

Department of Legislative Services  
Maryland General Assembly  
2007 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 865 (Delegate Haddaway, *et al.*)

Health and Government Operations

Finance

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Milk Products - Farmstead Cheese Production - Pilot Study

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This bill establishes a “milk processor – farmstead cheese producer” permit and authorizes the holder of a permit to perform specified functions and to produce “farmstead cheese.” The bill requires the Department of Health and Mental Hygiene (DHMH) to issue this permit to a person meeting specified eligibility qualifications.

The bill takes effect October 1, 2007 and terminates September 30, 2012.

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Fiscal Summary

**State Effect:** None. The bill’s requirements could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** Farmstead cheese is defined as cheese made on a farm using only the raw milk produced by the herd on the farm and that meets specified definitions and standards established in the Code of Federal Regulations.

To qualify for a milk processor – farmstead cheese producer permit, applicants must (1) operate a farm with no more than 120 cows in the herd; (2) be located in Talbot County; and (3) meet any other regulations established by DHMH.

These permits are effective for five years.

**Current Law:** The department issues a milk processor permit that must be renewed annually. It authorizes the holder to operate a dairy farm and sell raw milk from the farm to specified entities. There is no milk processor – farmstead cheese producer permit.

**Background:** Maryland is one of the few states that do not allow a milk processor-farmstead producer permit to be issued. Currently, the State does not prohibit the sale of farmstead cheese, just the production of farmstead cheese within the State.

**State Fiscal Effect:** DHMH advises that it is aware of only one farm located in Talbot County to which the bill would apply. As such, any regulatory requirements imposed by the bill could be handled with DHMH's existing budgeted resources.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 770 (Senator Colburn) – Finance.

**Information Source(s):** Talbot County, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2007  
mll/jr Revised - House Third Reader - March 26, 2007

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