



Maryland Department of Agriculture

Agriculture | Maryland's Leading Industry

Office of the Secretary

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Joseph Bartenfelder, Secretary
Julianne A. Oberg, Deputy Secretary

Maryland Agricultural Commission

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50 Harry S. Truman Parkway
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Maryland Agricultural Commission

Minutes

February 14, 2018

Present:

Ag Education - Martha Clark
Agribusiness - Thomas Fisher
Ag Services - Vanessa Finney
Agritourism- Taylor Huffman
Aquaculture- Talmage Petty
Bio-fuels - David Burrier
Consumer - Carroll Shry
Dairy I - Tim Bishton
Dairy II - Jason Myers
Equine - William Reightler

Field Crops - Donald Maring
Food Processing- Cheryl DeBerry
Nursery I - Keith Ohlinger
Organic - Marian Fry
Poultry I - Michael Levensgood
Poultry II - Michelle Protani- Chesnik
Turf - Thomas Warpinski
University- Dr. Craig Beyrouthy
Veterinary - John Brooks
Viticulture - Corey Spies

Absent:

Ag Services - David Roles
Farm Bureau - Jonathan Quinn

Horticulture - Cole Mangum
Nursery II - Ray Greenstreet
Tobacco - Charles Cox

MDA Staff:

Joseph Bartenfelder - Secretary of Agriculture
Julie Oberg- Deputy Secretary of Agriculture
Kevin Conroy - Assistant Secretary

Jason Schellhardt- Media Relations
Hans Schmidt- Assistant Secretary
Matt Tefteau- Director Gov't Relations

Speakers/Guest:

GICA Members
George Mayo- Maryland Agricultural Ed Foundation
Laurie Adelhart- My Maryland Farm Campaign

Commodity Reports:

Agribusiness- Tom Fisher: Low commodity prices over last several years are taking their toll on many farming operations. There has been lots of discussion regarding dairy, but many row crop growers in different areas are having challenges financing for 2018. Indications are that bean acres will increase due to lower inputs required. Soybean early order seed sales are up compared to last year and seed corn sales are flat at best. As mentioned last month, the Plennish hi-oleic soybean premium has dropped .10/bu to .40/bu due to world glut of palm oil. Fertilizer pricing is relatively flat compared to last year however retailers are having trouble sourcing zinc and other micro-nutrients. China, a world zinc supplier, is implementing pollution controls at their production facilities and this has tightened supplies/output. Also some retailers are opting out of custom application for certain chemicals due risk and insurance issues. Retailers are still spreading fertilizer-not certain chemicals. This is pushing mid-size and larger farm operations to buy spray rigs to self-apply and in some cases do contact spraying for the retailer. This process is driven in part by chemistry required to control Palmer Amaranth, an annual broadleaf weed that is very difficult to control and a weed that has spread from Northern DMV to Southern DMV. In the merger world of grain traders, the WSJ reports that Archer, Daniels, Midland has made a takeover bid for Bunge. Glencore which had approached Bunge in May and had a standstill agreement that prevented a hostile bid may now get back in play for Bunge.



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An ADM/Bunge combination would likely face significant regulatory challenges, less so that a Glencore/Bunge. Also Helena Chemical Co changed its name to Helena.

Ag Education- Martha Clark: List of ag events coming up for ag in the class room, Teacher workshop June 24-28 deadline for early registration is April the 1st looking for 50 teachers to participate. Calendar poster contest deadline is May 1st they can win 50 dollars and the posters go all around. Ag literacy program getting set for year the book is called See What We Eat. Urban youth garden deadline has some special grants. Mobile science labs are out and are being booked and would love to go to different schools. I will forward the dates to everyone.

Agritourism- Taylor Huffman: During this time of the year there isn't much stirring in the agri-tourism industry other than the usual planning and preparations for the upcoming season. While some farms begin in early spring with U-Pick produce, others focus on the fall season with Pumpkins. One thing is for sure, many farms across the state rely on their agri-tourism income to sustain their farming operations. According to the most recent agricultural census completed in 2012 by the USDA National Agricultural Statistics Service, in Maryland, there are 307 agri-tourism farms with revenues of \$7.2 million. Maryland is "Ag Friendly" with protections for agri-tourism operations on farms across the state. This is essential to ensuring that farms stay farms. While there are some struggles with agri-tourism such as liability of the public on the farm as well as the unpredictable weather, overall agri-tourism is a rather profitable business for most farmers. I just wanted to take a moment to thank the elected officials that ensure farming is preserved and protected across the state through various ways such as agri-tourism.

