

SB0034 - Department of Agriculture - State Ombudsm

Uploaded by: Charlotte Davis

Position: FAV



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Susan O'Neill, Chair

Charlotte Davis, Executive Director

Testimony in Support of
Senate Bill 34 – Department of Agriculture – State Ombudsman for Value – Added Agriculture
Senate Education, Energy, and the Environment
January 25, 2023

The Rural Maryland Council **supports** Senate Bill 34 – Department of Agriculture – State Ombudsman for Value-Added Agriculture. This bill will establish the State Ombudsman for Value-Added Agriculture as a position within the Department of Agriculture.

The Rural Maryland Council has long supported increased opportunities for agriculture and the forest products industry enterprises. Value-added production enables farmers to incorporate additional revenue streams into existing operations. Value added agriculture enables primary producers to access secondary markets by transforming raw agricultural products and altering it in a way to increase it's worth to the consumer and producer- think milk to cheese, tomatoes to salsa, wood to furniture. Grow and Fortify's Economic Analysis Value-Added Agriculture in Maryland published in February 2020 reports that value added agriculture provides nearly 74,000 jobs, has an economic impact of over \$20.6 billion annually, and adds nearly \$875 million to the State's fiscal resources.

Due to the complex and cross sector impact related to zoning, permitting and inspections, some farmers have difficulty navigating government and regulatory structure. We believe that a State Ombudsman for Value-Added Agriculture would work to improve farm viability by working with the farmers to navigate the complex regulatory structure.

As envisioned under this bill, the State's Ombudsman for Value-Added Agriculture will work alongside other appointed positions to support producers to enable stronger farms across Maryland through increased profit margins for farmers and rural Maryland.

The Council supports and encourages Value-Added agriculture and the benefits it brings to both farmers and the State's economy. The Rural Maryland Council respectfully requests your favorable support of Senate Bill 34.

The Rural Maryland Council (RMC) is an independent state agency governed by a nonpartisan, 40-member board that consists of inclusive representation from the federal, state, regional, county, and municipal governments, as well as the for-profit and nonprofit sectors. We bring together federal, state, county, and municipal government officials as well as representatives of the for-profit and nonprofit sectors to identify challenges unique to rural communities and to craft public policy, programmatic or regulatory solutions.

"A Collective Voice for Rural Maryland"

Support of SB 34 - Department of Agriculture - Sta

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Position: FAV



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

January 25, 2023

To: Senate Education, Energy & the Environment Committee

From: Maryland Farm Bureau, Inc.

Re: **Support of SB 34 - Department of Agriculture - State Ombudsman for Value-Added Agriculture**

On behalf of our Farm Bureau member families in Maryland, I submit this written testimony in support of SB 34, legislation that establishes a State Ombudsman for Value-Added Agriculture as a position in the Department of Agriculture.

Value-added agriculture means: (1) the alteration of a raw agricultural product in a way that increases the product's worth to a consumer and brings more revenue to a farmer, producer, or processor; and (2) includes all enterprises in which an agricultural business or the agricultural business's products are altered, marketed, produced, or processed in a way that adds income to a farmer, producer, or processor.

The state ombudsman for value-added agriculture shall: (1) serve as the primary point of contact for individuals engaging in, or interested in engaging in, value-added agriculture in the state; (2) provide information regarding state and federal regulations relating to value-added agriculture; (3) act as a liaison between state and federal partners involved in value-added agriculture; and (4) perform any other duty or function that supports value-added agriculture in the state, as required by the secretary.

For many years now, farmers have tried to expand their operations and include value-added food processing. During the COVID-19 Pandemic, the consumer interest skyrocketed for local food and meats. Unfortunately, the regulatory process from the county, state and federal government agencies has prevented most farmers from trying to capture this consumer interest in local food. This bill is a product of a summer study where the Maryland Department of Agriculture (MDA) met with interested producers along with existing food processors to determine what was needed to help increase local food and meat processing in the state. It was determined that the problem was not with the USDA meat inspection, but with the many layers of regulation and permits needed just to build a value-added food processing facility. This position will assist farmers through the layers of regulation and permitting.

