

**THE JOINT STATEMENT OF THE  
MARYLAND FARM BUREAU AND THE MARYLAND GRAIN PRODUCERS  
ASSOCIATION TO THE  
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,  
SUBCOMMITTEE ON WATER AND WILDLIFE  
REGARDING THE CHESAPEAKE BAY RESTORATION PROGRAMS**

**April 20, 2009**

Presented by Robert Hutchison  
Talbot County Farmer

Good morning, my name is Robert Hutchison. On behalf of the Maryland Farm Bureau and the Maryland Grain Producers Association, I am pleased to be here today to express my thoughts on the progress of the Chesapeake Bay Restoration and some thoughts on ways to accelerate progress.

The four insights that I would like for you to take away today are:

1. Maryland farmers lead the nation in the use of Best Management Practices and advanced technology to protect the environment, and specifically, the Chesapeake Bay.
2. Maryland farm businesses are relatively small family operations. They do not have environmental compliance officers or attorneys on staff. They are husbands and wives sitting at the kitchen table at the end of the day trying to keep up with all the paperwork.
3. All new environmental regulations aimed at protecting the Bay have significant economic impacts on small businesses in the watershed. Cost-share programs by the federal or state government are not grants – they involve substantial monetary investment by farmers.
4. Maryland Farmers are willing to do more to protect and restore the Chesapeake Bay if the programs are reasonable, economically feasible, based on sound science and equal to the efforts being made by other sources of Bay nutrients.

First I would like to tell you a little about my farming operation. My two brothers, my son, a nephew and I, run a 3600-acre family farm in Cordova on Maryland's Eastern Shore. We grow corn, soybeans, wheat, barley, peas, lima beans and cucumbers. We also sell seed corn to

supplement our farm income. I am past President of Maryland Grain Producers Utilization Board (MGPUB) and the Association (MGPA), the Talbot County Farm Bureau and serve as the current treasurer of the Harry Hughes Center for Agro-Ecology.

On our farm, we have installed either grassed or forest buffers along all of our continuous flowing streams. Much of this was done without cost share funds, but we did install some buffers under the Conservation Reserve Enhancement Program (CREP). We have installed several grassed waterways on our farm and use no-till as a preferred tillage method. We use Global Positioning Satellite (GPS) technology to determine our crop yields and use this data, along with soil testing, to make future crop decisions.

Since 1982, we have hired crop consultants to ensure that we manage nutrients and chemicals as efficiently as possible. Our crop consultants do our soil tests, prepare our nutrient management plans and scout our fields using integrated pest management (IPM). We have participated with the University of Delaware to help establish a Stalk Nitrate Test to improve nitrogen use efficiency and we routinely use Pre-sidedress Nitrogen tests (PSNT) where we apply poultry litter.

Another product we are working with is slow release fertilizer. While there is no economic benefit for us (the reduction in the cost of fertilizer used is offset by the cost of the product), I believe the Bay may benefit from the use of these slow release fertilizers. If research can demonstrate that it is a win-win situation for both farmers and the Bay, its use could increase substantially.

Although we do not have poultry on our operation, we have used poultry litter in accordance with a nutrient management plan to improve our low Phosphorus soils. While no-till is our preferred tillage mechanism for corn, we have used minimal tillage systems with poultry litter because current scientific research shows that it is important to incorporate this product. Last year we purchased a Turbo Till™ - vertical tillage equipment to improve incorporation. This helps preserve the nitrogen for the crop, while at the same time protecting the Bay. We made the decision to use poultry litter not only because it is an excellent source of nutrients, but also because of our strong belief that the Delmarva Poultry Industry is extremely important to the economics of agricultural operations in Maryland. Utilizing poultry litter on those fields that need Phosphorus is important to the industry and the Bay. Our decision led to the purchase of two new spreaders and two loaders.

### **Corn is Not Bad for the Bay**

Unfortunately, corn has been unfairly labeled as a leaky crop. With adequate rainfall during the growing season and the planting of a cover crop on an “as needed” basis after harvest, corn is as efficient at nitrogen use as any other crop. We sidedress our corn using a pressurized application process that reduces nutrient loss. For fields with irrigation, where water is applied to satisfy crop needs, our corn crop is extremely efficient. One of corn’s minor inefficiencies that we are working with researchers to address is the decline in nutrient use after the crop has finished its active growing season prior to harvest. By comparison soybeans take up more nutrients because they are still growing during the early fall.

