

Maryland Agricultural Commission
Minutes
June 14, 2017

Present:

Ag Education – Martha Clark	Nursery I – Marion Mullan
Agritourism – Taylor Huffman	Organic-Marian Fry
Agribusiness – Tom Fisher	Poultry II – Michelle Protani-Chesnik
At Large Ag Service –Vanessa Finney	Turf – Tom Warpinski
Aquaculture – Talmage Petty	Veterinary – Dr. John Brooks
Consumer – Carroll Shry, Jr.	
Dairy I – Tim Bishton	
Dairy 2—Jason Myers	
Equine – William Reightler, Jr.	
Grange – Delegate Paul Stull	
Horticulture – Cole Mangum	
Nursery II – Ray Greenstreet	

Absent:

At Large Ag Service –Vanessa Finney	Direct Farm Marketing – Katie Kraszewski
At Large Ag Service –David Roles	Bio-Fuel – David Burrier
Field Crops – Donald Maring	Farm Bureau – Milly B. Welsh
Food Processing – Cheryl DeBerry	Poultry I – Charlie Carpenter
Tobacco – Charles Cox	Vegetable – Alison Howard
	University- Dean Beyrouy
	Viticulture – Matthew Spies

MDA Staff:

Joe Bartenfelder-Secretary	Jim Eichhorst – Deputy Secretary
Hans Schmidt – Asst. Sec., RC	Kevin Conroy – Asst. Sec., Pest
Steve Connelly- Asst. Sec., Animal Health Secretary	Rich Colburn- Special Assistant to
Jason Schellhardt- PIO	Ron Buckholt- Seafood Marketing
Matt Tefteau- Director Gov’t Relations	Julie Oberg- PIO
Byron Petrauskas- Program Manager	

Guests:

Pete Jayne- MDNR

Speakers:

“Crop Damage Permits” by Pete Jayne

The Wednesday, June 14, 2017 public meeting of the Maryland Agricultural Commission was called to order by John Brooks, at the Maryland Department of Agriculture, at 8:37 a.m. The February 8th minutes were approved by Paul Still, second by Michelle Protani-Chesnik and approved by all.

Commodity Reports:

Ag Education – Martha Clark The newly constructed custom trailer continues to be outfitted with exhibits and displays. The dedication/ribbon cutting is scheduled for August 31, 2017 at the State Fair. Registration for the annual Ag in the Classroom Teacher Training workshop is full with 50 teachers from across Maryland. The workshop takes place June 25th - 29th in Westminster. The elementary education teachers will be trained to use agriculture as a teaching. Calendar Contest – hundreds of students submitted artwork describing their understanding of Maryland agriculture. The 2017/2018 month calendar features 18 of the most interesting of these contributions. Look for the new 16 month calendar at the end of August. Middle school lessons developed by a committee of Maryland Horse Discovery Center operators and professional are proving to be a big hit among the farms, educators and students. Days End Farm Horse Rescue in Woodbine and Waredaca Horse Farm in Laytonsville have reported great successes using the lessons with their clients. Scheduled for June 26-28, 2017 over 300 students will participate in MD FFA State Convention at the Maritime Conference Center in Linthicum. Nearly 100 volunteers and advisors help this process as judges, sponsors and facilitators. The program includes the retirement the current state officers and the selection of the new state officers. MD FFA has been selected to pilot the new national officer training curriculum. The new training begins in July. MAEF continues to advocate for new Ag programs in Somerset, Howard and Allegany Counties as well as in all other school systems that currently have Ag programs. At the MAEF annual meeting on June 29, 2017, long time Board member and current president, Gail Yeiser, will have completed her term with the MAEF Board. Her valuable insights and leadership will continue to support MAEF an advisor and committee member. Retired Howard County Ag educator, Joseph Dymek, will likely be elected to serve as MAEF's next president.

