

Maryland Department of Agriculture
Report to Bay Restoration Fund Advisory Committee
September 25, 2006

Fiscal Year '07 Cover Crop Program and Budget

The Fiscal year 2007 Cover Crop program had concurrent signups running from June 12th to July 28th, 2006. One for a harvestable Cover Crop component, referred to as Commodity Cover Crop (CCC). And one for the regular program, which is coined Traditional Cover Crop(TCC).

With a substantial increase in funding for FY '07 of \$8M, (nearly double FY'06), MDA took an aggressive approach to sign up by raising the traditional caps in the program. The previous TCC cap of 500 acres was raised to 1000 acres. CCC is a new program with a cap of 500 acres. The goal of the program is to expand implementation toward the ultimate Tributary Strategies goals of 600,000 acres of TCC and 150,000 of CCC.

As a result of these aggressive efforts, sign up was very robust and exceeded expectations and budget. With more than 500 new applicants who were not in last year's program, the CCC sign up totaled slightly over 130,000 acres and TCC sign up was 324,000. The TCC number also includes nearly 24,000 acres of standby which operators sign up for over and above the cap. Those acres are only paid in the event that there is additional money available to the program and are at the risk of the operator.

To meet the \$7.65 million budget*, we will pro-rate the acreage enrolled, so that every applicant will be approved to participate. If MDA had used the previous methodology by operating on a first-come, first served basis only 600 of the original 1500 applicants would have been approved. The process used to pro-rate the applications was to approve funding by indicated percentages. By pro-rating, all applicants will gain experience with the benefits of the program and, hopefully, will be encouraged to participate in the program in the future.

	APPLICATION ACRES	APPROVED %	APPROVED ACRES	IMPLEMENTATION PERCENTAGE	IMPLEMENTED ACRES	AMOUNT
CCC	130,000	50%	65,000	90%	58,500	\$1.17M
TCC	300,000	75%	225,000	75%	168,750	\$6.75M
						\$7.92M *

* Grant funds targeted to specific watersheds account for difference between CBRF and general fund and projected expenditures.

Benefits to Bay Restoration with Pro-rated Program			
Cover Crop	Implemented Acres	#/N	#/P
CCC	58,500	368,750	11,700
TCC	168,750	1,434,375	33,700
TOTALS	227,250	1,803,125	45,400

Planting is progressing as of the writing of this report. Final planting date is November 5th and reports to Soil Conservation Districts are made over the following 2 weeks. MDA should have results on implementation by mid-December.