

# WRITTEN TESTIMONY

## House Bill 1342

Agriculture – Controlled-Environment and Hydroponic Agriculture

House Environment and Transportation Committee

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Submitted by:

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## I. Introduction and Standing

My name is Keith Parker, and I submit this testimony in support of House Bill 1342 in my capacity as a Related Services Representative on the Maryland Agriculture Commission and as a representative of Piedmont Harvest, a veteran-owned, an SBR / VSBE controlled-environment agriculture company operating in Maryland.

I bring to this testimony both a policy perspective, shaped by my work on the State Agricultural commission, and a practitioner's perspective. Piedmont Harvest has conducted independent research using available resources to validate controlled-environment growing methods, crop selection, and operational requirements firsthand. We are currently pressure-testing our commercial deployment model at the county level, working through site selection, zoning, community partnerships, and institutional buyer relationships.

I am fully supportive of HB 1342 moving forward. My testimony today is intended to strengthen the bill's foundation, not alter its direction.

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## II. What the Bill Gets Right

Delegate Young has built a serious legislative framework that addresses several of the most persistent barriers to controlled-environment and hydroponic agriculture in Maryland.

The Maryland Controlled-Environment and Hydroponic Agriculture Program Fund provides the capital access that early-stage operators need to establish and expand facilities, access that is currently unavailable through traditional financing channels for this emerging sector.

The one-stop portal addresses one of the most frustrating practical barriers facing operators today, the absence of a centralized source of permitting and licensing information. Navigating that landscape currently requires engaging multiple agencies without a clear roadmap. This provision changes that.

The zoning flexibility requirement is among the bill's most significant provisions. By directing local legislative bodies to adopt regulations that allow controlled-environment agriculture in urban areas, the bill directly unlocks the dormant buildings and underutilized land that represent Maryland's greatest untapped food production asset.

The state procurement goals are the provision that most transforms the economics of this sector. By creating a guaranteed and growing market for certified local hydroponic farms, 1% in FY2028, 3% in FY2029, and 5% in FY2030 and beyond, the bill does not just create producers. It creates buyers. That changes the investment calculus for every operator considering entering this space.

The Workforce Training Initiative, delivered through community colleges, addresses the labor pipeline question that is essential to scaling any new agricultural sector sustainably.

Taken together, these provisions represent a comprehensive and thoughtful approach to advancing controlled-environment agriculture in Maryland. The committee should be proud of this framework.

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### **III. The Infrastructure Argument — Strengthening the Foundation**

While the bill's program mechanics are strong, I respectfully submit that its current framing represents a significant missed opportunity, one that can be corrected with targeted language changes that do not alter a single program mechanic.

As currently written, HB 1342 establishes controlled-environment and hydroponic agriculture as a pilot program initiative with discretionary, time-limited funding. I understand and respect the fiscal logic of a phased approach. However, I urge the committee to consider a distinction that has profound downstream consequences: the difference between a pilot and infrastructure.

Maryland has made a collective decision that certain systems are too important to leave entirely to market forces. Roads. Water. Broadband. These are funded permanently, maintained as public assets, and treated as essential services because communities cannot function without them. We do not pilot a water system. We do not set a two-year appropriation for a highway and see how it goes.

Food production, particularly in urban communities where access to fresh, nutritious food is already limited and supply chains are long and fragile, belongs in the same category. Food insecurity is the symptom. The disease is a food system that was never designed like infrastructure.

The language difference between "pilot program" and "permanent food production infrastructure" may appear cosmetic. It is not. When agencies see pilot language they treat programs as temporary, staffing accordingly, planning accordingly, and communicating accordingly to potential operators and investors. When agencies see infrastructure language they treat programs as core functions, with the institutional commitment that entails.

Similarly, the bill's current structure presents two compounding limitations that undercut its infrastructure ambition. First, the fund "may provide" grants, discretionary language that gives the Department authority to provide nothing at all. Infrastructure is not discretionary. Second, the fund caps grants at five annually for the entire state of Maryland, a limitation so narrow that a single networked operator could exhaust the annual allocation before any other company gains access.