Aquaculture- Talmage Petty: Oyster lease applications continue to increase every year and continue to rise each year. At least 25% of leases are contested while 75% are uncontested. It takes at least 2 years for oysters to grow. The ration from wild harvest to farm oysters continues to go up and down. There were very low tides which resulted in cages being exposed resulting in a lot of farms being impacted with ice and cages being damaged. Essentially increase in supply of oysters the price however is remaining steady and more brands are coming into the market but pricing is hold so good news is that there are more oysters out there. There are regulatory and environmental policies that can cause some conflict. We import around 90% of our seafood.

Bio-fuels- David Burrier: Ethanol production has resumed to nearly the record pace of 2017. The past month production was 1.062 million barrels or 44.6 million gallons a day. Low prices that are at 12 year lows are largely responsible for huge ethanol exports that have diminished large inventories carried over from 2017. Low prices coupled with soaring Brazilian prices have opened the door for exports totaling 172 million gallons in the first two months of 2018. Brazil imports one-third of the total shipments, Canada is second at 24% and Mexico accounting for 20% of the exports. Exports accounted for nearly 9% of U.S. Ethanol production in 2017. Early Friday morning, President Trump signed the latest stop gap spending measure into law. Part of that law revives the biodiesel tax credit retroactively for 2017. The \$1-per gallon tax credit incentive program does not extend through 2018 because several senators have concerns about the cost of the program. Domestic demand for biodiesel accounts for more than a quarter of all soybean oil use in the U.S. We are seeing many homes and municipalities in the Northeast and Mid-Atlantic that traditionally rely on heating oil are now using Bio-heat, which is a blend of biodiesel and ultra low sulfur heating oil. New York City has a B-2 mandate and is considering a change to B-5.

Dairy I- Jason Myers: With current milk prices rapidly falling, the dairy industry is under a great deal of stress. USDA's prediction for 2018 is 218.8 billion pounds. Dairy farmers have continued to make significant increases in production per cow. Increases can be contributed to better genetics, improved cow comfort, and



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more correctly balanced feed rations with higher quality forages. Demand continues to decrease on the fluid side. This shrinking consumer consumption is further complicated by products from other sources, i.e. soybean, and almond, and even veggie "milks" being found in the dairy cases in the grocery store. Recently, we have even seen less demand in the organic milk sector which had been increasing in recent years. On the world market side, it should be noted that Europe's lifting its' quota system in 2015 has had a significant influence on increasing world supply. With many smaller farms in the Mid Atlantic area, we are seeing many producers exiting the dairy industry. 2018 could be a significant year in how it will reshape the dairy industry in Maryland.

Dairy II- Tim Bishton: Milk prices for 2018 are not looking very bright and are still trending downward. Dairy exports were slightly up the end of 2017. This was caused because of a lower U.S. dollar. Net farm income has dropped 46% since 2013 or 56 Billion. For dairy, revenue has dropped 15 Billion or an average of 300,000 per farm. Agri-Mark milk co-op sent out suicide prevention hotline numbers as well as resources for mental health counseling with its milk check to producers.

