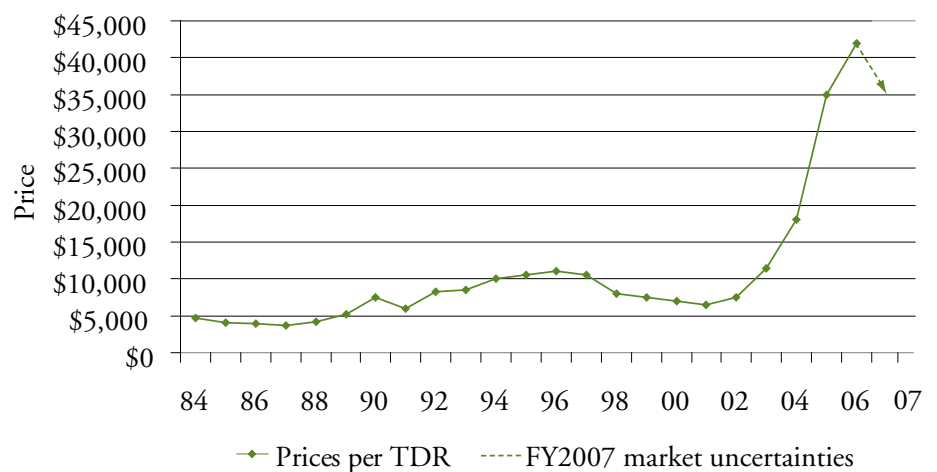
Farmers Markets

The Montgomery County Farmers Market Association operates several local farmers' markets as a means to connect consumers with locally-grown agricultural products. In addition, the Division promotes several independently-run or city-organized farmers' markets in the downcounty area. Farmers' markets operate seasonally in Rockville, Gaithersburg, Kentlands, Bethesda, Silver Spring, Wheaton, Potomac and Kensington. Year-round farmers' markets operate in Takoma Park and Bethesda. Please visit www.montgomery-countymd.gov/farmersmarkets.

TDR Receiving Capacity Deficiency

The purpose of the TDR program is to compensate farmers for the land equity they lost through the down-zoning that created the Agricultural Reserve. The full potential of this program has been realized only once in its 25-year history because of a general imbalance between sending capacity and receiving capacity. Although more than 8,000 TDRs have been sold and used in receiving areas, there are still more TDRs in the sending area than there is receiving capacity to absorb them. TDR receiving areas have consistently been planned at a 1:1 ratio in which every TDR sold from the sending area is used in a corresponding TDR site. Realistically, a receiving capacity ratio of 2:1, or two receiving sites for every one TDR in the sending area, is needed to counteract the problem of diminished receiving capacity. Receiving capacity at a given site can diminish through environmental regulation, landscape suitability, economic constraints or lack of use by the developer. Diminished receiving capacity depresses the demand for and market value of TDRs, and generally conflicts with the legislative intent of the TDR program.

TDR Prices Per Fiscal Year 1984 - 2006



Community-Supported Agriculture (CSA)

Community-supported agricultural operations, or CSAs, are growing in popularity across the country. In Montgomery County, CSAs are emerging as a new, self-driven marketing initiative that provides residents with the chance to purchase a steady supply of quality, locally-grown produce through the length of the growing season. The Agricultural Services Division is working to help local CSAs promote their products and expand their operations.

Farm Directory

In an effort to promote locally-grown farm products, the Division publishes and distributes a directory of county farms that are interested in marketing directly to consumers. The 2005 publication, listing 48 farms, included orchards, traditional farms, horse boarding and breeding facilities, nurseries and livestock operations.