These limitations, pilot language, discretionary funding, arbitrary grant caps, and a two-year appropriation sunset, tell the same story together: this is designed as a temporary experiment rather than a permanent system. All of them need to change together. The infrastructure frame requires both mandatory permanent language AND investment levels commensurate with what infrastructure actually costs.

Maryland has the opportunity with this bill to be among the first states in the country to formally declare urban food production as public infrastructure. That is a legacy position worth claiming, and the language changes required to get there are small.

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## IV. Specific Recommendations

I submit the following targeted recommendations for the committee's consideration. Each is designed to strengthen the bill without altering its core program structure.

**Recommendation 1 — Add a Legislative Finding** — Add a new findings section before Section 1 declaring:

*“The General Assembly finds that access to locally produced food is essential infrastructure for the health, resilience, and economic security of Maryland communities, and that controlled-environment and hydroponic agriculture represents a permanent, scalable solution to food system vulnerabilities in urban and underserved areas of the State.”*

This is the single most impactful change available. It costs nothing fiscally. It reframes everything that follows, shaping how agencies implement the law, how courts interpret it, and how future legislatures build on it.

**Recommendation 2 — Replace Pilot Language and Strengthen Fund Mandate** — Replace the current fund language:

*“The Fund may provide for up to five grants annually that may be used only for...”*

With:

*“The Fund shall provide grants annually to eligible operators, with priority given to applicants serving food-insecure communities and applicants proposing networked, multi-site food production systems, that may be used for...”*

This change accomplishes three critical things simultaneously. It converts discretionary “may” language to mandatory “shall” language, ensuring the fund actually functions. It removes the arbitrary five-grant annual cap that limits the fund’s reach across a state the size of Maryland. And it removes pilot framing while adding network priority language that directly supports a food infrastructure model.

**Recommendation 3 — Substantially Increase and Permanently Mandate the Appropriation**

The bill’s current \$5,000,000 appropriation for FY2028 and FY2029 is an important starting point but falls critically short of what genuine food infrastructure investment requires.

For context, establishing a meaningful networked food production system capable of serving multiple Maryland communities requires capital investment that \$5M cannot sustain at scale. Maryland’s commitment to broadband infrastructure, transportation infrastructure, and water systems operates at orders of magnitude greater investment precisely because those systems serve entire communities rather than discrete pilot sites.

Furthermore, the bill’s appropriation sunsets entirely after FY2029, leaving the fund as a named entity with no guaranteed resources. That is not infrastructure, that is a two-year experiment with a permanent-sounding name.

We recommend two specific changes:

First, increase the annual appropriation floor:

*“For fiscal years 2028 and 2029, the Governor shall include in the annual budget bill an appropriation of not less than \$10,000,000 to the Fund.”*

Second, mandate permanent ongoing appropriations with inflation protection:

*“Beginning in fiscal year 2030 and each fiscal year thereafter, the Governor shall include in the annual budget bill an appropriation of not less than \$10,000,000 to the Fund, adjusted annually based on the Consumer Price Index.”*

This mirrors the approach the bill already takes with the Urban Agriculture Water and Power Infrastructure Grant Fund, making the appropriation permanent rather than time-limited. Applying that same permanence to the new Program Fund, at a level commensurate with genuine infrastructure investment, signals that Maryland is building a system rather than running an experiment.

**Recommendation 4 — Broaden the Definition of Eligible Operators** — The bill uses the term “controlled-environment or hydroponic farmer” throughout without a precise definition. Implementation regulations written narrowly could inadvertently exclude container-based and modular growing systems, which represent some of the most accessible and deployable technologies for urban food production in Maryland.

Add a definition that explicitly includes container-based, modular, and vertical growing systems in addition to traditional greenhouse operations. Without this, the bill’s intent and its implementation may diverge significantly.

