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30 West Street, Suite C Annapolis, MD 21401 410-280-9855 www.mdlcv.org February 25, 2020

Support House Bill 687: Agriculture – Cost-Sharing Program – Fixed Natural Filter Practices

Dear Chairman Barve and Environment and Transportation Committee,

The Maryland Agricultural Water Quality Cost-Share Program (MACS) was a beneficial advancement in providing farmers access to funding to "protect natural resources and comply with environmental regulations" upon its implementation in 1984.¹ HB 687 would expand the program to incentivize a wider array of permanent practices that will be more beneficial to water quality, and better protecting Maryland's natural resources and restoring the Bay. Additionally, this bill will improve the MACS program so that it is more efficient and therefore, more beneficial to farmers.

Maryland Department of Agriculture reports show the current MACS structure disproportionately provides funding to temporary projects such as single species cover crops and annual management practices on animal feeding operations.² While these projects are beneficial, longer term practices that create permanent fixed natural filters such as riparian forest buffers provide longer lasting and enhanced benefits for Maryland soil and water quality as well as various other co-benefits for our natural resources. This bill will improve the MACS program as well as help achieve the Maryland Phase III Watershed Implementation Plan (WIP) goals.

In 2017-2018, MACS funded \$35,207,004 for capital and special projects, the majority of which were related to animal waste transport, manure injection, and single species cover crops.³ In 2018, only \$200,195 of those thirty-five million dollars (0.5%) funded Conservation Reserve Enhancement Program Projects (CREP), which include the implementation of riparian buffers, wetlands, livestock stream crossings, strategic fencing, rotational grazing, and other best management practices (BMPs).⁴ Currently, MACS funds up to \$200,000 per project for temporary animal waste management systems while only providing up to \$50,000 per project for other BMPs.⁵

The state currently is subsidizing farmers every year for annual practices. There is a disincentive for a farmer to choose a permanent practice over an annual practice. The current system allows a farmer to be paid every year for annual practices on the same piece of land versus being paid once for a riparian forest buffer despite the additional benefits created from the permanent practice.

¹ Maryland Agricultural Water Quality Cost-Share Program, Maryland Department of Agriculture – Office of Resource Conservation (2017), <u>https://mda.maryland.gov/resource_conservation/Documents/RevisedMACSbochure.pdf</u> (last visited Feb 20, 2020). ² MACTS at Work: 2018 Annual Report, Maryland Department of Agriculture – Office of Resource Conservation (2018), <u>https://mda.maryland.gov/resource_conservation/counties/MACS2018.pdf</u> (last visited Feb 20, 2020).

³ *Id.* at 5-10.

⁴ *Id*. a 10.

⁵ Maryland Agricultural Water Quality Cost-Share Program, Maryland Department of Agriculture – Office of Resource Conservation (2017)

These permanent practices have historically received less funding partly because the current MACS structure unfairly reduces cost-sharing rates based on misleading soil data and amortization formulas. We therefore support the prohibition of using the existing formula to reduce cost sharing rates for riparian buffers, riparian herbaceous cover or wetland restoration.⁶

Maryland LCV also supports House Bill 687 because it will remove the penalties for multiple species cover crops and make cost-sharing rates equal to or exceeding the "rates paid for the planting of a single species of cover crop."⁷ The removal of this penalty gives farmers equal access to funding to diversify their cover crops, and in turn, enhance water quality, soil conservation, and increase the biodiversity and ecosystems that Maryland's farmers can help support.

The state needs to place an emphasis on equitable MACS funding for "fixed natural filter practices." These practices provide a sustainable and efficient alternative to the current system of annually funding single species cover crop and animal waste management systems. We support HB 687 because it will provide increased incentive for farmers to implement permanent water and soil quality safeguards including the planting of riparian buffers and trees, wetland restoration, and rotational grazing systems.⁸ Incentivizing and implementing regenerative agricultural practices provides the best nitrogen, phosphorous, and sediment filtration benefits to water and soil quality. These benefits, when funded alongside current MACS practices such as cover crops, have the greatest potential to meet MACS and WIP goals to reduce nitrogen, phosphorous, and sediment pollution by 2025.

Maryland agricultural operations and farmers deserve better cost-share funding opportunities for practices that protect our water and soils. Incentivizing fixed natural filter practices and facilitating efficient, sustainable agriculture creates a more comprehensive approach to nitrogen, phosphorus, and sediment reduction. In doing so, we can improve conservation of Maryland's agriculture, environment, and public health.

For all of the above-mentioned reasons, Maryland League of Conservation Voters urges your support of House Bill 687: Agriculture – Cost-Sharing Program – Fixed Natural Filter Practices.

Respectfully,

Maryland League of Conservation Voters

⁶ Agriculture – Cost-Sharing Program – Fixed Natural Filter Practices, HB687, 2020 M.D. Gen. Assemb. (2020)

⁷ Id.

⁸ Id. at §(d)(1-5ii)