Equine- William Reightler: The Maryland Horse Council announced the acquisition of The Equiery magazine on February 1st. Neil Agate, President of the Horse Council, stated the organization now has a publication to be the voice of the organization. Crystal Brumme-Picket, founder of the publication 27 years ago, believes the "marriage of the two to be a natural fit". The Maryland Horse Council represents 30,000 equine interests on legislative and regulatory issues in the state. The Maryland Horse Industry Day on January 31st in Annapolis occurred at the Miller office building. Equine industry leaders met with their legislative representatives in their offices to lobby and educate about the horse industry in Maryland. Dr. Amy Burk, director of the Equine Studies and Breeding Program at the University of Maryland, was recognized with a Special Award and a \$5,000 grant from the Maryland Horse Breeders Association. Cricket Goodall, executive director of the MHBA, noted "This award recognizes the important role that the University of Maryland Equine Studies Program and Dr. Burk are taking in preparing the next generation to lead a strong and vital horse industry." The Maryland Horse Breeders Association, the Maryland Jockey Club and the Maryland Thoroughbred Horseman's Association are sponsoring the Renaissance Awards 2017. The event is to be held at the Sagamore Pendry Baltimore, February 12th. The event celebrates Maryland's top Thoroughbred equines and breeders. The Maryland Jockey Club reported \$627.3 million total wagering for 2017, an increase of \$67 million over 2016. The National Steeplechase Association announced Maryland based, Jack Fisher was leading steeplechase trainer for 2017. Scorpiancer was crowned Eclipse Award winning steeplechase horse. Owned by Marylanders, Bruton Street-US, Mike Hankin, Charlie Fenwick and Charlie Noell, the horse won two graded stakes in 2017. The Thoroughbred foaling and breeding season began in January. Maryland stallion farms are standing eight new stallions beginning their breeding careers in the state.

Field Crops- Donald Maring: Most farmers in central Maryland had the best corn crop by far and beans were really good also with some isolated pockets where it was a little dry. President Trump's new budget is going for a lot of cuts to agriculture programs with 16% decrease in USDA funding and cutting crop insurance by 47 billion over 10 years. Trump wants to change the snap program from an all cash program to where it is cash plus a food packaging including cheese, butter, peanut butter etc. Two thirds of the country is in drought conditions. Good portion of wheat growing areas are in extreme drought. USDA lowered bean exports and highbred corn exports.

Food Processing- Cheryl DeBerry: Processors continue processing to use up storage/frozen/dried inventories of raw ag products (apples, winter squash, peppers, etc.) Winter farmers markets are a key outlet



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for shelf-stable products. Seasonal dairies that process milk are ramping up for an influx of milk once calves/lambs/kids start coming in the early spring.

Organics- Marian Fry: Following our Jan meeting, Future Harvest/CASA held what I believe was its best meeting to date in terms of quality of program, diversity of the population served and vendor participation. The greatest testament to the value of the organization is that the number of participants in the Beginner Farmer Training Program has grown from 6 individuals to 80+ in the current class. The Maryland Organic Food and Farming Association will hold its annual meeting here at MDA Saturday, Feb. 17. The Keynote Speaker is internationally recognized for his work on restoring ecosystems using biomimicry. Ben Fritton of Can YA Love & Forested will discuss the History of Agriculture relative to his work. Among other work, he has patented vertical garden systems for use in high population areas. Since our last meeting, USDA sent an email to its organic listserve reiterating hydroponics as an accepted organic practice. One form of "industry fallout" from this controversial practice is the proposed "Regenerative Organic Certified" label which, among other things, doesn't include soilless systems. This is under review and development led by Rodale Institute and NSF International.

Poultry I- Mike Levensgood: Lots of time and energy spent trying to stop SB 133/HB 26, the Community Health Air Act. The bills seek to create a state funded, but not state appointed, Committee on Air Quality to develop an air quality sampling and monitoring protocol for the collection of air quality and public health data associated with animal farms throughout Maryland. Once the protocol is adopted, without approval by any state agency or the General Assembly, the Maryland Department of the Environment is to use it to measure air emissions from family farms, including cattle, dairy, hog, chicken, and possibly horse farms. It makes no sense to have a Maryland-only system of measuring air emissions from family owned farms because the U.S. Environmental Protection Agency is in the process of developing a detailed, national protocol. That is mentioned in the bill's fiscal note and on the EPA website. "EPA is working on developing methodologies to estimate emissions from a wide variety of operations and thus better inform emission estimates from animal waste." (Office of Land and Emergency Management 520-F-17-001, January 2018 www.epa.gov/animalwaste).

