

	
<p>Michael T. Scuse Secretary of Agriculture</p>	<h1>CAPITAL IMPROVEMENT BUDGET PRESENTATION</h1>
	<p>FISCAL YEAR 2025</p>  <p> PROMOTING GROWTH, PROTECTING CONSUMERS</p>

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	<h2>AGRICULTURE</h2> <p>DELAWARE'S #1 INDUSTRY</p>
	<div style="background-color: #333; color: white; padding: 10px;"> <p>FAMILY FARMS</p> <p>On 522,800 acres of farmland, Delaware's 2,158 family farms produce various agricultural products. These include corn, soybeans, wheat, poultry, fruits, and vegetables.</p> <p>ECONOMIC IMPACT</p> <p>Agriculture provides more than 75,000 jobs and nearly \$13 billion in direct economic activity to the state, including \$1.5 billion in direct sales.</p> <p>In 2023, Delaware's community-run farmers markets set an all-time high sales record of more than \$4.14 million. There are 28 farmers markets running in 2024, up from 22.</p> </div> 

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THE DELAWARE DEPARTMENT OF AGRICULTURE

SUPPORTING DELAWARE'S #1 INDUSTRY

\$14.2

Million

Recommended
Capital Budget

DELAWARE DEPARTMENT OF
AGRICULTURE

- Delaware Department of Agriculture supports farmers and consumers alike, working to sustain and grow our industry, promote fresh and seasonal products, and build consumer trust in Delaware.
- 188 dedicated staff in 13 sections strive to effectively and efficiently protect and enhance the environment, health, and welfare of the general public.

Delaware Department of Agriculture Sections		
Aglands Preservation & Planning	Standardbred Breeders' Fund	Plant Industries
Agricultural Compliance	Food Products Inspection	Poultry & Animal Health
Communications & Marketing	Nutrient Management	Thoroughbred Racing Commission
Delaware Forest Service	Pesticides	Weights & Measures
Harness Racing Commission		

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STATE CAPITAL FUNDS

FY24 AND FUTURE YEAR REQUESTS

DELAWARE DEPARTMENT OF
AGRICULTURE

Project Item	FY 2024	FY 2025 Request	FY 2025 Recommended	FY 2026 Request	FY 2027 Request
1. Agricultural Lands Preservation Program*	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
2. Cover Crop Investment	\$ 5,190,000	\$ 5,190,000	\$ 4,000,000	\$ 5,190,000	\$ 5,190,000
Minor Capital Improvement and Equipment	\$ 500,000	\$ 400,000	\$ 200,000	\$ 400,000	\$ 400,000
4. Critical Equipment for Operations	\$ 150,000	\$ 250,000	\$ -	\$ 250,000	\$ 250,000
5. Delaware Agricultural Production Insurance Assistance Program	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 2,500,000
NA Aquaculture - Hatchery Project	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
Total	\$ 16,940,000	\$ 18,340,000	\$ 14,200,000	\$ 18,340,000	\$ 18,340,000

*Alternative project funding is recommended from the Realty Transfer Tax.

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FARMLAND PRESERVATION

REQUEST: \$10,000,000

DELAWARE DEPARTMENT OF
AGRICULTURE

In 2023, we hit a milestone with 151,000 acres of farmland preserved, but there is more work to do!

- Since 2017, we have lost 6.3% of our farms and more than 2,500 acres of farmland to development pressures.

Delaware
AGRICULTURAL LAND PRESERVATION

ROUND 27 SELECTIONS
SEPTEMBER 2023

Agriculture Selection

CURRENT PRESERVATION PROPERTIES

- Agriculture District
- Agriculture Easement
- Farmland Preservation Area
- Farmland Preservation Easement
- Young Farmer Loan Easement
- Public Lands

*USDA National Agricultural Statistics Service "2022 U.S. Census of Agriculture" (2024)

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FARMLAND PRESERVATION

A CARBON MITIGATION STRATEGY


DELAWARE DEPARTMENT OF
AGRICULTURE

Research shows that agricultural easements:





- Avoid converting farmland to developed uses with higher greenhouse gas emissions (GHG).
- Encourage greater adoption of practices that sequester carbon, reduce GHG emissions, and build climate resilience.
- Retain the benefits of conservation practices and the potential of lands to serve as a carbon sink.
- Protect other lands associated with farms – like woods and wetlands – that often provide valuable carbon sequestration.