### **Tremendous Progress**

Since Bay Restoration efforts began in the mid-eighties, Maryland farmers have made tremendous progress. Farmers are applying nutrients based on certified nutrient management

plans, all poultry feed includes phytase, cover crop acreage has expanded considerably and new best management practices are added annually. A review of Maryland’s BayStat model shows that agriculture is progressing towards meeting its goals. EPA’s assessment (see table 1) shows that agriculture has met close to 50% of its goals but urban programs have declined by more than 60% in every category. Maryland farms are now responsible for only 7% of all Bay Nitrogen and 8% of all Bay Phosphorus.

## Reducing Pollution

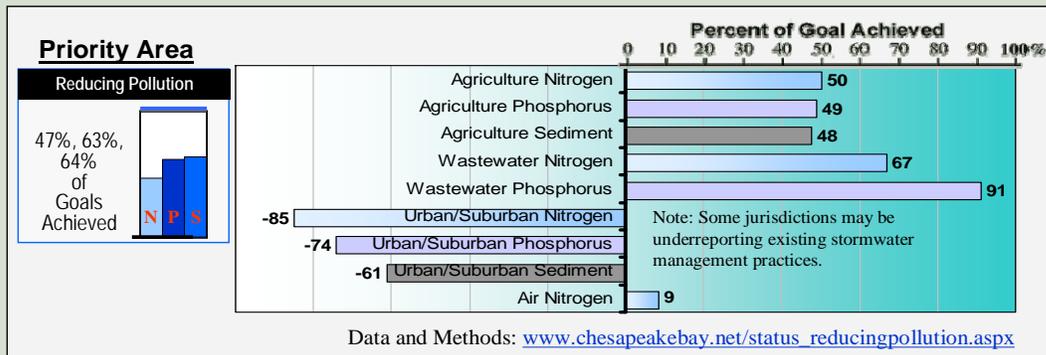


Table 1

A 2004 report by the Chesapeake Bay Commission entitled “Cost Effective Strategies for the Bay” identified the six most cost effective best management practices. It listed upgrading sewage treatment plants as number one and the next five strategies were agricultural BMPs. One concern of the agricultural community is that this study resulted in too much emphasis being placed on agricultural BMPs. The EPA assessment shows that while we are moving forward and implementing additional practices, our success is being offset by urban programs that are going

backwards. Responsibility for restoration efforts must be shared by all sectors – not just agriculture. I also believe strongly that the Chesapeake Bay Program has failed in its efforts to restore the oyster population in the Bay, without these natural filter feeders, water quality will never be restored, regardless of the activities that occur on the land. This must be a priority.

### **The Bay Model Must Be Improved**

Many environmentally beneficial farming activities receive no government funding. This includes no-till, variable rate fertilizer application, slow release fertilizer use, chemical storage facilities and even traditional best management practices - such as buffers, stream fencing and grassed waterways that are installed totally at the farmers' expense. This is good for the Bay; however, the Bay model does not count these items. The Bay Program must develop a method to incorporate all of agriculture's accomplishments into the model.