MARYLAND FARM BUREAU SUPPORTS SB 34 & REQUESTS A FAVORABLE REPORT

A handwritten signature in black ink, appearing to read 'Colby Ferguson'.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

MD - SB 34 - Ag Ombudsman - Support .pdf

Uploaded by: Darrin Youker

Position: FAV



January 25, 2023

To: Senate Education, Energy and the Environment Committee

From: Horizon Farm Credit

Bill: **SB 34 - Department of Agriculture - State Ombudsman for Value-Added Agriculture**

Position: **SUPPORT**

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$6 billion dollars in loans outstanding to nearly 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

When farmers sell traditional commodities, the prices they receive are set by the marketplace and influenced by regional, national, and international conditions. In such cases, farmers cannot pass on their cost of production – making them price takers, not price makers.

When producers create products out of the livestock they raise or crops they grow, like ice cream from milk or salsa from fresh vegetables, they are diversifying their business and mitigating their risk. Not to mention, it also helps meet the growing demand for locally-produced food and beverages.

While valued-added agriculture is important for farmers, there is no shortage of legal and regulatory hurdles that must be overcome, often at the local, state, and federal levels. Many farmers operate as sole proprietors, so finding the time to identify and navigate the myriad regulatory compliance standards while continuing to manage the day-to-day tasks of running a farm can be daunting. Creating an ombudsman position for value-added agriculture within the Department of Agriculture will help farmers diversify their operations, meet consumers' ever-increasing demand for local products, and help spur additional economic activity throughout the state.

Horizon Farm Credit SUPPORTS SB 34.

For more information, please contact Darrin Youker at 717-634-0004 or dyouker@horizonfc.com.

sb0034 - State Ombudsman for Value Added Ag..pdf

Uploaded by: Grayson Middleton

Position: FAV

SENATE BILL 34

M4

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(PRE-FILED)

By: **Senator Hester**

Requested: November 20, 2022

Introduced and read first time: January 11, 2023

Assigned to: Education, Energy, and the Environment

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Agriculture – State Ombudsman for Value-Added Agriculture**

3 FOR the purpose of establishing the State Ombudsman for Value-Added Agriculture as a
4 position in the Department of Agriculture; and generally relating to the State
5 Ombudsman for Value-Added Agriculture.

6 BY repealing and reenacting, with amendments,

7 Article – Agriculture

8 Section 2-106

9 Annotated Code of Maryland

10 (2016 Replacement Volume and 2022 Supplement)

11 BY adding to

12 Article – Agriculture

13 Section 2-2201 and 2-2202 to be under the new subtitle “Subtitle 22. State
14 Ombudsman for Value-Added Agriculture”

15 Annotated Code of Maryland

16 (2016 Replacement Volume and 2022 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
18 That the Laws of Maryland read as follows:

19 **Article – Agriculture**

20 2-106.

21 (a) The following positions and units are included within the Department:

22 (1) The Maryland Agricultural Fair Board;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 (2) The Chief of Weights and Measures;
- 2 (3) The State Chemist;
- 3 (4) The State Veterinarian;
- 4 (5) The State Board of Veterinary Medical Examiners;
- 5 (6) The State Soil Conservation Committee;
- 6 (7) The Maryland Agricultural Commission;
- 7 (8) The Maryland Horse Industry Board;
- 8 (9) The Maryland Winery and Grape Growers' Advisory Board; [and]
- 9 (10) The Seafood Marketing Advisory Commission; AND
- 10 (11) **THE STATE OMBUDSMAN FOR VALUE-ADDED AGRICULTURE.**

11 (b) The Secretary shall appoint the State Chemist, State Veterinarian, **STATE**
12 **OMBUDSMAN FOR VALUE-ADDED AGRICULTURE**, and Chief of Weights and Measures.

13 (c) The Department also includes any other position or unit which is declared
14 within the Department pursuant to law.

15 **SUBTITLE 22. STATE OMBUDSMAN FOR VALUE-ADDED AGRICULTURE.**

16 **2-2201.**

17 **IN THIS SUBTITLE, "VALUE-ADDED AGRICULTURE":**

18 **(1) MEANS THE ALTERATION OF A RAW AGRICULTURAL PRODUCT IN**
19 **A WAY THAT INCREASES THE PRODUCT'S WORTH TO A CONSUMER AND BRINGS MORE**
20 **REVENUE TO A FARMER, PRODUCER, OR PROCESSOR; AND**

21 **(2) INCLUDES ALL ENTERPRISES IN WHICH AN AGRICULTURAL**
22 **BUSINESS OR THE AGRICULTURAL BUSINESS'S PRODUCTS ARE ALTERED,**
23 **MARKETED, PRODUCED, OR PROCESSED IN A WAY THAT ADDS INCOME TO A FARMER,**
24 **PRODUCER, OR PROCESSOR.**