Agribusiness – Tom Fish Some of the news in the agribusiness industry recently has been the proposed mergers of the major seed and chemical companies. In an effort to win approval and public support Bayer has pledged to keep all 9,000 of Monsanto's U.S. employees and create an additional 3,000 high-tech positions if the merger is approved. Additionally, Bayer plans to invest \$8 Billion in research and development for new crop seeds and pesticides. Meanwhile, the Dow/Dupont merger has been delayed as European regulators are insisting on asset divestments. As a result, Dupont said it will exchange its pesticide units to FMC Corp-a Philadelphia Company-for FMC health and nutrition businesses and cash. FMC will receive DuPont's chewing pest insecticides, its cereal broadleaf herbicides, and a substantial portion of its crop protection research and development units. FMC now becomes a more significant chemical player with the additional product lines. In the fertilizer industry, there has been significant production investments to build/upgrade nitrogen manufacturing plants. In the year 2020, the U. S. is on track to have 50% more capacity than 2015. CF Industries just finished expanding an Iowa plant to produce 2 million metric tons, an Australian company is building an \$850 million ammonia plant in Waggaman, LA and has started production, and OCI Americas is near completion of a 2 million metric ton nitrogen plant in Wever, Iowa. These plants-some are foreign investors-are taking advantage of the low cost of natural gas and the benefits of the shale revolution. As the WSJ reports, in the U.S., natural gas is the key ingredient of nitrogen based fertilizers. **er** Some of the news in

the agribusiness industry recently has been the proposed mergers of the major seed and chemical companies. In an effort to win approval and public support Bayer has pledged to keep all 9,000 of Monsanto's U.S. employees and create an additional 3,000 high-tech positions if the merger is approved. Additionally, Bayer plans to invest \$8 Billion in research and development for new crop seeds and pesticides. Meanwhile, the Dow/Dupont merger has been delayed as European regulators are insisting on asset divestments. As a result, Dupont said it will exchange its pesticide units to FMC Corp-a Philadelphia Company-for FMC health and nutrition businesses and cash. FMC will receive DuPont's chewing pest insecticides, its cereal broadleaf herbicides, and a substantial portion of its crop protection research and development units. FMC now becomes a more significant chemical player with the additional product lines. In the fertilizer industry, there has been significant production investments to build/upgrade nitrogen manufacturing plants. In the year 2020, the U. S. is on track to have 50% more capacity than 2015. CF Industries just finished expanding an Iowa plant to produce 2 million metric tons, an Australian company is building an \$850 million ammonia plant in Waggaman, LA and has started production, and OCI Americas is near completion of a 2 million metric ton nitrogen plant in Wever, Iowa. These plants-some are foreign investors-are taking advantage of the low cost of natural gas and the benefits of the shale revolution. As the WSJ reports, in the U.S., natural gas is the key ingredient of nitrogen based fertilizers.

Agritourism – Taylor Huffman We are now in full bloom for spring agri-tourism events. Strawberry fields have opened, blueberries are almost ready for picking and some farms across the state even had U-pick flowers in late April/May. Farmers Markets are opening and farmers across the state are advertising the products they have to offer from their farms. However, The spring weather for 2017 has certainly affected many farmers crops across the state. The month of May had unseasonable weather with late-season freezes and almost record-high temperatures. In the graph below from the National Weather Service, you can see that the rainfall conditions for the month of April 2017 was actually lower than average for four of the five collection areas. According to The Weather Channel, the East will see the highest chances for warmer-than-average temperatures early in the summer. So, looking forward to the summer season for farm agri-tourism activities across the state, hopefully we see average or above average rainfall and average warmer conditions. On another note, Wineries are open for businesses and in full swing of events on their farms. For a full list of events visit MarylandWine.com/Events. Also, The Maryland Grape Growers Association, in conjunction with University of Maryland Extension, will host the Annual Summer Field Day on June 24th, 2017. The day will begin with a tour of New Market Plains Vineyards in Frederick County, and will be followed by discussions on a wide variety of viticultural topics. Registration is still open.

Aquaculture – Talmage Petty The Demand for oysters remains strong. Weather has affected smaller farms. The demand is strong for good brands, we raised our prices 10% and saw virtually no impact on sales. Smaller farms are pressed on their prices due to less branding of their products. In Maryland there are few new players in the market mainly due to permitting. The demand for oysters and education nationally is increasing. Strategically we are seeing a stay at home commodity. Less people are eating out for lunch. There are fewer wild oysters left in the Bay.

