

HB 584

Income Tax Credit – Food Donations by Qualified Farms – Extension (Farmers Feeding Families Act) House Ways and Means Committee February 23, 2023

SUPPORT WITH AMENDMENTS

House Bill 584, as currently written, increases the tax credit to 75% of the value of the donation for conventional produce and 100% of the value of the donation for organic produce, and extends the availability of the credit until 2026.

The Maryland Food Bank would not be able to feed the 1 in 3 Marylanders who are at risk of food insecurity without a strong local food system, and the foundation of our food system is the farms and farmers located throughout the state. Local farms and our relationship with farmers are extremely valuable (and have been particularly since the start of our Farm to Food Bank Program in 2010) and necessary to ensure that food-insecure Marylanders and their families are able to regularly access nutritious produce and other agricultural products such as meat and dairy. Through our Farm to Food Bank Program, we contract grow with, glean from, and accept donations from local farms whose products go directly into food insecure communities through our network of 320 partner organizations and 1,200 distribution sites all across the state. In FY 22, we received over 2.5 million pounds of fresh produce from the 53 Maryland farms with whom we partnered.

The Maryland Food Bank is very supportive of efforts to not only bolster local farms and farmers but increase donations of fresh produce and local crops for food-insecure Marylanders, particularly at a time when donations to food banks have significantly declined yet the need for food assistance remains at historic highs from the COVID-19 pandemic, inflation, and the rising costs of basic household goods and necessities. Providing farmers additional incentive to help feed hungry Marylanders and their families through the utilization of this tax credit is beneficial for all involved, particularly the food-insecure communities which might lack the resources to regularly offer such nutritious options to their neighbors.

While this tax credit is wanted and useful for farmers, the Maryland Food Bank suggests amendments to increase the value of the donation to 100% regardless of whether the produce or crop is conventional or organic and remove any sunset provision of the tax credit.

The tax credit will help Maryland farmers off-set their costs that include, but are not limited to, increased hourly wages for labor and increased input costs (for seed, fertilizer, fuel, and supplies). It may also encourage farmers to donate produce in a timely fashion, realizing that they can get a credit for 100% of the value. The proposed amended tax credit will hopefully result in an increase of the amount of farm-fresh donations received at the Maryland Food Bank, especially now as the increase in costs due to inflation has affected our ability to procure food.

Agriculture, in addition to being the number one industry in Maryland, is the backbone of our food insecurity efforts, as there is no food without our farmers. The Maryland Food Bank remains supportive of legislation that supports our farmers. We appreciate your consideration of our amendments and respectfully request a favorable report on HB 584.