25 **2-2202.**

26 **(A) THE STATE OMBUDSMAN FOR VALUE-ADDED AGRICULTURE SHALL:**

1 **(1) SERVE AS THE PRIMARY POINT OF CONTACT FOR INDIVIDUALS**
2 **ENGAGING IN, OR INTERESTED IN ENGAGING IN, VALUE-ADDED AGRICULTURE IN**
3 **THE STATE;**

4 **(2) PROVIDE INFORMATION REGARDING STATE AND FEDERAL**
5 **REGULATIONS RELATING TO VALUE-ADDED AGRICULTURE;**

6 **(3) ACT AS A LIAISON BETWEEN STATE AND FEDERAL PARTNERS**
7 **INVOLVED IN VALUE-ADDED AGRICULTURE; AND**

8 **(4) PERFORM ANY OTHER DUTY OR FUNCTION THAT SUPPORTS**
9 **VALUE-ADDED AGRICULTURE IN THE STATE, AS REQUIRED BY THE SECRETARY.**

10 **(B) THE STATE OMBUDSMAN FOR VALUE-ADDED AGRICULTURE SHALL**
11 **RECEIVE A SALARY AS PROVIDED IN THE STATE BUDGET.**

12 SECTION 2. AND BE IT FURTHER ENACTED, That a Position Identification
13 Number (PIN) shall be created in the Department of Agriculture for the State Ombudsman
14 for Value-Added Agriculture.

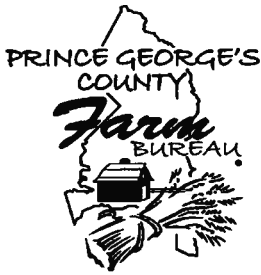
15 SECTION 3. AND BE IT FURTHER ENACTED, That, during the first year after
16 the initial appointment of the State Ombudsman for Value-Added Agriculture, the priority
17 function of the Ombudsman is to focus on implementing the recommendations of the Task
18 Force to Study the Feasibility of Return to State Meat Process Inspection.

19 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2023.

SB0034_PGCFB_Fav.pdf

Uploaded by: Harrison Palmer

Position: FAV



PRINCE GEORGE'S COUNTY FARM BUREAU, INC.

13501 Molly Berry Road Brandywine, MD 20613

PGCFB.org – 301.579.6552 – PGCFB@yahoo.com

January 24, 2023

To: Senate Education, Energy, and the Environment Committee

From: Prince George's County Farm Bureau

Re: Support of SB 34 - Department of Agriculture – State Ombudsman for Value-Added Agriculture

On behalf of the Prince George's County Farm Bureau, I would like to express our support of SB 34 - Department of Agriculture – State Ombudsman for Value-Added Agriculture. This bill dedicates a statewide ambassador to directly aid value-added producers, both new and existing, in guiding them through the regulations surrounding their endeavor.

Value-added agriculture has opened new pathways for agricultural producers to be profitable and successful in their business. Increased growing pressures, rising costs, and lack of labor for farmers has made it challenging to keep family farms in production, and has forced most farmers and farm families to maintain at least one off-farm job. To combat this, farmers have become more creative with their products to generate a sustainable income using products they are already producing, and further marketing them or processing them to be a more valuable product. Value-added production also attracts young, new and beginning farmers who now see agriculture as a successful and profitable business opportunity, both in the rural and the urban market.

The rise in demand for locally produced foods has created a new market for producers to sell their product directly to consumers, both raw and value-added, to receive a higher profit margin. A recent study done by the Business Economic and Community Outreach Network of Salisbury University showed that "Maryland's Value-Added Agriculture industry supports close to 74,000 jobs and brings a total economic impact of over \$20.6 billion annual to the states economy...nearly \$875 million of the State's fiscal resources."

Entering into the value-added agriculture market can be extremely tricky, particularly around food safety protocol, business licensing, state and local permitting, and labeling requirements. This has historically been a major barrier for producers who are looking to get into the market and generate income to preserve their farm, or start their business. Prince George's County Farm Bureau fully supports this bill, and looks forward to working with the State Value-Added Agriculture Ombudsman to serve our farmers.