At Large Ag Service – Vanessa Finney Demand for horticulture products continues to be very high with many shortages reported. MNLGA, representing the ornamental horticulture industry within the state as a whole, will host its annual Field Day at Ruppert's Nursery in Laytonsville on June 29th. Leaders from MDA and UMD will present, as will UME provide education on industry topics. MNLGA commissioned U of MD Ag

Law Initiative to compile a “handbook” for members detailing interstate nexus and tax triggers and laws. This in response to pattern of industry trucks being stopped over state lines and held “hostage” for taxes dues. The guidelines help to explain state taxing regs along the eastern seaboard, from Virginia to Maine. The American Landscape Institute – a new organization developed to recruit and train new employees into the nursery and landscaping professions has seated its first class. This Institute is modeled after a very successful European model of education and training that has been in existence for decades. Students will receive simultaneous hands-on work experience coupled with classroom education. CCBC will provide the education, which offers a Certificate in Landscape Design and Installation over after completion of two years in the program, or an AA in Sustainable Horticulture after three years in the program. Scholarship of 80% is offered to the students, as well as payment for hours worked. More information can be found at <http://www.americanlandscapeinstitute.com/program-overview/>.

Consumer-Carroll Shry, Jr. Aspects looked at were Barn stormers. General Public sees historical aspects of barn. Another Aspect being sustainable healthy soils. As a result of Dairy Industry composting and ability to sale to public. This can produce extra income. No weed germination in it. A big problem is there is no soil testing facilities in MD, instead of Pennsylvania.

Dairy I-Tim Bishton Mid Atlantic Dairy Association held a breakfast in the classroom program in Annapolis and I was the Dairy Farmer. Ravens player was also present and spoke great on behalf of the Dairy Industry. There is a disconnect during teen years on milk consumption. I testified on HB1035 which was the trucking weight for 5 axel trailers. It increased how much a milk truck can haul during the Spring Flush. There was no opposition to the bill. It went into effect right away.

Dairy II-Jason Myers After an early spring pull back for future prices, there is currently an increase in world prices for dairy products, helping to drive future prices higher. On June 2, class III futures were at \$16.95 per 100 pounds, up 22% versus last year. Class IV futures stand at \$16.82 per 100 pounds now, up 16% over last year. One of the big impacts on these positive price movements is the ever increasing popularity of butter. More people are coming to respect butter as a healthy food choice. The biggest issue in the industry at the present time is the marketing problems in certain marketing orders. Currently pockets of independent producers are left to find a market for their milk as the industry continues to consolidate. The lack of production capacity at certain times of the year in certain areas is a key factor.

Direct Farm Marketing – Katie Kraszewski As farmers are heading into the summer season, now is the time to put your marketing plans to work. In Ginger Myer’s latest Master Marketing series, she examines how much to spend on marketing. Many industry experts use ten percent as a good number, although it can vary by the type of business and what exactly you are marketing. In addition, a realistic marketing budget will be based on the income that exceeds expenses, not the total revenue. Also remember that marketing strategies and budgets are not a “once and done” task; take time to review which of your marketing efforts are working and which are not. Ideally, you should be able to tie revenues back to each advertising source. Make changes if necessary; do whatever works best for you and your business.

Equine- Bill Reightler The Spring steeplechase season has been underway culminating with The Maryland Hunt Cup. Gerry Brewster's Derwin's Prospector outlasted one other finisher in the field of

ten that started the 4 1/2 mile race jumping 22 fences. The Maryland Jockey Club reported record attendance for the Black Eyed Susan card of races on May 19th to 50,339 up 4.9% and betting handle showed an increase of 6.6% to \$19.895 million. The Preakness card of races on May 20th produced a record of 140,327,000, 3.7% increase in attendance. A record in wagering showed an increase to \$97.168 million, 3.2% over last year's numbers. The Fasig-Tipton Company conducted its annual Two-year-old in training sale on May 21st and 22nd at the Timonium Fairgrounds which saw increases in gross sales to \$25,237,000 up 11% from last year. A colt by leading sire Curlin fetched the high price of \$1.5 million. Beyond The Wire, Maryland racing's aftercare program launched Preakness week accepting three race horses for retirement. They are being retired to two farms based in Maryland. Fair Hill, Maryland is in the final stages of being considered for Four star horse show event. There is one other location being considered. The selection committee will make their decision later this year. The Maryland Horse Breeders Association is conducting its annual yearling show on June 25th. Over 70 thoroughbred yearlings will be judged by Hall of Fame Trainer Dale Romans.

Field Crops-Donald Maring As of last Friday, cash corn in central Illinois was \$3.43 and here in Maryland it was \$4.58 delivered to the mills. Soybeans in Illinois were \$9.95 and here in Maryland it was \$10.22 delivered to Baltimore. Harvest has begun in South America rains have lowered quality in early season beans however it could be beneficial to the later season beans. USDA is estimating an additional 4-5 million acres of beans this year with most of them coming from corn acres. Tomorrow's report they are expecting USDA to trim corn carry over by 20 million bushels and beans by 10 million bushels. In December the US exported \$12.9 billion dollars of Ag goods and imported \$9.7 billion dollars with a net balance of \$3.2 billion. That is 30% less than November.

