



## **Navigating Regulatory Framework: Value-Added Agricultural Processing**

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# Overview

“**Value-Added Agriculture**” has been recognized as “altering a raw agricultural product in a way to increase its worth to the consumer...”

- This has included processing, marketing, and experiences (ex. Agritourism)
- 2018 study\* revealed “...the value added-agriculture sector is large enough to support close to 74,000 jobs... a total economic impact of \$20.6 billion..”

In 2023, the Maryland General Assembly created a **Value-Added Agricultural Specialist** position within the Maryland Department of Agriculture (HB 389/SB34)

- The VA Specialist position was established within MDA in July 2023.
- “Value-added agriculture” was defined in law to include functions beyond processing



# Getting Started: Important Questions

What is the product?

- Raw Product => Finished Product

Where will it be processed?

- Home kitchen (on-farm)
- On-Farm Processing Facility
  - Outbuilding?
- Commercial kitchen

Production scale/ quantity?

How and where will it be sold?

- Retail (direct sales to consumers), Farmers Markets,
  - Wholesale (sales to stores and restaurants)



# Regulatory Framework

## Local

- Zoning and Permitting
- Health Department
  - Retail Food Service
  - Farmers Markets (Sampling)

## State

- Maryland Department of Health (MDH)
  - Food Processing and Warehousing
  - On-Farm Home Processing (+ Meat & Cheese)
  - Dairy Processing & Distribution

## Federal

- Food and Drug Administration (FDA)
  - Acidified and Low Acidified Foods
  - Food Safety Modernization Act (FSMA) Standards
  - Additional Requirements for Certain Processes
- USDA
  - Meat, Poultry, and Catfish
- TTB (Alcohol and Tobacco Tax and Trade Bureau)
  - Alcohol Manufacturing



# Start Local

## County Economic Development/ Ag. Development Professional

- Discuss vision concept for support navigating regulatory agencies and processes

## Zoning and Permitting

- Can I do this in my farm home or domestic kitchen, on my farm in a separate building, or commercial kitchen?
- Additional permits for a newly constructed or outfitted facility on-farm?

## Local Health Department (Environmental Health)

- Will there be a food service or food retail component?
- Is sampling intended if participating in farmers markets and events?
- Potable water supply
- Appropriate Wastewater disposal



# State Licensing

Maryland Department of Health, Office of Food Protection (OFP),

**Starting point for all value-added processing\*** (except meat, catfish, & alcohol) ([link](#)) *\*After local due diligence*

Regulatory categories for food processing:

## ***Cottage Food***

- ***Limited and unlicensed***
- Sales to a retail food store, subject to request and review process

## ***On-Farm Home Processing License (+ On-farm Home Stage)***

- Revenue cap and product limitations
- Farm home kitchen or domestic kitchen on-farm
- Storage of packaged processed hard cheese, aged raw milk cheese, and USDA-processed raw meat

## ***Processing License (Commercial Processing and Warehousing)***

- All other value-added processing
- *Milk and Dairy Products* ([link](#))
- Additional certifications and Federal regulation product dependent



# State Licensing, cont.

## Maryland Department of Environment

- **On-Farm**
  - Approved Potable Water Source
  - Waste/Wastewater Disposal
  - Discharge permits/ Land application for farms

## Maryland Alcohol, Tobacco, and Cannabis Commission

- **Alcohol Manufacturing/ Wholesaler licenses**

\*After Federal approvals\*

- Beer
- Wine
- Spirits



# Federal Regulation

- **U.S. Department of Agriculture (USDA)**
  - Meat (and Catfish) processing and packaging
- **Alcohol and Tobacco Tax and Trade Bureau (TTB)**
  - Alcohol Producers and Manufacturers require Federal Licensing
- **Food and Drug Administration (FDA)**
  - Further regulation/guidance beyond State licensing
    - Food Safety Modernization Act (FSMA)
    - Dairy
    - Acidified Foods (recipe dependent)
      - > FDA Better Process Control School Class (BPCS) <
    - Fermentation (foods)
    - *Cosmetics* (Federal Guidelines)





# Other Considerations

- Labeling and Packaging
- Distribution and Warehousing
- Food service and Agritourism
- Certifications (ex. Acidified Foods)
- Expansion and New Products
  - Hazardous vs. Non-Hazardous Foods



# Agencies and Resources

- [Maryland County Ag/Econ. Dev. Professionals](#)
- [UMD ALEI, Regulatory Decision Tree for Maryland Producers](#)
- [Maryland Department of Health, Office of Food Protection](#)
  - [Center for Facility and Process Review](#)
  - [Center for Milk and Dairy Product Safety](#)
- [University of Maryland Extension, Food Safety](#)



# Q&A

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**THANK YOU!**