



MARBIDCO
growing rural ventures™

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Ms. Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

TESTIMONY STATEMENT

BILL: House Bill 706 (Maryland Department of Emergency Management – Office of Resilience)

COMMITTEE: House Environment and Transportation Committee

DATE: February 15, 2022

POSITION: Support with Amendment

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) would like to offer a comment on HB 706, Maryland Department of Emergency Management-Office of Resilience. After reviewing this legislation, it appears that the involvement of MARBIDCO in the work of the proposed MDEM Office of Resilience would be better facilitated by the Maryland Department of Agriculture's Office of Resource Conservation, given the extensive expertise of the officials and staff in that agency. MARBIDCO has not yet developed a well-informed opinion on other aspects of this bill.

MARBIDCO Overview

MARBIDCO was established by the Maryland General Assembly about 15 years ago to enhance the commercial sustainability and profitability of the State's agricultural and resource-based industries to help bolster rural economies, provide locally produced food and fiber products, and preserve working farm and forest land for future generations. MARBIDCO is an independent instrumentality of the State of Maryland that has an economic development focus by offering programs that are particularly focused on helping young and beginning farmers to purchase farmland and helping farms and rural businesses to diversify their operation through value-added processing activities. A key function of MARBIDCO is to provide lower cost loans, often working with commercial lenders and farm credit associations, to Maryland farm, forestry and seafood businesses. MARBIDCO has a staff of 10 people consisting mostly of commercial credit under-writers and loan/grant program administrators.

MDA Office of Resource Conservation Overview

The Maryland Department of Agriculture's Office of Resource administers several financial assistance programs addressing nutrient management, soil erosion, and agricultural runoff. The Office of Resource Conservation employs a staff of 182.5 agricultural professionals and technicians.

The Cover Crop Program gives grants to farmers to help offset the seed, labor, and equipment costs associated with planting cover crops on their fields following the summer crop harvest. Small grains, such as wheat, rye, or barley, planted as cover crops in the fall, absorb unused nutrients, control soil erosion, and protect water quality in the bay and its tributaries.

The Maryland Agricultural Water Quality Cost Share Program (MACS) provides cost-share grants of up to 87.5% of the cost to assist landowners installing best management practices (BMPs) on agricultural land. The management practices are designed to reduce water pollution caused by nutrient runoff, sediment erosion, animal wastes, and agricultural chemicals. Among many eligible items, the MACS program can provide grants to upgrade drainage ditches.

Similarly, the Conservation Reserve Enhancement Program, which is a federal-State initiative, provides annual payments to farmers to plant streamside buffers, create wetlands, and provide wildlife habitat on enrolled lands.

In addition to providing more than \$23 million of BMP cost share grants to farmers annually, MDA's Office of Resource Conservation staff works regularly with farmers, USDA-Natural Resources Conservation Service officials, and University of Maryland Agricultural Research and Extension staff in the field to solve agronomic and production challenges and provide technical and cost-share support for agricultural best management practices. MDA also has the regulatory responsibility for drainage ditches and irrigation practices.

Relevant Provisions of the Bill

The bill would require that MARBIDCO appoint a liaison to the new Office of Resilience in order to support and coordinate statewide resiliency efforts. Related to agriculture, the Office of Resilience will coordinate strategies to meet the goal of adapting agricultural practices to respond to increasing precipitation, temperature, and soil salinization.

The bill states specifically that MARBIDCO will coordinate with the Office of Resilience to:

- Build Climate resilience expertise through the Maryland Extension to support best practices in agriculture.
- Support crop transitions and practices that improve resilience and support better access to new markets
- Support upgrades to drainage ditches and canal systems to provide adequate drainage for farmers and homeowners.

Because MARBIDCO is a small quasi-public economic development financial intermediary organization, it does not have the expertise on staff to provide the type of support outlined in the bill. As such, this type of support and expertise is likely better served by the Maryland Department of Agriculture through its Office of Resource Conservation.

Accordingly, if the Committee decides to favorably report HB 706, the following amendment is recommended for adoption:

AMENDMENT

On page 6, in line 30-31, strike "MARYLAND AGRICULTURAL AND RESOURCE-BASED INDUSTRY DEVELOPMENT CORPORATION" and substitute "MARYLAND DEPARTMENT OF AGRICULTURE"

For these reasons, and to correct what we believe is likely a bill drafting error, MARBIDCO respectfully supports the adoption of the above-referenced amendment to House Bill 706.