



MARBIDCO
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED
INDUSTRY DEVELOPMENT CORPORATION
1410 Forest Drive, Suite 21 ~ Annapolis, MD 21403
Office: 410-267-6807 ~ Fax: 410-267-6809
www.marbidco.org

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

TESTIMONY STATEMENT

BILL: Senate Bill 177 (Procurement - State Department of Education - Control Authority - Local Food Purchasing)

COMMITTEE: Senate Budget and Taxation

DATE: January 22, 2025

POSITION: Support

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports Senate Bill 177, which will give the Maryland State Department of Education (MSDE) the authority to engage in or control procurement of food by local school systems without the approval of any other primary procurement unit. It further requires MSDE, in consultation with MDA, to establish a platform to facilitate procurement of food by local school systems, and exempts procurements by MSDE for the purpose of master contracts from oversight by the Board of Public Works.

Farm to School programs serve to benefit students (with access to healthy sources of fresh and locally produced nutrition), small farmers (through enhanced market development and produce sales), and the community (with both locally derived economic activity and more potential access to healthy foods). Complicated procurement processes make it difficult for many small farmers to get their products purchased by schools. Currently they must engage separately with multiple, individual school systems.

For additional background, in 2020, the General Assembly established the Certified Local Farm Enterprise Program (under MDA) and the Certified Local Farm Enterprise Food Aggregation Grant Fund (under MARBIDCO). The legislation established a 20% procurement goal for Maryland State agencies and institutions to purchase locally grown food from certified local farm enterprises. Many institutional and wholesale buyers that want to purchase locally sourced food find it difficult in contracting with small farmers to meet their supply sourcing needs

For this reason, the 2020 bill and related legislation also established a five-year program of funding (totaling about \$2 million) for MARBIDCO to be able to offer Certified Local Farm and Fish Food Aggregation grants to help support the development of a local food aggregation infrastructure in Maryland to help meet current and future wholesale and institutional market demand for locally produced food products. This program has provided funding to farm aggregators to help with the construction of processing and storage facilities and the purchase of capital equipment.

Farmer marketing associations and cooperatives as well as local governments have been able to access these funds. This grant program is scheduled to end in FY 2025.

The establishment or expansion of farm food aggregators helps provide a link between the small farmer and the larger-scale buyer that is looking to purchase locally grown food. It has long been hoped that local school systems would eventually become purchasers of locally produced foods too. Caroline County Public Schools has truly led the way in Maryland (before the MARBIDCO grant program was even created), and more recently Frederick County Schools began purchasing local farm foods from an aggregator that MARBIDCO has funded. We are hopeful that additional county school systems will be able to access more local farm food because of the passage of this legislation.

In closing, MARBIDCO believes that this legislation will clearly serve to benefit students (with better access to healthy local food products) as well as small farmers (with a sustainable new market), **As such, MARBIDCO respectfully requests a Favorable Report for Senate Bill 177.**

MARBIDCO Contact: Steve McHenry, 410.267.6807

MARBIDCO was established 18 years ago by the Maryland General Assembly to help enhance the sustainability and profitability of the State's agricultural and resource-based industries in order to help bolster rural economies, support locally grown and processed food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-governmental financial intermediary organization that has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification. 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 some 1,410 financings totaling more than \$111 million for food and fiber business projects located in all Maryland's counties – and in the process has leveraged more than \$236.1 million in commercial lender financing. For more information about MARBIDCO's programs, please visit: www.marbidco.org