Food Processing-Cheryl DeBerry The Grow Maryland advisory committee met last month to debrief from the Grow Maryland Summit held in December, make plans for the organizational structure of Grow Maryland, and brainstorm funding mechanisms for a sustainable organization. The meeting resulted in many ideas and the organization is moving forward in its mission to represent and help agritourism and food processing businesses. The 2nd Annual FeBREWary: Maryland Craft Beer Lovers Month is here, by official proclamation of Governor Larry Hogan. FeBREWary is Maryland's official month-long celebration of craft beer lovers, with craft brew events on tap across the state. More information is available at <http://marylandbeer.org/febrewary/>

Grange-Paul Stull Grange members are concerned about the administration's proposal to withdraw from NAFTA. Last year's datashows that over 20\$ million in farm exports took place under the current agreement. There are areas in the agreement that need to be reworked. Like the dairy products section. Grange members are concerned and not pleased with the proposed cuts in the budget to the conservation program. It is hoped that when congress looks at the Farm Bill, money will be restored to the Voluntary Conservation programs. Grange members are keeping a close eye on new tax reform legislation. There are still big concerns about passing farm land from generation to generation. The Grange members are pleased to see that the mandate for BAT for septic systems never made it out of the House of Delegates during the last legislative session.

Horticulture-Cole Mangum While less rain in May than 2016, still majority of days cloudy and rain on weekends resulted in similarly poor sales in 2017 as 2016. Both years are a far cry from 2015 which was one of the best years we've had in a decade. The silver lining of two bad years back to back is very little over production in 2017 for growers who use prior year sales as a baseline. Far less product left for growers to sell this June compared to last June. Chrysanthemum planting is in full swing for both natural season outdoor and indoor shaded production. Poinsettia trees have been growing for a couple of months and 10" and 8" poinsettias will be getting planted middle of next month. No particularly significant pest pressure this May, typical aphids

and thrips are coming in heavier with the warm weather. Heat and Power are two of the larger costs in greenhouse production outside of labor so I'd like to touch on those markets briefly. Natural Gas & Electricity pricing is up roughly 10% vs a year ago at around. Still in a very attractive place vs. recent history – the spot market is around \$2.90 right now, in 2008 the price was around \$13. A little more than a 4x reduction vs 9 years ago. NOAA's three-month forecast for June/July/August is calling for above average temperatures across the nation that will likely drive future contract pricing up. Additionally, 2016 was the first year in over a decade that the US natural gas production saw a decline. Coal and Gas are neck and neck for usage in power generation, coal topped the charts in January and February but gas outpaced coal in March and April. Finally, 61 billion cubic feet of Natural Gas was exported from the port in Louisiana in the month of May, setting a monthly LNG export record. Exports on LNG started just 16 months ago and all indications are exports will likely increase in the near future.

Nursery-Marion Mullen Upcoming events: MNLGA Nursery Field Day June 29, 2017 8:00 am – 3:30
Location: Ruppert Nurseries Laytonville, MD The Day's events Extension Stations morning field tours
Equipment Display and Shop Management Afternoon Farm tour and Large Tree Digging Demonstration
MNLGA Picnic August 19th 2107 Just this Side of Paradise Farm Hosted by the Rutley Family Featuring the Mayo Family Band. The warm winter and the cool wet weather this spring has led to a host of insect and disease issues with ornamental plants. Fungal diseases such as Mayapple Rust, Fire Blight are at a higher rate than usual. Sawflies on knock out roses, Spider mites on Azaleas, Emerald Ash borer are also very active. Tree frogs are very abundant this year probably due to the warm weather. They eat lots of insects. Everyone in the nursery industry seems very busy and there are still shortages of many plants that are of basic landscape size. AmericanHort Article - Important Update Regarding Genetically Modified Petunias AmericanHort shares the following message: We offer a brief update for those who are following the emerging situation regarding the distribution and sale of several genetically engineered (GE) petunia varieties. All of us in the industry were surprised by the finding of genetically modified petunias, stemming from research in Europe and in the garden plant trade there and here in North America. It's important to note that petunias are non-edible annuals, and there is no reason to believe that these genetically modified varieties pose any risk to the health of humans, plants, or the environment. We at AmericanHort have been working closely with the USDA-Animal and Plant Health Inspection Service-Biotechnology Regulatory Services (APHIS-BRS) to facilitate industry coordination and accurate information-sharing. Seed and plant companies are also conducting their own independent tests and pulling varieties in question off the market.

