

## Appendix D: Incentive Concepts Briefing Document



### Maryland Department of Agriculture

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### MEMORANDUM

**TO:** Members of MDA Soil Health Advisory Committee

**FROM:** Maryland Department of Agriculture

**DATE:** June 1, 2021

**SUBJECT:** Incentives concepts for Maryland Healthy Soils Program

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Before the Soil Health Advisory Committee (SHAC) proceeds with recommendations pertaining to individual priority conservation practices, MDA would like to review incentive concepts that may inform future recommendations.

Below are nine concepts that MDA could pursue to potentially advance the adoption of soil health practices. Some are conservation practice specific, while others are broader in nature. Concepts were selected where MDA would have the primary future role in administering the incentive, as opposed to partnership opportunities that require a robust joint venture (e.g. crop insurance reductions).

Each of the concepts has been pre-evaluated by MDA for three metrics: 1) MDA capacity, 2) Funding, and 3) Producer experience. Definitions for the three metrics are provided below the table along with an evaluation score of strong, moderate, or weak. The evaluation scores are a self-assessment of MDA's strengths and opportunities for improvement. Each concept will be reviewed in more detail at the June 7 meeting with ample time for SHAC discussion. This will be your opportunity to provide input to each incentive concept and identify preferred concepts to pursue. We anticipate the SHAC final input may take additional meetings or feedback opportunities.

We request each member to review the attached in advance of our June 7 meeting, so we may begin assessing your interest and questions about each concept.

Thank you in advance.

Incentive Concept	Brief description	Evaluation Metrics*		
		MDA capacity	Funding	Producer Experience
1) Traditional Cost-share	Use the expanded authority of the MACS program to cost-share for practice adoption			
2) Bundled practice cost-share	Establish 2-3 practice suite implemented over contract duration			
3) Conservation Buffer Initiative	Expand FY21 pilot program to address additional marginal lands with focus on saltwater impacted lands			
4) Cover Crops	Expand traditional program based on SHAC recommendations (mixes, planting season, etc.)			
5) Equipment financing	Promote LILAC opportunity and/or expand Income Tax Subtraction of conservation equipment to include roller crimper, small operation equipment needs, etc.			
6) State certification program	Create branded farmer certification program to advance greater market opportunity (e.g. supply premiums) or other appealing outcomes (e.g. NM audits, priority program access, etc.)			
7) Technical Assistance support	Support state's Soil Health Management Plan (SHMP) capacity via Technical Service Provider network. The SHMP is enabling document for holistic mindset, inclusive of soil health evaluations			
8) Competitive grant fund	Create competitive grant program to fund practice adoption. Evaluation and ranking criteria could be developed with SHAC.			
9) Small farm conservation	Establish dedicated assistance and protocol for small farm operations to complement existing programs			

\* **Definitions:** **MDA capacity** (Office of Resource Conservation) rates our current infrastructure and staffing capacity to deliver the incentive concept; **Funding** rates current (or likely) funding available to MDA for the incentive concept; and **Producer Experience** rates perceived interest or experience among producers with the incentive concept.

-  = weak
-  = moderate
-  = strong