Best Regards,

Harrison Palmer

Vice President

Prince George's County Farm Bureau

SB34 Hester Testimony.docx.pdf

Uploaded by: Katie Fry Hester

Position: FAV

KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB34 – Department of Agriculture – State Ombudsman for Value Added Agriculture

January 22nd, 2023

Chair Feldman, Vice-Chair Kagan, and members of the Education, Energy, and Environment Committee:

Thank you for your consideration of SB34 - Department of Agriculture - State Ombudsman for Value-Added Agriculture. As you all know, agriculture remains Maryland's number one commercial industry to this day – employing more than 350,000 individuals and driving \$20.6B in economic activity each year. In recent years, much of this industry's growth has come from "value added agriculture," where farmers not only produce raw agricultural inputs, but process them into specialty products such as soaps, gourmet food products, or alcoholic beverages.

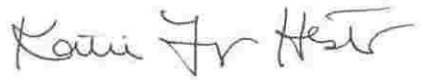
However, this industry faces several challenges to its future success. In particular, the lack of access to processing inspections within the state of Maryland has severely limited farmers' operational capacity. This barrier is especially difficult for aspiring farmers to overcome, and have grown so significant that last year, the state budget required the Department of Agriculture to establish a Task Force to study the feasibility of returning to state-level meat processing inspections instead of relying on federal inspectors. As part of the Task Force's final report, they explicitly recommended the establishment of an Ombudsman within the Department to assist new and existing businesses in their effort to navigate local, state, and federal regulations.

SB34 codifies this recommendation and directs the Ombudsman to prioritize implementation and resolution of the Task Force's findings. However, SB34 then expands the position to serve as the primary point of contact for individuals engaged in, or interested in engaging in, the value added agriculture industry. This would include providing information regarding state and federal regulations, liaising between state and federal partners, and any other duties assigned by the Secretary.

Our farms face a multitude of obstacles here in Maryland, but growth in value added agriculture

and agritourism present promising bright spots for small, family-owned businesses all across our state. They also present significant value for Marylander consumers, who increasingly seek transparency and sustainability in their food systems. For these reasons, I respectfully request a favorable report for SB34

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester
Howard & Montgomery Counties

MDA SB 34 Letter of Support.docx.pdf

Uploaded by: Steven Connelly

Position: FAV



Maryland Department of Agriculture

Office of the Secretary

Wes Moore, Governor
Aruna Miller, Lt. Governor
Kevin Atticks, Acting Secretary
Steven A. Connelly, Deputy Secretary

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Industry

410.841.5885 Baltimore/Washington
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Maryland Department of Agriculture

Legislative Comment

Date: January 25, 2023

BILL NUMBER: SENATE BILL 34

SHORT TITLE: DEPARTMENT OF AGRICULTURE - STATE OMBUDSMAN FOR
VALUE-ADDED AGRICULTURE

MDA POSITION: SUPPORT

SB 34 would establish the State Ombudsman for Value-Added Agriculture as a position in the Maryland Department of Agriculture (MDA). As the value-added agriculture industry in Maryland continues to grow, MDA believes it's necessary to create a dedicated position to support and assist new and existing producers and businesses to navigate the regulatory process at the local, state and federal levels, which can oftentimes be very cumbersome.

In February 2020, the Business Economic and Community Outreach Network (BEACON) of Salisbury University found that Maryland's Value-Added Agriculture industry supports close to 74,000 jobs and brings a total economic impact of over \$20.6 billion annually to the state's economy. This level of economic activity, in turn, adds nearly \$875 million to the State's fiscal resources.

MDA is very supportive of value-added agriculture and sees it as a way to keep agriculture viable and sustainable in Maryland. The department gets calls from farmers frequently who are looking to diversify their farming operations, and we work closely with them on how to navigate different processes in other state agencies. A dedicated State Ombudsman for Value-Added Agriculture would help the department to continue to expand the industry in Maryland. Therefore, MDA respectfully requests a favorable report on SB 34.

If you have additional questions, please contact Steve Connelly, Deputy Secretary, at steve.connelly@maryland.gov or (410) 841-5881.

MD Econ Impact 2023.jpg.pdf

Uploaded by: Jane Seigler

Position: FWA

The Maryland Horse Industry

Why Does It Matter?

