

Innovation and Tradition on Maryland's Eastern Shore

In late August, Maryland's Eastern Shore held its first-ever Rural Heritage Day, a celebration of the region's agricultural roots. Featuring local food, art, music, interactive exhibits, historical displays and farm animals, the event was designed to raise public awareness of the cultural, environmental and economic contributions that resource-based industries make to the Delmarva region.

Sponsored by the Eastern Shore Land Conservancy (ESLC), Rural Heritage Day was an early and high-profile outgrowth of *Eastern Shore 2010 (ES 2010)* a broad-based, six-county, land use agreement proposed in 2002 to protect working landscapes and ensure the long-term viability of the region's resource-based industries—farming, fishing and forestry.

Bridging the gap between the region's suburban and rural constituencies is just one of many components of the emerging effort to sustain a thriving resource-based economy on the Eastern Shore. *ES 2010* recognized the need to identify key challenges facing farming, forestry and fisheries, and to develop recommendations to address those challenges. With funding from the Maryland Center for Agro-Ecology, Inc., ESLC hired American Farmland Trust (AFT) to work with a broad-based task force of local leaders. Under their guidance, AFT outlined the strategy that emerged in a report called, "Regional Economic Development Strategy for Resource-Based Industries on Maryland's Upper Eastern Shore."

"My feeling is that there is a new level of awareness of the value of agriculture and resource-based industries to the state's economy, and a greater need to consider what it's going to take to sustain that economic engine," says task force member Kathy Magruder of Eastern Shore Heritage, Inc.

The report provides a comprehensive description of the status of the Upper Shore’s resource-based industries, new and emerging market opportunities, and challenges facing the Upper Shore’s resource-based industries. It then articulates specific steps to address those challenges.

The recommendations are based largely on input and ideas provided by local stakeholders—farmers, foresters, watermen, industry representatives and economic development officials—who participated in a series of in-depth focus groups. Background research on other economic development efforts supporting resource-based industries elsewhere in the U.S. helped fine tune components.

“The project was a really pro-active way of trying to engage the agricultural and resource-based industry community in a discussion of what could be done to ensure the vitality of its future,” says Andy Andrews, AFT’s point person on the project.

The key challenges identified in the report include:

- **Erosion of industry revenues and profitability:** Resource-based industries have been mainstays of the region’s economy, accounting for about 22 percent or \$2 billion in economic production. Poultry “is king,” and grains and soybeans also are dominant products. However global competition and declining U.S. support for commodity programs are likely to contribute to weakening farmgate prices for Upper Shore commodities, while production costs continue to rise.
- **Competition for land:** The Upper Shore’s farmland, small towns, scenic vistas, shoreline and proximity to Washington, D.C., and Baltimore make the Upper Shore an attractive place to raise a family, retire and vacation. Development pressure is driving up the cost of land so that it is out of the reach of resource-based industries. Since 1982, land in farms on the Eastern Shore decreased by 91,524 acres.

- **Regulation that drives up production costs:** Industry representatives suggest that regulators often do not understand the impact of regulations on resource-based industries and impose regulations that are very time consuming and therefore costly. These regulations add operating costs and reduce the viability of these enterprises. At the same time, producers rarely are compensated for the public conservation benefits that well-managed farms and resource-based enterprises provide.
- **Lack of public understanding:** New residents, moving from more urban and suburban areas, appreciate the region's quality of life but are often unfamiliar with the reality of what it takes to run a resource-based business. They often complain about dust, slow-moving vehicles, spreading manure, clear cutting and noisy farm equipment and boat engines. Even with 70 million consumers within a four-hour drive of the Shore, most people are out of touch with its bounty because so much of the Upper Shore's farm products are commodities and inaccessible to the general public.

The task force proposed three initiatives designed to build on the region's traditional strengths and develop new opportunities: increase economic development supports for resource-based industries; bridge the gap between urban and rural constituencies by promoting local agriculture, forestry and fisheries; and enacting land preservation programs at the county level.

The keystone proposal is the creation of a new entity—or expanded capacity within an existing organization—to coordinate economic development activities for the resource-based industries. The report suggests that a combination of grants and membership dues could provide the funding to support a staff person.

“To get it going we've got to have somebody there to carry the ball,” says ESLC Executive Director Rob Etgen. “Somebody's got to be paying attention to the economic

needs of agriculture in this region, and right now there's no solid voice for the economic needs of the resource-based industries.”

The top 10 activities the coordinator could pursue in collaboration with existing organizations:

1. Coordinating a public education campaign that explains the importance of resource-based industries to the region and the environmental benefits to the public of well-managed resource-based industries, and supports more direct marketing opportunities;
2. “Branding” the region to help create higher-value markets and new marketing opportunities;
3. Identifying emerging market opportunities and supporting direct marketing opportunities for local products;
4. Promoting technology transfer from research-based institutions to the marketplace;
5. Developing and promoting low-risk, profitable alternative business models;
6. Developing more food and fiber processors to create higher value local products;
7. Working with government agencies to streamline the process of establishing new resource-based businesses and with the Maryland Department of Agriculture to expand market opportunities for Upper Shore farmers;
8. Encouraging the development of an organic food products industry;
9. Incorporating resource-based industries in county economic development plans;
and
10. Coordinating on-going communication with state and local officials.

Task force members suggest that the project may have implications for a broader audience than the six Maryland counties it directly concerns. “It’s a good process that would work well in other parts of the state and at the state level,” says AFT Mid-Atlantic Director Kevin Schmidt. “The themes they’re finding play pretty true across the state and region.”

ESLC's Rob Etgen agrees. "One of the things that we've learned is that agriculture does not follow and respect political boundaries. Agriculture in the Delmarva works as an integrated system, and there's a tremendous number of symbiotic relationships."

For example, Etgen points to the relationship between the poultry industry in the southern part of the Eastern Shore and the grain producers in the northern part of the region. Poultry profit margins depend on access to locally produced grain that is less expensive than grain imported from outside the region. In turn, local grain producers, operating slim profit margins, count on the price premiums local poultry producers can pay for local grain because transportation costs are lower.

"The fact that we have plenty of grain ground left and the infrastructure to produce and ship it, has given us a strong grain industry," Etgen says. "It's a good base, but we need to diversify more."

Furthermore, the process successfully identified common public policy and education goals among three industries—farming, fishing and forestry—that typically pursue policy agendas independently. And it established a critical foundation for future collaboration among representatives of the resource-based industries, local and state government, and non-profit agencies.

"It's really incumbent on local leadership—both elected and advocacy groups, as well as the stakeholders-- to push this agenda to its next level," Magruder says.