



MARBIDCO
growing rural ventures™

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

TESTIMONY STATEMENT

BILL: House Bill 286 (Local Comprehensive Planning and State Economic Growth, Resource Protection, and Planning Policy - Planning Principles)

COMMITTEE: Environment and Transportation

DATE: February 4, 2025

POSITION: Support with Amendment

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports WITH AN AMENDMENT House Bill 286 (Local Comprehensive Planning and State Economic Growth, Resource Protections, and Planning Policy – Planning Principles), to correct what we believe is an important oversight in the legislation.

This bill proposed to replace the 12 “Visions” – that a local planning commission must implement through a local jurisdiction’s comprehensive plan – with 8 “Planning Principles.” MARBIDCO understands and appreciates the Maryland Department of Planning’s update of the State’s planning visions and its effort to simplify implementation of local planning principles. The current visions were adopted nearly three decades ago as part of the original Smart Growth legislation.

However, we believe that the principles proposed in the legislation unintentionally omits a key concept to include in future planning efforts. Specifically, the vital importance of agricultural and resource-based businesses and the preservation and conservation of rural working lands. Beyond the food/fuel/clothing/shelter and environmental/open space benefits, agriculture and resource-based businesses contribute more than \$20 billion to the State’s economy each year. (Please see the attached BEACON Report for more information.)

Just over one-half of Maryland’s total land area (about 3.4 million acres) consists of privately owned rural working farm and forest land. The State of Maryland has also adopted the goal to preserve 40% of our land base. Currently, Maryland and its local and federal partners have preserved 30% of our State’s lands and that includes our state parks and forests too, as well as publicly purchased or donated easements held on privately-owned farm and forest lands. These working lands are important to our rural economies, and we need state and local planners to identify those areas that should be considered for both conservation and productivity associated with food and fiber production.

To further explain our concern, below are two of the 12 former “Visions” that would be repealed by the new legislation:

(8) Economic Development: economic development and natural resource–based businesses that promote employment opportunities for all income levels within the capacity of the State’s natural resources, public services, and public facilities are encouraged.

(10) Resource Conservation: waterways, forests, agricultural areas, open space, natural systems, and scenic areas are conserved.

However, while the proposed new Principles on “Place” and “Ecology” seem to potentially have some nexus to Maryland’s “natural resources”, the emphasis of the proposed new Planning Principles seem otherwise to be focused mostly on the “built environment”. **As such, we would like to propose that a new Principle be added on Page 3, after line 26:**

One of the two following options could be considered for incorporation as a Principle in the bill:

RURALITY SUSTAINED: OUR STATE’S AGRICULTURAL, FORESTRY, AND SEAFOOD INDUSTRIES PROVIDE CONSUMERS WITH AN ABUNDANCE OF LIFE-SUSTAINING FOOD AND FIBER PRODUCTS – MOREOVER, MARYLAND’S RURAL WORKING LANDSCAPES ALSO OFFER TANGIBLE ENVIRONMENTAL AND OPEN SPACE BENEFITS AND ARE IMPORTANT TO MARYLAND’S CULTURAL HERITAGE AND QUALITY OF LIFE.

OR, perhaps more simply this:

FOOD AND FIBER PRODUCTION: SUPPORT AGRICULTURAL, FORESTRY, AND SEAFOOD BUSINESSES AND THE RURAL WORKING LANDS AND WATERS THAT SUSTAIN THEM.

Our sincere hope is that such a sentiment as expressed above could be added as a Principle in order to provide important guidance to current and future planning directors and staff (as well as State and local policymakers). We stand ready to assist the Committee as needed concerning the drafting of this language.

In closing, MARBIDCO is deeply concerned about what it sees as an important omission among the new Planning Principles which should formally recognize the important nutritional, economic, environmental, and cultural benefits of rural-based food and fiber production business and its working land-base. **As such, MARBIDCO respectfully requests a Favorable with Amendment Report for House Bill 286.**

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

The Impact of Resource-Based Industries on the Maryland Economy

BEACON, the Business Economic and Community Outreach Network at Salisbury University, with the support of the Maryland Agricultural and Resource-Based Industries Development Corporation (MARBIDCO), has completed an economic impact study to measure the importance of resource-based industries (RBI) to the State of Maryland.¹ The resource-based industries represent a significant and crucial segment of the Maryland economy.

The target Resource-based industries, which include agriculture, forestry, seafood, aquaculture, and horticulture, accounted for over \$20.1 billion in economic activity, 88,610 supported jobs, and over \$755 million in State and local tax revenue. This includes only a portion of the estimated \$2.06 billion economic impact of the equine industry.

A further break-down of the resource-based industries (RBI) showed agriculture (including agricultural-reliant “support industries”) contributed \$16.5 billion to the State’s economy (82.00% of RBI total), supported 73,009 jobs (82.39% of RBI total), and provided over \$610 million in State and local tax revenue (80.83% of RBI total). Please note that the total impact of the equine industry was not included in the agriculture sector. The equine industry represents a portion of the agriculture sector but impacts several other sectors that are not included, such as racing track operations and tourism. As noted before, the Equine industries contributed over \$2 billion to the State economy and supported 21,532 jobs.²

Forestry contributed over \$3.3 billion to the State’s economy (16.57% of RBI), supported 12,890 jobs (14.55% of RBI total), and over \$131 million in State and local tax revenue (17.41% of RBI total).

