

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 34 (Senators Colburn and Stoltzfus)  
Judicial Proceedings

Referred to Judiciary

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**Agriculture - Disparagement of Perishable Food Products - Cause of Action**

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This amended bill enables an agricultural producer or an association representing producers that suffer damages as a result of a person's "disparagement" of perishable agricultural food products to maintain a cause of action against that person for damages and any other relief a court considers appropriate. The bill may not be construed to prohibit a person who has personal knowledge that a perishable agricultural food product has not been properly handled from warning the public not to consume it.

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**Fiscal Summary**

**State Effect:** None. This bill would not directly affect government operations or finances.

**Local Effect:** None.

**Small Business Effect:** Meaningful impact on small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** In 1995, cash receipts from agricultural commodities in Maryland totaled \$1.4 billion. This represents approximately 85% of the gross farm income for the State's 14,300 farms, most of which are assumed to be small businesses. With the average net farm income in Maryland totaling \$16,797 per farm in 1995, any misinformation by individuals leading to a reduction in the demand for Maryland agricultural products would have a significant financial impact on individual farms. [Average net farm income totals gross farm income (\$1.6587 billion) minus farm production expenses (\$1.4185 billion) divided by the State's 14,300 farms.] This legislation would give agricultural producers and associations, upon filing a cause of action against individuals or groups of individuals disseminating false information, the ability to recoup damages resulting from the

disparagement of perishable food products. The number of cases and the amount of damages generated cannot be determined at this time. However, this legislation would help to ensure that individuals do not make false claims about agricultural products produced in this State, thereby providing additional assistance to the State's 14,300 farms.

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**Information Source(s):** Department of Agriculture, Department of Fiscal Services

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ncs Revised - Senate Third Reader - March 17, 1997

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