



**MARBIDCO**  
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED  
INDUSTRY DEVELOPMENT CORPORATION  
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Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

## TESTIMONY STATEMENT

**BILL:** House Bill 56 (Procurement - State Department of Education - Local Food Purchasing Program)

**COMMITTEE:** Budget and Taxation

**DATE:** March 26, 2025

**POSITION:** Favorable

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The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports HB 56, which requires MSDE, in coordination with the MDA and the DGS to establish a program (when funding is available) to procure locally grown food for local school systems. This includes local food grown within a 250-mile radius from the school, food grown by a Certified Local Farm Enterprise or Certified Chesapeake Invasive Species, which would include blue catfish.

The program must include a centralized platform to facilitate procurement of food by local school systems, and MSDE must report annually on the procurement of local food. Moreover, the Board of Public Works must (1) raise the percentage price preference from 5% to 10% for providers of food from certified local farms bidding on school food contracts and (2) adopt regulations authorizing State schools and facilities to conduct individual procurement that is limited to responses from certified local farms.

Farm to School programs serve to benefit students (with access to healthy sources of fresh and locally produced nutrition), small farmers (through enhanced market development and produce sales), and the community (with both locally derived economic activity and more potential access to healthy foods). Complicated procurement processes make it difficult for many small farmers to get their products purchased by schools. Currently they must engage separately with multiple, individual school systems.

### Additional Background Information

In 2020, the General Assembly established the Certified Local Farm Enterprise Program (under MDA) and the Certified Local Farm Enterprise Food Aggregation Grant Fund (under MARBIDCO). The legislation established a 20% procurement goal for Maryland State agencies and institutions to purchase locally grown food from certified local farm enterprises. Many

institutional and wholesale buyers that want to purchase locally sourced food find it difficult in contracting with small farmers to meet their supply sourcing needs. In 2023 the legislation was amended to include Chesapeake Invasive Species Providers to provide Chesapeake Invasive Species as part of the 20% procurement goal. Chesapeake Invasive Species were added to help mitigate the devastating effects of invasive species like the blue catfish in the Chesapeake Bay and help create markets for that fish product.

For this reason, the 2020 bill and subsequent legislation also established a five-year program of funding (totaling about \$2 million) for MARBIDCO to be able to offer Certified Local Farm and Fish Food Aggregation grants to help support the development of a local food aggregation infrastructure in Maryland to help meet current and future wholesale and institutional market demand for locally produced food products. This program has provided funding to farm food aggregators to help with the construction of processing and storage facilities and the purchase of capital equipment.

Farmer marketing associations and cooperatives as well as local governments have been able to access these funds. This grant program is expected to wind up later this year.

The establishment or expansion of farm food aggregators helps provide a link between the small farmer and the larger-scale buyer that is looking to purchase locally grown food. It has long been hoped that local school systems would eventually become purchasers of locally produced foods too. Caroline County Public Schools has truly led the way in Maryland (before the MARBIDCO grant program was even created), and more recently Frederick County Schools began purchasing local farm foods from an aggregator that MARBIDCO has funded. We are hopeful that additional county school systems will be able to access more local farm food because of the passage of this legislation.

In closing, MARBIDCO believes that this legislation will clearly serve to benefit students (with better access to healthy local food products) as well as small farmers (with a sustainable new market), **As such, MARBIDCO respectfully requests a Favorable Report for House Bill 56.**

*MARBIDCO Contact: Steve McHenry, 410.267.6807*

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*MARBIDCO was established 18 years ago by the Maryland General Assembly to help enhance the sustainability and profitability of the State's agricultural and resource-based industries in order to help bolster rural economies, support locally grown and processed food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-governmental financial intermediary organization that has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification. In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and farm credit associations, as well as a host of federal, State, regional, and local government agencies, and universities. Since 2007, MARBIDCO has approved some 1,440 financings totaling more than \$113 million for food and fiber business projects located in all Maryland's counties – and in the process has leveraged nearly \$237 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: [www.marbidco.org](http://www.marbidco.org)*