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POSITION STATEMENT

House Bill 1488 – Certified Local Farm Enterprise Program and Certified Local Farm Enterprise Food Aggregation Grant Fund - Establishment
Health and Government Operations Committee
March 10, 2020

The Rural Maryland Council **SUPPORTS with SPONSOR AMENDMENT** House Bill 1488 – Certified Local Farm Enterprise Program and Certified Local Farm Enterprise Food Aggregation Grant Fund - Establishment. This bill establishes the Certified Local Farm Enterprise Program and Office in the Maryland Department of Agriculture (MDA) to encourage State agencies and four-year public universities to achieve an overall goal of purchasing 20% of food from certified local farm enterprises. Additionally, the bill establishes a Certified Local Farm Enterprise Food Aggregation Grant Fund within the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to establish and operate food aggregation, storage, processing, and distribution sites across the State through grants and near-equity investments.

The Certified Local Farm Enterprise Food Aggregation Grant Fund seeks to provide regional farmers expanded opportunities, increased access to institutional markets, improvements to aggregation and distribution, and access to new markets which compliment current productions. *Farm to Institution New England* is a six-state network of nonprofit, public and private entities working collaboratively to strengthen local food systems by increasing the amount of New England grown and processed food served in the region's schools, hospitals, colleges and other institutions. In 2017, they released a study that showed a trend in regional markets for local food at K-12 schools, hospitals, colleges, and other institutions. According to their research, it was found that those farmers selling directly to institutions were more likely to have a higher gross sales, and to have increased their acreage in the past five years, than those farmers who were not currently selling direct-to-institutions. Over half the farmers also reported that institutions provide stable prices, larger volume orders, and reduced marketing costs. The majority of responding farmers in this study agreed they sell to institutions because it provides an additional market for their products and builds relationships within the community.

<https://www.farmtoinstitution.org/sites/default/files/imce/uploads/FINE%20Producer%20Report.pdf>

The Council believes this study is indicative of some of the benefits potentially derived from HB1488. This bill encourages increased opportunity for Maryland farmers to access institutional contracts, represents opportunity for both direct and indirect economic benefit, and increased quantities of locally sourced food in Maryland Institutions.

The Council respectfully requests your favorable support of HB1488.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

“A Collective Voice for Rural Maryland”