

Value-Added Agriculture: Regulatory Analysis

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June 12, 2024



Value Added Agriculture: Legislation and Specialist

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

- “Value-added agriculture” was defined in law, with the inclusion of processing, marketing, experiences (Agritourism), and equine activities
- The VA Specialist position was established within MDA in July 2023.



Value Added Agriculture (VAA) Specialist

- The VAA Specialist offers general support to new and existing Maryland farmers and agricultural stakeholders
 - Technical guidance and navigation through various regulatory frameworks
- Work and collaborate with colleagues and stakeholders to streamline and consolidate regulation from the top down to open the door to opportunity for farms and agriculture.



VAA Initiatives

- Dialogue between State Agencies (Agritourism Workgroup)
- **Education**
 - Local Ag. and Economic Development Professionals
 - **Regulatory Seminars**
 - *“Value-Added Agriculture: Navigating Regulatory Framework”*
- Guides and Materials
- **Identify Regulatory Challenges and Opportunities**



Value-Added Agriculture: Regulatory **Challenges**



Regulatory Themes

- Value-Added Processing
- Agritourism & Food Service
- Retail Sales of Value-Added Products



Value-Added Processing

- Value-Added Processing
 - *On-Farm Home Processing License*
 - Revenue cap and product limitations
 - Farm home kitchen or ~~domestic kitchen~~ on-farm
 - **Storage of packaged processed hard cheese and processed raw meat (USDA)**
 - Requires “Agricultural Zoning” – Confirmation inconsistent and sometimes \$
 - A "Processing License" must meet commercial requirements that may include but might not be limited to a commercial kitchen with potable water, an approved sewage disposal system, and formal plan review.



Agritourism & Food Service

- Lacking definitions and guidelines for “Seasonal” and Agritourism operations at the State level introduce cost prohibitive regulations associated with permanent restroom facilities and “water under pressure”.
- “Commercial” and “septic” are prominent buzzwords businesses face through the regulatory process that often present different expectations and regulations depending on the agency or office-level the business communicates with.



Retail Sales of Value-Added Products

- Farm or roadside produce markets interested in selling refrigerated, frozen, or other “hazardous” goods are going to be regulated as a commercial retail establishment.
- “On-Farm Home Processing” license allows for farms to store and sell their own meat/cheese – but the sales of other refrigerated goods or perishables could catapult them into “retail” with full commercial requirements.
- *Sometimes*, a small business seeking a “processing license” with intent to only sell direct to consumers (farmers markets, events, etc.) will be redirected from MDH to their Local Health Department – categorized as “retail”



Overarching Challenges

- Layered and conflicting frameworks (Local, State, Federal)
 - Zoning and Permitting*
- Lack of scalability
- Lack of clarity and consistency
- The Industry is evolving faster than the speed of Government
 - Outdated Licenses and Regulatory Language for VAA



Value-Added Agriculture: Regulatory **Opportunities**



Opportunities

- Alternate Licensing for Farms/Agritourism
 - Value-Added Processing
 - Food Service
 - Retail
- Establish Scalable Regulations within State Code (Environmental Health)
- Reassess Revenue Caps for Direct Sales of Farm Raised Meat (and Cheese)
- Forum for Problem Solving and Collaboration
 - Agricultural Enrichment Opportunities for Regulators



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