**Recommendation 5 — Establish Startup Eligibility Explicitly** — The bill’s grant fund is designed to help establish and expand facilities, language implying it is meant to serve operators at various stages of development. However, without explicit eligibility language, the Department of Agriculture may write implementation criteria requiring existing commercial revenue or operational history, inadvertently locking out exactly the early-stage operators the bill is trying to reach.

Add language clarifying that pre-commercial applicants with demonstrated business planning, technical validation, and community partnerships are eligible for grant consideration.

**Recommendation 6 — Add Matching Requirement Flexibility** — The bill’s 87.5% matching fund provision was inherited from the existing Urban Agriculture Water and Power Infrastructure Grant Fund rather than designed for this context. For operators serving food-insecure communities, a cash matching requirement can be a meaningful barrier to accessing a fund specifically designed to reach them.

Add a waiver provision allowing the Department to accept in-kind contributions, including land, demonstrated R&D investment, labor, or equipment, as satisfaction of the matching requirement for operators serving designated food-insecure communities. This removes the cash barrier without reducing accountability.

**Recommendation 7 — Add a Long-Term Sustainability Plan Requirement** — The bill is currently silent on what happens to funded facilities after grant resources are exhausted. Infrastructure has maintenance funding. This bill currently does not.

Add language requiring the Department to develop a long-term sustainability plan for each funded facility, ensuring that grant capital creates permanent productive assets rather than facilities that operate for two years and close when funding ends. This is the difference between building a road and renting one.

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## **V. Piedmont Harvest — A Ground-Level Perspective**

I offer the committee a practitioner's perspective on what this bill looks like from inside the industry.

Piedmont Harvest is a veteran-owned, SBR /VSBE controlled-environment agriculture company developing a networked food production model in Maryland. We have conducted independent research using available resources to validate controlled-environment growing methods, testing crop selection, system operations, and production requirements firsthand. We are not presenting a theoretical concept. We are presenting a validated model moving toward first commercial deployment.

We are currently pressure-testing our commercial deployment model at the county level, working through site selection, zoning, community partnerships, and institutional buyer relationships. We are in the stage between proven private production and first commercial operation.

Our model is built around what we call a multi-asset anchor network, a system of modular production facilities deployed on dormant urban land, connected through shared distribution infrastructure, and serving institutional buyers including schools, hospitals, and government facilities. It is designed explicitly as infrastructure, not as a standalone farm, but as a networked food production system serving multiple communities simultaneously.

We are exactly the kind of company this bill is designed to bring to scale. The recommendations above are drawn directly from our experience navigating the barriers that currently stand between proven growing models and community-scale deployment in Maryland. Each gap we have identified is one we have encountered personally.

The procurement goals in this bill, if implemented with accessible certification pathways for small and startup operators, represent a transformative market signal. The zoning flexibility provision directly addresses barriers we have encountered at the county level. The grant fund, if designed with startup eligibility and matching flexibility, provides the capital bridge between R&D and first commercial operation.

We stand ready to serve as a demonstration project for what this bill creates when it works as designed.

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## **VI. Closing**

HB 1342 is serious legislation that addresses real barriers to a sector Maryland genuinely needs. With the targeted additions outlined in this testimony, particularly the legislative finding, the shift from discretionary pilot language to mandatory infrastructure language, the removal of the five-grant cap, the increased and permanent appropriation, and the long-term sustainability requirement, this bill can be more than a grant program.

It can be the foundation of a permanent, networked food production system that treats access to fresh food the way Maryland treats access to water, power, and broadband. Not as a pilot. Not as an experiment. As infrastructure.

The Maryland Agriculture Commission is moving in exactly this direction. Piedmont Harvest is building exactly this model. And this bill, strengthened by the infrastructure framing, gives both the legislative foundation to move forward with institutional confidence.

I urge the committee to support HB 1342 and to consider the recommendations submitted here. I am available to provide additional information, to meet with committee members or staff, and to work closely with Delegate Young's office as this legislation moves forward.

Respectfully submitted,

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