



MARBIDCO
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED
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TESTIMONY STATEMENT

BILL: Senate Bill 386 (Certified Local Farm and Chesapeake Invasive Species Provider Program – Establishment)

COMMITTEE: Senate Education, Energy and Environment

DATE: February 15, 2023

POSITION: Support with Amendment

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports Senate Bill 386, which proposes to allow certain finfish from an expanded Certified Local Farm and Chesapeake Bay Invasive Species Program to count toward the 20% procurement goal that State agencies and institutions must try to purchase locally grown food and locally harvested seafood.

More specifically, SB 386 alters the name of the existing Certified Local Farm Enterprise Program to the Certified Local Farm and Chesapeake Invasive Species Provider Program and the name of the Certified Local Farm Enterprise Food Aggregation Grant Fund to the Certified Local Farm and Chesapeake Bay Invasive Species Provider Food Aggregation Grant Fund. Chesapeake Bay Invasive Species is defined in the bill as a finfish species that is: 1) ranked as a high priority in the Maryland Aquatic Nuisance Species Management Plan, and 2) is harvested from the Chesapeake Bay or its tributaries.

Senate Bill 386 would allow Chesapeake Bay Invasive Species to count toward the 20% procurement goal and for a person that is licensed and authorized under current law as a seafood dealer to be certified by MDA as a “Certified Chesapeake Bay Invasive Species Provider”. Certified Chesapeake Bay Invasive Species Providers would also be eligible for funding through the Certified Local Farm and Chesapeake Bay Invasive Species Provider Food Aggregation Grant Fund program (which is administered by MARBIDCO).

Background Information

In 2020, Senate Bill 985/ House Bill 1488 was passed that establishes the Certified Local Farm Enterprise Program. The bill established a 20% procurement goal for Maryland State agencies and institutions to purchase locally grown food from certified local farm enterprises. A Certified Local Farm Enterprise was defined as a farm that had a nutrient management plan and was certified by Maryland Department of Agriculture (MDA). It also created the Certified Local Farm Enterprise Food Aggregation Grant Fund to be administered by MARBIDCO.

A major benefit of passing SB 386 would be to increase the demand and market for invasive species from the Chesapeake Bay by including them in the 20% procurement goal of State agencies and institutions to purchase locally grown food and harvested seafood, especially by increasing the demand for blue catfish.

It is a high priority for the State to create strategies to handle the abundant blue catfish because it is an invasive predator to the Bay's native species populations of Maryland's blue crab, striped bass and oysters. Allowing the blue catfish to continue to threaten the populations of these native species also threatens the livelihood of Maryland's watermen. Increased demand to harvest Blue Catfish represents an economic opportunity for Maryland watermen because they are plentiful and there are no limits in Maryland on how many fish can be caught. Commercial watermen in Maryland and Virginia harvested more than 5 million pounds of Blue Catfish in 2017.

MARBIDCO currently administers the Certified Local Farm Enterprise Food Aggregation Grant Fund program which supports the development of local food aggregation infrastructure in Maryland to help meet current and future wholesale and institutional market demand for locally produced food products and to help support the state's 20% procurement goal. MARBIDCO has received mandatory funding in the State Budget of \$435,000 annually for the program since fiscal 2021, and this funding is scheduled to sunset in fiscal 2025. (A total of five years of appropriations). MARBIDCO has awarded, or has pending projects, totaling \$622,718, and has \$402,828 remaining to be allocated in this program in fiscal 2023. **Because the blue catfish problem is such a pressing concern, MARBIDCO recommends moving the effective of the bill forward to July 1, 2023, in order that grant funds might be awarded more quickly to eligible blue catfish processing and aggregation projects.**

In addition, MARBIDCO has recently applied to USDA to its Meat and Poultry Intermediary Lending Program (MPILP) for grant funds to help establish a revolving loan fund to significantly increase the overall processing capacity of Maryland livestock processors. Since catfish are required under federal law to be USDA-inspected, if MARBIDCO is awarded the USDA grant, blue catfish processors in Maryland would be a target of this new lending program too. In support of this application, MARBIDCO received a preliminary loan application requesting \$2.5 million for a substantial new blue catfish processing and aggregation facility to be located on the Eastern Shore.

In conclusion

MARBIDCO supports SB 386 to allow Chesapeake Bay Invasive Species to count toward the State's 20% procurement goal for State institutions and agencies to purchase locally grown food and locally harvested seafood, and to allow Certified Chesapeake Bay Invasive Species Providers to be eligible for grant funds through the Certified Local Farm and Chesapeake Bay Invasive Species Provider Food Aggregation Grant Fund program.

As such, MARBIDCO respectfully requests a Favorable Report with Amendment for SB 386.

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MARBIDCO was established by the Maryland General Assembly 15 years ago to help enhance the sustainability and profitability of the State's agricultural and resource-based industries to help bolster rural economies, support locally produced food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-public financial intermediary organization which has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Assisting young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification (through value added processing activities). Commercial urban farming has also become a focus of MARBIDCO's efforts.

In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and farm credit associations, as well as a host of federal, State, regional and local government agencies, and universities. Since 2007, MARBIDCO has approved 1184 financings totaling \$94.2 million for food and fiber business projects located in of all Maryland's counties – and in the process has leveraged more than \$204.5 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: www.marbidco.org.