Seafood contributed nearly \$289 million to the State’s economy (1.43% of RBI total), supported 2,711 jobs (3.06% of RBI total), and over \$13 million in State and local tax revenue (1.77% of RBI total). Please note that the aquaculture industry has a growing number of animal producers; much of the aquaculture activity, such as finfish farming and shellfish farming, were captured under the agriculture sector “animal production” when analyzed for economic impact.

Resource-based Industries	Economy Contribution (\$)	% of total	Jobs Supported	% of total	State & Local Tax Revenue (\$)	% of total
Agriculture (including Agricultural Support industries and Aquaculture)	\$16,526,654,885	82.00%	73,009	82.39%	\$ 610,415,535	80.83%
Forestry	\$3,339,461,946	16.57%	12,890	14.55%	\$ 131,444,964	17.41%
Seafood	\$288,800,382	1.43%	2,711	3.06%	\$ 13,330,173	1.77%
RBI Total	\$20,154,917,213	100.00%	88,610	100.00%	\$755,190,673	100.00%
<i>Equine (partially represented in Agriculture and Support industries, but also included in sectors outside of the scope of this study)</i>	\$2,061,000,000		21,532			

NOTE: The total Equine impact was not included in the Agriculture Industry sector analysis. The value of equine impact includes industry sectors that include many other industries.

¹ The 2019 IMPLAN dataset was utilized in this study, rather than the 2020 dataset, in order to examine the most recent pre-COVID industry impacts.

² *Economic Impact of the Horse Industry in Maryland*. American Horse Council Foundation, 2018.

In addition, the impact of RBI industries on the Maryland Economy was analyzed at a State level and the regional level (i.e., Western Maryland, Central Maryland, Southern Maryland, and the Eastern Shore of Maryland).

In summary,

- Western Maryland contributed \$3.8 billion to the State economy (19.4% RBI total);
- Central Maryland contributed \$8.5 billion to the State economy (43.4% of RBI total);
- Southern Maryland contributed over \$1.7 billion to the State economy (8.8% of RBI total); and
- The Eastern Shore of Maryland contributed nearly \$5.6 billion to the State economy (28.5% of RBI total).

<u>Industry Sectors</u>	<u>Economy Contribution</u>		<u>Jobs Supported</u>		<u>State & Local Tax Revenue</u>	
	<i>Economic Impact: Output</i>		<i>Economic Impact: Employment</i>		<i>Economic Impact: State & Local Tax</i>	
RBI (excludes Equine) including Agriculture, Forestry, Horticulture, Seafood, and Aquaculture						
State of Maryland	\$20,154,917,213	100.00%	88,610	100.00%	\$755,190,673	100.00%
Western Maryland	\$3,627,845,926	18.00%	19,186	21.65%	\$154,287,750	20.43%
Central Maryland	\$9,138,544,217	45.34%	33,126	37.38%	\$323,408,934	42.82%
Southern Maryland	\$1,803,602,328	8.95%	11,078	12.50%	\$96,906,204	12.83%
Eastern Shore of Maryland	\$5,584,924,742	27.71%	25,220	28.46%	\$180,587,786	23.91%
Agriculture - Total Ag Impact*						
State of Maryland	\$16,526,654,885	100.00%	73,009	100.00%	\$610,415,535	100.00%
Western Maryland	\$2,361,790,929	14.29%	14,064	19.26%	\$102,059,455	16.72%
Central Maryland	\$8,130,486,106	49.20%	29,283	40.11%	\$286,107,915	46.87%
Southern Maryland	\$1,363,893,641	8.25%	8,731	11.96%	\$74,941,651	12.28%
Eastern Shore of Maryland	\$4,670,484,210	28.26%	20,931	28.67%	\$147,306,514	24.13%
Equine (estimated)***	\$2,061,000,000		21,532			
Forestry						
State of Maryland	\$3,339,461,946	100.00%	12,890	100.00%	\$131,444,964	100.00%
Western Maryland	\$1,266,054,997	37.91%	5,122	39.73%	\$52,228,294	39.73%
Central Maryland	\$987,770,533	29.58%	3,486	27.04%	\$35,544,501	27.04%
Southern Maryland	\$419,238,126	12.55%	1,974	15.31%	\$20,127,600	15.31%
Eastern Shore of Maryland	\$666,398,290	19.96%	2,309	17.91%	\$23,544,569	17.91%
Seafood **						
State of Maryland	\$288,800,382	100.00%	3,341	100.00%	\$13,330,173	100.00%
Western Maryland	0	0.00%	0	0.00%	0	0.00%
Central Maryland	\$20,287,578	7.02%	357	10.69%	\$1,756,518	13.18%
Southern Maryland	\$20,470,562	7.09%	374	11.18%	\$1,836,953	13.78%
Eastern Shore of Maryland	\$248,042,243	85.89%	1,980	59.27%	\$9,736,702	73.04%