

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

House Bill 1553 (Delegate Stull)
Environmental Matters

Agriculture - Honey - Standards

This bill requires the Maryland Department of Agriculture (MDA) to adopt regulations to establish standards for products sold as honey. The standards must be consistent with a specified standard for honey of the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO).

Fiscal Summary

State Effect: General fund expenditures increase by \$170,600 in FY 2011 for MDA to adopt and enforce standards for honey. Future years reflect annualization and inflation. Any criminal penalties imposed for violations of the regulations adopted pursuant to the bill are not expected to significantly affect State finances or operations.

(in dollars)	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	170,600	197,300	206,500	216,200	226,400
Net Effect	(\$170,600)	(\$197,300)	(\$206,500)	(\$216,200)	(\$226,400)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Any criminal penalties imposed for violations of the regulations adopted pursuant to the bill are not expected to significantly affect local government finances or operations.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: “Honey” means the natural sweet substance produced by honeybees from: (1) the nectar of plants; or (2) secretions of living parts of plants that the bees

collect, transform by combining with specific substances of their own, deposit, dehydrate, store, and leave in the honeycomb to ripen and mature. Standards adopted by MDA must be consistent with the standard for honey under the Codex Alimentarius of FAO and WHO, number 12-1981, as amended.

Current Law: The Secretary of Agriculture has specified authority under State law to certify farm products, including honey. The Secretary is authorized, when requested by a person financially interested in a farm product, to examine the product on the basis of MDA or U.S. Department of Agriculture (USDA) standards and provide the person with an official certificate.

Pursuant to provisions under Title 5 (“Pesticide and Pest Control”) of the Agriculture Article, the Secretary is required to inspect apiaries (places where one or more bee colonies may be maintained) and honey houses (structures where honey is extracted and processed for sale) and a beekeeper must register annually with MDA each colony maintained. The Secretary has specified authority to address colonies or bee equipment infected with an infectious bee disease, and specified documentation and permitting requirements apply to colonies or used bee equipment shipped or transported into the State.

Under the Agriculture Article, a person who violates a rule or regulation adopted by the Secretary is guilty of a misdemeanor and, unless another penalty is specifically provided, is subject to a fine of up to \$500 and/or imprisonment for up to three months. A person found guilty of a second or subsequent violation is subject to a fine of up to \$1,000 and/or imprisonment for up to one year.

The Secretary is required to carry out and enforce the provisions of the Agriculture Article.

Background: Honey is produced in every state and a significant amount of honey is also imported. Concern exists about adulterated and contaminated honey, largely with regard to imported honey. Corn sugar, cane sugar, and water may be added to honey to increase profit, and pesticides and antibiotics may be present in honey because of bad manufacturing practices. There is currently no mandatory federal or State standard for honey.

FAO and WHO created the Codex Alimentarius Commission in 1963 to develop food standards, guidelines, and related texts. The Codex Alimentarius is “a collection of internationally adopted food standards and related texts presented in a uniform manner” which “aim at protecting consumers’ health and ensuring fair practices in the food trade” (Codex Alimentarius Commission, *Procedural Manual*, 19th Edition (2010)). The Codex standard for honey covers essential composition and quality factors, contaminants, hygiene, labeling, and methods of sampling and analysis.

MDA's Food Quality Assurance Program offers voluntary certification to producers and processors for agricultural commodities such as eggs, poultry, meat, grain, fruits, and vegetables to USDA and/or MDA standards. MDA does not currently certify honey. MDA also enforces mandatory standards for eggs under the Maryland Egg Law.

The Department of Health and Mental Hygiene licenses and inspects food establishments (food service facilities and food processing plants) and engages in various other efforts relating to the safety and quality of food in the State.

State Fiscal Effect: General fund expenditures increase by \$170,575 in fiscal 2011, which accounts for the bill's October 1, 2010 effective date. This estimate reflects the costs of hiring two agricultural inspectors, one chemist, and a portion (0.5) of an administrator position to conduct inspections at retail locations, conduct laboratory tests of honey samples, and bring enforcement actions. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. MDA does not have information on the number of honey producers/distributors distributing honey in Maryland, but estimates that at least 8,000 retail locations (the approximate number of grocers in the State) sell honey. MDA's inspections and enforcement activities would be focused solely on products sold as pure honey.

Positions	3.5
Salaries and Fringe Benefits	\$130,711
Vehicle Purchases (2)	25,258
Operating Expenses	<u>14,606</u>
Total FY 2011 State Expenditures	\$170,575

Future year expenditures reflect full salaries with 4.4% annual increases, 3% employee turnover, and 1% annual increases in ongoing operating expenses.

Any criminal penalties imposed for violations of the adopted regulations are not expected to significantly affect State finances or operations.

Small Business Effect: Small businesses in the honey industry may benefit from the adoption of standards by MDA. Efforts to establish standards for honey are intended, at least in part, to protect producers, whether large or small businesses, that are producing unadulterated honey that meet established standards.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of Agriculture, Department of Health and Mental Hygiene, Food and Agriculture Organization of the United Nations, World Health Organization, National Honey Board, Department of Legislative Services

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