



February 10, 2026

Senate Bill 371 - Water Pollution Control - Discharge Permits - Concentrated Animal Feeding Operations

Education, Energy and Environment Committee

Position: Support

Farm Credit is a member-owned agricultural lending cooperative providing financial services to farmers, agribusinesses, and rural communities throughout Maryland. Our mission is to support agricultural production while strengthening the economic viability of rural enterprises through reliable and consistent credit.

Farm Credit strongly supports Senate Bill 371, which repeals the statutory requirement that a person must hold a Concentrated Animal Feeding Operation (CAFO) general discharge permit from the Maryland Department of the Environment (MDE) *before* beginning construction on any part of a new CAFO. Eliminating this pre-construction permitting trigger addresses significant timing and regulatory challenges that can disrupt project financing.

Maryland's CAFO permit expired in 2025 and is currently operating under an administrative extension. Under current state law, based on legislation enacted in 2019, producers must secure a CAFO permit before beginning construction on any part of a farm intending to seek coverage under the permit. This requirement is unique to Maryland law and is not included in the federal CAFO permitting framework.

This misalignment between construction timelines and permit issuance creates unnecessary regulatory uncertainty for producers seeking to build, expand, or modernize facilities. When projects are delayed and timelines become unpredictable, many producers face higher costs, from construction materials to interest rates, and often lose valuable time in beginning or expanding production. These challenges ultimately place Maryland farmers at a competitive disadvantage. This uncertainty also affects lenders like Farm Credit, who work closely with producers to finance these projects and ensure their long-term viability. As a result, many producers are left in regulatory limbo, unable to begin construction despite meeting all applicable environmental, federal, and state requirements.

For these reasons, Farm Credit respectfully requests a favorable report on Senate Bill 371.

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