51% of Maryland households contain at least one horse enthusiast
Maryland has 10.5 horses per square mile, more than any other state



1. Economic Impact

\$2.1 billion annual economic impact

\$80 million spent on hay, feed, and straw

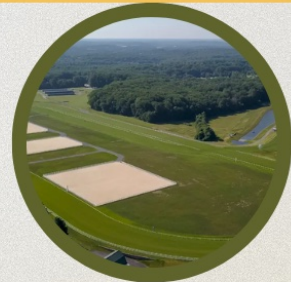
\$78 million in tax revenue

2. Open Space

Over 25% of agricultural land in horse use

88,000 acres in permanent preservation

Land conserved with private dollars



3. Tourism

Four international competition venues

\$___ generated in Prince George's County

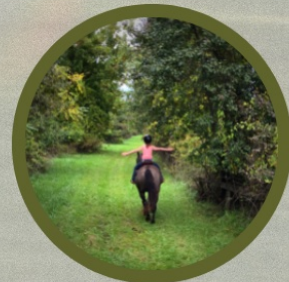
Three internationally televised events

4. Health and Wellness

40 therapeutic riding programs

10,000 children served by educational programs

\$8.4 million economic impact



5. Jobs

>28,000 industry jobs

200 equine organizations

16,000 horse farms and stables

testimony - Ag Ombudsman.pages.pdf

Uploaded by: Jane Seigler

Position: FWA



MARYLAND
HORSE
COUNCIL

P.O. Box 606 | Lisbon, Maryland 21797
www.mdhorsecouncil.org

One Common Bond: The Horse
One Common Voice: The Horse Council

In the Senate Education, Energy and Environment Committee, January 25, 2023

Testimony of the Maryland Horse Council on SB 34

Department of Agriculture - State Ombudsman for Value-Added Agriculture -
FAVORABLE WITH AMENDMENT

The Maryland Horse Council (MHC) is a membership-based trade association that represents the state-wide horse industry in Maryland. Our members include horse farms; horse related businesses; equestrian competitors; trainers; individual enthusiasts; equine-assisted therapy programs; and breed, interest, and discipline associations. We represent over 30,000 Marylanders who make their living with horses, or who just own and love them.

MHC applauds the idea of creating an Ombudsman to support value-added agriculture in Maryland. Value-added agriculture is engaged in by innovative entrepreneurs, and an Ombudsman can provide critical assistance in navigating the often arcane world of state and federal regulation.

According to Grow & Fortify's February 2020 *Economic Analysis of Value-Added Agriculture in Maryland*, value-added agriculture in Maryland supports close to 74,000 jobs, has a total economic impact of over \$20.6 billion annually and adds nearly \$875 million to the state's fiscal resources. The analysis also recognized that enhancement of "social value" to the consumer, while increasing profitability to the farmer, is "the very essence of 'value-added agriculture.'" "

Maryland state law provides that "equine activities," defined as "teaching equestrian skills, participating in equestrian competitions, exhibitions or other displays of equestrian skills, and caring for, breeding, boarding, renting, riding, or training horses," (Ag. Article Sec. 2-701) are "agricultural activities" (Sec. 2-702.1). These activities inherently require the husbanding, training and conditioning of horses to be useful in providing activities and services of "social value" to consumers. Indeed, the Grow & Fortify study includes equine as part of its analysis of value-added agriculture in Maryland.

MHC supports amending SB 34 to make clear that equine activities are included in the Ombudsman's jurisdiction. We suggest the following amendment:

SUBTITLE 22. STATE OMBUDSMAN FOR VALUE-ADDED AGRICULTURE.

2-2201

IN THIS SUBTITLE, "VALUE-ADDED AGRICULTURE":

(1) MEANS THE ALTERATION OR ENHANCEMENT OF A RAW AGRICULTURAL PRODUCT, INCLUDING LIVESTOCK, OR AN AGRICULTURAL SERVICE IN A WAY THAT INCREASES THE PRODUCT'S OR SERVICE'S WORTH TO A CONSUMER AND BRINGS MORE REVENUE TO A FARMER, PRODUCER, OR PROCESSOR; AND

(2) INCLUDES ALL ENTERPRISES, INCLUDING THOSE PROVIDING EQUINE ACTIVITIES, IN WHICH AN AGRICULTURAL BUSINESS OR THE AGRICULTURAL BUSINESS'S PRODUCTS OR SERVICES ARE ALTERED, MARKETED, PRODUCED, OR PROCESSED IN A WAY THAT ADDS INCOME TO A FARMER, PRODUCER, OR PROCESSOR.

With the above amendment, MHC urges a favorable report on SB 34.

Respectfully submitted,

THE MARYLAND HORSE COUNCIL
(844) MDHORSE (844-634-6773)
info@mdhorsecouncil.org