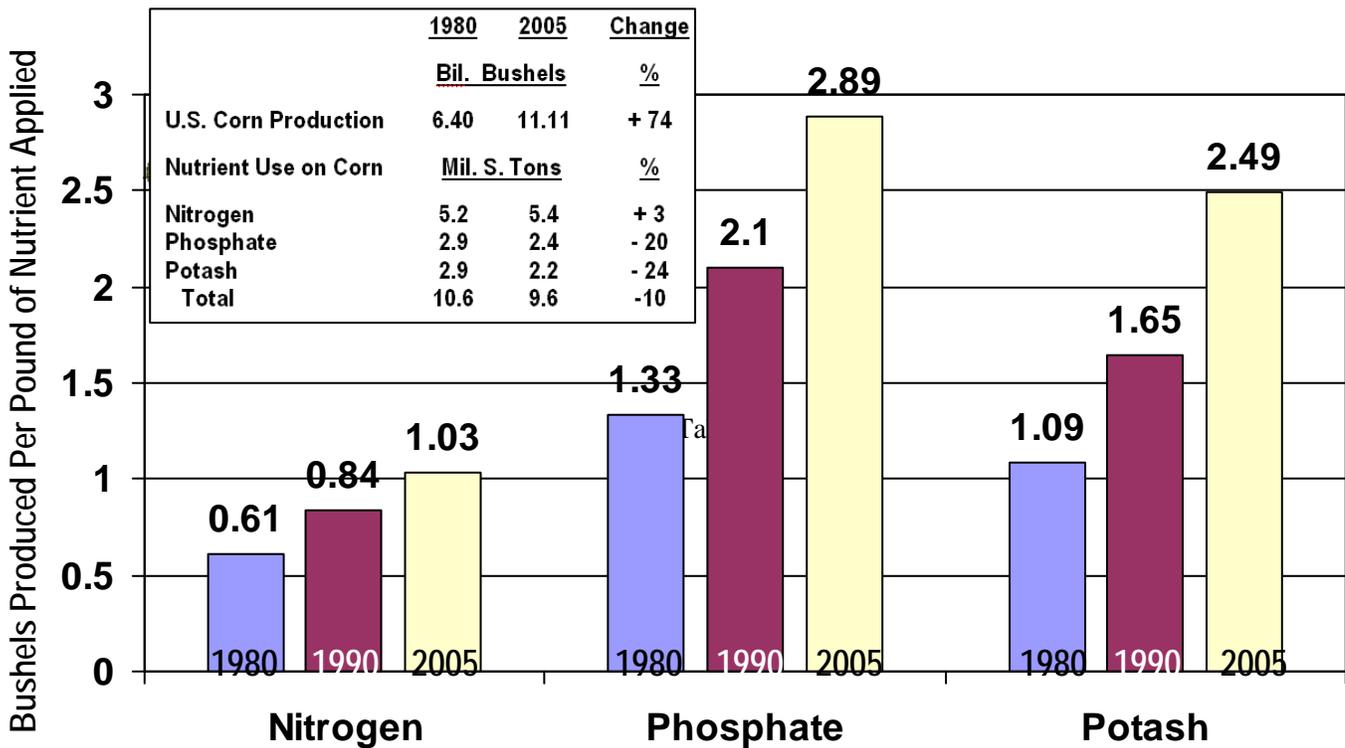
The Bay model is also out of date. In 1985 the yield on my farm was 100 bushels per acre. Today my average is 120 with some irrigated fields yielding as high as 245 bushels. Our farm is not unique. Farmers across the country are seeing significant increases in yield and improved nutrient efficiencies. The Bay model is severely delinquent in its characterization of agriculture and nutrient use in Maryland and it is imperative that it is updated and that there is greater transparency with the data that is used to compile agricultural progress.

### **Progress Through Biotechnology**

Since the Bay Program started, agriculture has been making yield improvements with reduced nutrient inputs (see table 2). Much of this improvement has been made as a result of improved crop genetics. The improvements made during the past decade with the use of biotechnology

have been significantly greater than earlier progress. Biotechnology will also be bringing new benefits within the next 5 years. Of particular interest to farmers in the Bay watershed is new varieties with drought tolerance. Annual yield variations occur in this region due to irregular weather patters. In 2007, Maryland farmers experienced a significant drought and it is these unpredictable yields that can hamper sound nutrient management. We welcome the arrival of drought tolerant and more nutrient efficient varieties.

# Corn Nutrient Use Improving



Source: USDA/Fertilizer Institute

Table 2

## **A New Approach to Federal and State Cost-Share Assistance**

In the past two decades federal and state cost-share programs have helped farmers install over 19,753 projects with \$91 million in government funds that have been supplemented with at least \$13 million of farmers matching funds.

Contrary to the tried and tested traditional BMPs that are used on farms, many of the new methods to improve nutrient efficiency do not require the installation of a specific practice such as a buffer or filter strip. Instead these systems are management options that often involve the expense of new equipment or a new management system. If the Bay Program wants to help advance these innovative options, they must be willing to help farmers in new ways.

Traditionally, equipment has not been considered eligible for cost-share. But equipment such as GPS, yield monitors, variable rate applicators, and vertical tillage equipment such as the Turbo Till enable farmers to apply nutrient more efficiently. Currently being tested at the University level is new imaging equipment such as GreenSeeker™ technology and poultry litter injection equipment that will significantly improve nutrient use by crops. USDA programs must recognize these new management tools and provide incentives to farmers to embrace these Bay-beneficial technologies.

## **Barley Ethanol Production is a Win-Win**

I personally have spent many hours advancing ethanol production in Maryland. Working initially with the Maryland Grain Producers Utilization Board and later with Chesapeake Ethanol LLC, I have studied options for Maryland farmers to benefit from biofuels. The new market that corn ethanol has provided for farmers across the country has been extremely important to this region.