*American Farmland Trust "Agricultural Land Protection: An Essential Tool for Fighting Climate Change" (2024)




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	<h2 style="text-align: center;">FARMLAND PRESERVATION</h2> <h3 style="text-align: center;">HOW IT WORKS</h3>
	<p>Two step process:</p> <ol style="list-style-type: none"> 1. Landowners voluntarily enroll their farm into a 10-year Preservation District agreement. 2. And then, landowners can apply to sell their farm's development rights, known as a preservation easement, keeping the farm preserved for perpetuity. 

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	<h2 style="text-align: center;">FARMLAND PRESERVATION</h2> <h3 style="text-align: center;">UPCOMING ROUND 28</h3>
 	<p>Round 28:</p> <ul style="list-style-type: none"> • Interest is still strong! • Held workshops with UD Extension • Outreach through social media, press and direct contact <p>Appraised 314 farms (30,500 acres) for Round 28 easement selection using FY24 funding. This includes 58 new farms (3,570 acres) that applied during 2023.</p> <ul style="list-style-type: none"> • New Castle County: 25 farms • Kent County: 103 farms • Sussex County: 186 farms


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FARMLAND PRESERVATION

AGRICULTURAL EASEMENTS



DELAWARE DEPARTMENT OF
AGRICULTURE




Delaware has permanent preservation easements on:


- More than 1,212 farms, with over 151,000 acres
- Approx. 29% of Delaware farmland

County-Level Preservation:

- Kent County: 569 easements on 76,300 acres
 - 42 percent of county farmland
- New Castle County: 113 easements on 15,200 acres
 - 23 percent of county farmland
- Sussex County: 530 easements on 59,500 acres
 - 21 percent of county farmland


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FARMLAND PRESERVATION

AGRICULTURAL EASEMENTS FINANCIAL STATISTICS



DELAWARE DEPARTMENT OF
AGRICULTURE

Total Easement Costs:	\$285.0 million
State funds:	\$200.0 million
Federal funds:	\$ 64.0 million
County funds:	\$ 18.0 million
Other funding:	\$ 3.0 million
Total Landowner Discount:	\$394.0 million

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	<h2 style="text-align: center;">FARMLAND PRESERVATION</h2> <h3 style="text-align: center;">YOUNG FARMER LOAN PROGRAM</h3>
	<p>Agriculture is facing an unprecedented need to transfer land to the next generation of farmers</p> <ul style="list-style-type: none"> • The average age of a farmer is 58 and 1/3 are over 65 • Farmland values, operating costs, technical knowledge needed, and risks combine to make it difficult to get started in farming <p>The Young Farmer Loan Program</p> <ul style="list-style-type: none"> • Helps young farmers purchase farmland with a 30-year, no-interest loan for about 1/2 of the land value • 40 young farmers have received nearly \$9.58 M in loans • Farms are placed in permanent preservation easement • 3,371 acres of land preserved through Young Farmer Loan Program

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	<h2 style="text-align: center;">COVER CROP INVESTMENT</h2> <p style="text-align: center;">REQUEST: \$4,000,000</p>
	<div style="display: flex;"> <div style="flex: 1;"> <p>BACKGROUND</p> <p>Research shows that cover crops are the best tool in Delaware – environmentally and economically – to reduce agricultural nutrient runoff, improve water quality, and mitigate climate change. This management tool improves soil health, increases the resiliency of fields to pests, and reduces fertilizers and pesticides use.</p> <p>THESE FUNDS WILL...</p> <p>Offset the costs for farmers to plant cover crops. These crops are not harvested; therefore, they do not provide income for the farmer, but help Delaware reach its nutrient reduction goals for the Chesapeake Bay.</p> </div> <div style="flex: 1;">  </div> </div>

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MINOR CAPITAL IMPROVEMENTS

REQUEST: \$200,000



DELAWARE DEPARTMENT OF
AGRICULTURE

BACKGROUND

Previously, the Department requested funding for minor capital improvements each year, outlining the projects that needed to be funded. FY21 was the first year that we used this line as a single request, and it has been successful.

THESE FUNDS WILL...

Allow us to continue renovations within our main building, laboratories, and state forests and replace equipment at the end of its useful life. The Division of Facilities Management will manage this funding.



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DELAWARE AGRICULTURE PRODUCTION INSURANCE ASSISTANCE PROGRAM

REQUEST: \$2,000,000



DELAWARE DEPARTMENT OF
AGRICULTURE

BACKGROUND

The development of this program is currently being considered for approval by the Delaware Legislature under House Bill 87.

THESE FUNDS WILL...

Will provide a subsidy of up to 30% of the premium for eligible producers' multi-peril crop insurance premium or whole farm revenue protection premium up to a maximum of \$10/acre.

The subsidy would be paid directly by DDA to the Federal Crop Insurance Corporation on behalf of eligible Delaware producers.



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