

Department of Legislative Services

Maryland General Assembly

2003 Session

FISCAL AND POLICY NOTE

Revised

Senate Bill 367

(Senator Dyson, *et al.*)

Education, Health, and Environmental Affairs

Environmental Matters

Task Force on the Marketing of Grain and Other Agricultural Products

This bill establishes a 17-member Task Force on the Marketing of Grain and Other Agricultural Products. The task force must evaluate options and develop strategies for the marketing of grain (particularly soybeans) and other products, including an analysis of the feasibility of reestablishing a grain export facility at the Port of Baltimore and establishing new transport options from alternative locations in Central Maryland. The task force also must implement through the Maryland Port Administration (MPA) a feasibility study of the short-term and long-term economic viability of a grain shipping facility at the port and evaluate and make recommendations regarding the study; examine potential costs to the State and private industry; examine potential funding sources; and solicit and encourage participation from other interested parties. The task force must report its findings and recommendations to the Governor and the General Assembly by December 31, 2003. The Maryland Department of Agriculture (MDA) must provide staff for the task force.

The bill takes effect June 1, 2003 and sunsets January 31, 2004.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for MDA are assumed to be minimal and absorbable within existing budgeted resources. The cost for MPA to hire a consultant to conduct the feasibility study, which is estimated to be at least \$50,000, could be handled within the existing Consolidated Transportation Program.

Local Effect: The bill would not directly affect local government operations or finances.

Small Business Effect: None.

Analysis

Current Law: MDA operates a number of programs to enhance the agricultural industry in the State, including providing assistance to farmers, food manufacturers, and distributors to increase the sale of Maryland products. Marketing activities include developing farmers' markets, conducting seminars on product exporting, promoting the aquaculture and seafood industries, and certifying organic products. MDA also offers agricultural mediation services.

Background: MDA advises that its International Marketing and Trade Division provides assistance to many Maryland companies trying to export their products, including soybean producers. In 2001, there were 520,000 acres of soybeans planted in the State, resulting in a harvest of about 20 million bushels. Until recently, the Port of Baltimore provided a large storage and export facility for much of the State's soybean production. The last remaining export grain terminal closed on June 30, 2001, however. Because there are no longer any grain terminals at the port, MDA advises that soybeans have to be transported elsewhere, which increases costs and decreases profits for producers. MDA advises that the closure of the grain terminal at the port has had a significant negative impact (estimated at \$2-\$5 million annually) on soybean producers in the State.

Additional Information

Prior Introductions: None.

Cross File: HB 547 (Delegate Stern, *et al.*) – Environmental Matters.

Information Source(s): Maryland Department of Agriculture, Maryland Department of Transportation (Maryland Port Administration), Department of Legislative Services

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