Maryland grain farmers, through our checkoff program, the Maryland Grain Producers Utilization Board, first started promoting ethanol as a much needed new use for corn in the early 1990's. In 2001, however, we decided to investigate the option to use barley for ethanol instead of corn. We did not want to reduce the amount of available corn for the poultry industry, our number one customer. Everyone in Maryland agriculture recognizes the need to protect and maintain a viable poultry industry on the Eastern Shore. We did, however, want to improve the price of our crops because grain farmers were struggling to make ends meet.

We worked from 2001 until 2007 to develop a barley-based ethanol plant to establish a new market for barley - an under-utilized crop - and to expand the opportunity to grow winter crops to protect the Chesapeake Bay. The Maryland legislature supported this effort by passing the Renewable Fuels Promotion Act of 2005 to provide a production credit of 20¢ per gallon for ethanol made from small grains. To achieve the economies of scale necessary for the plant to produce ethanol that was price competitive, we planned to bring corn into our proposed mixed grain facility in Baltimore for about 8 months of the year. I will not go into all the details but suffice it to say Chesapeake Ethanol LLC, the company established to commercialize the project, decided not to move forward early in 2007. This was due in part to the fact that corn-based ethanol plants either built or under construction were reaching the 15 billion gallon per year cap established under the federal Renewable Fuels Standard.

Maryland Grain Producers were not the only group interested in building ethanol plants in Maryland. We spoke frequently with organizers of Atlantic Ethanol in Baltimore City and Ecron

in Baltimore County both of whom obtained air quality permits for their projects but chose not to move forward. Today, Chesapeake Renewable Energy is still planning to move forward with a project in Somerset County, Maryland, and we are extremely pleased that they have decided to use barley for part of their production. The Maryland Department of Agriculture has certified Chesapeake Renewable Energy to receive the 20¢/gallon production credit for using small grains and we hope they get their funding and move forward with production. Today in Hopewell, Virginia, Osage BioEnergy is building a 60 million gallon barley-based ethanol plant, which will increase barley production by 300,000 acres, much of which will take up nutrients as winter cover crops in the Chesapeake Bay watershed.

I believe that promoting barley based ethanol is a win for Maryland farmers and a win for the Bay. Barley grown over the winter serves as a cover crop, utilizing any left-over nutrients. It can be harvested the following June for biofuels and then be followed by short season soybeans or corn on irrigated land. Any new ethanol facilities coming on line in Maryland will need to meet advanced biofuels standards to establish a market. I encourage the Bay Program to support next generation biofuels development in Maryland with an immediate opportunity for barley.

### **Federal CAFO Rules Over-Reach to Target Poultry Producers**

Although not a poultry farmer, I am very concerned about the impact the new CAFO regulations are having on the state's largest agricultural sector and the biggest customer for the grain I grow. The EPA Region III office has put almost every poultry grower on Delmarva on notice that a federal permit is required. In most cases, this appears to be added workload and expense without a clearly defined benefit to water quality. We urge the Committee to ensure that the CAFO rules

are implemented and enforced fairly in Maryland and across the nation. Early indications are that other regions of EPA are not requiring the same level of CAFO permit application by poultry operators as is the Region III office.

### **Technical Service Providers Must Be Local**

Farmers seek advice and technical assistance from individuals who they know to be knowledgeable and understand the needs of agriculture. There is a core group of experts from Cooperative Extension, crop consultants and local soil conservation districts that have earned the trust of Maryland farmers. We ask that the Bay Program also recognize these organizations as the delivery system for agricultural programs. We strongly oppose diverting federal and state funds to non-traditional service providers, it is not seen by the agricultural community as a way to expand activities; instead it dilutes an already short supply of technical support for agriculture.

### **Sustainable Agriculture**

We often hear the term sustainable agriculture, and it means something different to about everyone who uses the term. I would like to suggest that sustainability involves maximizing yields to meet future nutritional needs while decreasing impacts on the environment. If farming does not provide a reasonable income to the farmer, it cannot be sustained. I believe the Bay Program documentation clearly demonstrates that a well managed farm is far better for the Bay than urbanization. The agricultural community maintains its willingness to work with Congress, the Governor, the Bay Program and all other interested parties to do our part to clean up the Bay. We ask for your support for adequate technical assistance and an understanding for the needs of economically viable family farms.