

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE
Revised

House Bill 243 (Delegate Haddaway, *et al.*)
Health and Government Operations

Finance

Milk Products - Pilot Farmstead Cheese Program - Repeal of Sunset

This bill repeals the September 30, 2014 termination date on the Pilot Farmstead Cheese Program. By October 1, 2013, the Department of Health and Mental Hygiene (DHMH) must report to the Governor and the General Assembly on the status of the program.

Fiscal Summary

State Effect: DHMH can issue permits, conduct inspections, and prepare the required report with existing resources.

Local Effect: Local health departments can handle the bill's requirements as part of their regular inspections.

Small Business Effect: Meaningful for dairy farms in the State that choose to expand their operations to include production of farmstead cheese.

Analysis

Current Law: Chapter 437 of 2007 established the Farmstead Cheese Pilot Program in Talbot County. The legislation created a milk processor – farmstead cheese producer permit and authorized a permit holder to produce farmstead cheese. “Farmstead cheese” is defined as cheese that meets definitions and standards for hard cheese established in federal regulations and is made on a farm using only the raw milk produced by the herd on the farm.

Chapter 332 of 2008 expanded the program to five dairy farmers statewide and extended the program's termination date by two years to 2014. Chapter 332 also limited the pilot

program to a five-year period and authorized the Secretary of Health and Mental Hygiene to impose a fee for laboratory expenses related to the program. The fees are deposited into a Laboratory Testing Fund established by Chapter 332 and are designated for laboratory testing associated with farmstead cheese production.

To qualify for a milk processor – farmstead cheese producer permit, applicants have to operate a farm with no more than 120 cows or goats in the herd and meet any other regulations established by DHMH. A permit expires one year after its effective date unless it is renewed. Permits can be renewed for up to four additional one-year terms if inspection and testing staff, equipment, and other resources are available, and if the permit holder continues to meet other requirements established by DHMH through regulations. Up to five permits statewide may be issued.

Background: DHMH advises that no dairy farmer currently holds a permit under the program. However, one is actively moving forward to obtain a permit and two others have expressed interest.

Additional Information

Prior Introductions: None.

Cross File: SB 808 (Senator Colburn) - Finance.

Information Source(s): Maryland Department of Agriculture, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - February 12, 2009
ncs/mwc Revised - House Third Reader - April 1, 2009

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