

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 1370 (Delegate Morgan)

Environmental Matters

Agriculture - Disparagement of Perishable Food Products - Cause of Action

This 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.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: Meaningful impact.

Fiscal Analysis

Small Business Effect: In 1996, cash receipts from agricultural commodities in Maryland totaled \$1.56 billion. Most of the 13,700 farms in the State are assumed to be small businesses. With the average net farm income in Maryland totaling \$26,984 per farm in 1996, 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 (\$1.187 billion) minus farm production expenses (\$1.021 billion) divided by the State's 13,700 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 13,700 farms.

Information Source(s): Department of Agriculture, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 1998

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