Nursery II- Ray Greenstreet Most producers will end up flat in May. Labor is our biggest challenge in both Landscape and Greenhouse industries. If you talk to any of the contractors they are truly struggling to find help. Stay at home moms and dads has been a great fill. A new bill in Anne Arundel County went through to define agriculture. The bill has been attacked and has been amended. The Farm Bureau has supported the bill.

Organics-Marian Fry The cold, wet spring significantly delayed organic planting and farmers are still in the field. A strategy to avoid cross pollination between conventional and organic corn is delaying organic planting until 2 weeks after conventional corn is planted. This has also contributed to unusually late planting. May 13 front page article of Washington Post cites at least 3 massive shipments of corn & soybeans coming through Turkey (not necessarily originating there) in the last year falsely labeled as organic. This amounted to millions of dollars of illegal profit to the exporters and overpayment on mislabeled commodities to the American importers. In the latest shipment cited in the Post article, the broker for the soybeans was Annapolis based Global Natural which emailed a statement to the paper saying it may have been "provided with false certification documents." From 2014 – 2016 imports of "organic" corn from Turkey went from 15,000 metric

tons to 399,000 metric tons while soybean imports went from 14,000 metric tons to 165,000 metric tons. Due to the 3 year land transition process from conventional to organic farming, the rapid increase in significant amounts of commodities is, in itself, a red flag. The imports have dropped US organic grain prices by 25%, especially squeezing small US organic producers. This brings into question the sufficiency of USDA's organic import supervision and control. Subsequent to this publicity, USDA Agriculture Marketing Service (AMS) has emailed an alert to members of the organic community citing businesses that have fraudulent organic certificates and noting potential fines of \$11,000/day for improper representation of organic status. The list of businesses not in compliance is extensive, heavily weighted with foreign imports. USDA's enforcement arm of the National Organic Program has become significantly more active due to widespread publicity calling their practices into question.

Poultry II-Michelle Protani-Chesnik May was a busy month for agriculture in Maryland. I participated in the Maryland Agriculture Spring tour and it was great I learned a lot about crabs and the crabbing industry from JM Claytons in Cambridge. I tasted some of the best jumbo lump back fin I have ever had! The tour was a success and kudos to Logan for putting it together. Poultry Agriculture has been quiet, but not settled. Lay Outs (time between flocks) are not as long, but in the case of some integrators that is only because of further cuts in the number of birds being placed on a farm. New housing keeps coming on board and where we will end up I personally feel is up in the air. I have heard from growers who are either without birds or have been told they must do major or upgrades if they hope to keep birds. There are no guarantees major upgrades will keep them in business. Growers are concerned about the saturation of housing that we have. Personally in going on 30 years of growing I have never seen it like this. We have all over the years seen housing booms but none to compare to this. University of Maryland and Delaware poultry extension is trying to put together discussion groups for growers to discuss the many aspects of risk management and to provide a place for growers to voice concerns.

Turf – Tom Warpinski May was a wetter than average month this year. That is good and bad for the turf industry. Sales were slightly above average. Lawn care providers have been very busy. Sod farms have seen increased weed pressure. 1st Quarter Housing permits were up. Labor continues to be a challenge, including CDL drivers. Drones and new technology is hitting the ground. TPI will be held in Brunswick New Jersey. UMD Field Day July 12, 2017. MD Turf Grass council has a new President Jamie Rawl. John Denison passed away. His company employed over 600 individuals.

Veterinary-Dr. John Brooks They are beginning gene studies in cattle in Canada on methane production in Livestock. South Korea just had a backyard flock that tested positive for avian influenza. Over 38 million birds have been culled. CDC is pushing forward with salmonella in people spike. This is primarily from backyard flocks. There has been a yellow fever outbreak in Brazil. Climate change is believed to be a factor in the spread of the mosquito borne issues. Flu H3N2 in dogs continues to be a concern.

Updates

Seafood Marketing is back at MDA. Cover Crop sign up starts June 1-July 15, 2017. Ag Census starts in December.

Speakers

“Crop Damage Permits” by Pete Jayne

Meeting was adjourned at 11:00. Moved by Vanessa Finney and Seconded by Marion Fry

Respectfully submitted by Logan Yearsley