There is a huge cost associated with developing the protocol and using it on ALL large animal-feeding operations to determine if these farms are in compliance with state and federal laws and regulations related to air emissions. Hundreds of farms will need to be examined. This cost, according to the fiscal note, is in the millions of dollars, and is unaffordable for the state's taxpayers. The compressed timeframe for the study committee to be selected, to develop the protocol, to have it peer reviewed by an unidentified group of persons, and to have the Maryland Department of the Environment use it to assess air pollutants and public health risks associated with ALL large animal-feeding operations is not a reasonable goal. In fact, MDE might not even have the expertise to assess public health risks. The committee is to identify ALL air pollutants emitted from large animal-feeding operations and how to do that will vary from pollutant to pollutant, from animal species to species, and from season to season. The Maryland Department of the Environment will be forced to use the protocol developed by this Committee on Air Quality without any opportunity to change it. Similarly, the General Assembly will have no role in this project after enactment of this bill. The normal process of promulgating regulations will not be followed. Chicken company-provided data about the Delmarva Peninsula chicken industry. The number of Delmarva grown birds was 605 million, up just 1.7 percent from the prior year. Bird weights were up 2.3 percent while the number of chicken houses in operates at the end of 2017 was just 8 percent higher than 12 months earlier. Delmarva growers were paid \$256 million in 2017 and chicken company employees were paid nearly \$750 million. Delmarva chickens were fed 87 million bushels of corn, more than grown on the Delmarva Peninsula, and 36 million bushels of soybeans. These quantities were about the same as the previous year. All feed ingredients cost the chicken companies \$984 million dollars in 2017, a huge amount of money for our regional farmers and other



ingredient suppliers. The five chicken companies spent nearly \$152 million on Delmarva capital improvements last year. Growers spent about as much on new chicken houses. Some housing expansion was due to existing farm families adding houses while some people new to Delmarva got into the chicken raising business. The U.S. Court of Appeals for the District of Columbia issued an order Feb. 1, granting an Environmental Protection Agency (EPA) request for an additional extension of the current stay of the mandate to submit reports notifying the National Response Commission of the release of low levels of ammonia from poultry and egg farms. After considering EPA's motion for further stay of issuance of the mandate, and a support brief filed by USPOULTRY and the National Pork Producers Council, the court issued an order granting the extension of the stay of the requirement to report under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) until May 1. April 18, 2018 DPI booster banquet will be held in Salisbury, Md. Civic Center

Poultry II- Michelle Protani-Chesnik: It has been a long, cold and wet winter so far. Please accept my apologies for my absence at MANTS and the lack of a December report. I am doing a combined report to cover both. Poultry Agriculture saw a slowdown in building due to weather conditions on the Shore. I suspect it will be well into Spring of 2018 before we see the building boom swing back into full swing. Time between flock placements was shorter, most growers welcomed this. The environmental group SRAP held its first Summit in Ocean City at the Clarion. Ironically right after the Maryland Farm Bureau Conference. This was made up of both activists and speakers, among them Food and Water Watch, Citizens against CAFO'S and the ASPCA. Senator Madaleno announced his special pre-Filed legislation The Health Community Air ACT, which is to require MDE to do an air study on large CAFO'S. December was also the month of where do we go and what do we submit where for CERCLA? Many of us filed our initial report by email, some tried to phone it in. The reporting was put on hold until the courts made a mandate. The current update as of February 1, 2018 is that reporting will commence on May 1 2018. See the link below for information pertinent to this. DPI has fought very hard to stop this ridiculous reporting and is in working with congressional members to seek a legislative solution to this. You may want to contact your Senator or Congress person's staff in support of a legislative solution to stop this reporting. There is also a nationwide agriculture effort to stop this legislatively. See attachment above.

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) reporting.

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Maryland Senator Chris Van Hollen	sarah_schening@vanhollen.senate.gov	202-224-4654
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Maryland Congressman Andy Harris 8624	bill.reddish@mail.house.gov	443-944-
Maryland Congressman Andy Harris 5311	jane.williams2@mail.house.gov	202-225-

January 4th 2018 brought a Blizzard to the lower Eastern Shore of Maryland. We received 15 inches of snow on the farm and had drifts of five foot and more. The intense cold and wind exacerbated the road and farm lane conditions. Drifting made clearing road and farm lanes long and difficult tasks. We were fortunate not to have birds on the farm when the storm struck, but the chicks were scheduled for delivery on Monday the 8th of January and the days leading up to delivery were filled with moving snow to accommodate chick delivery trucks and attempting to heat the housing to an acceptable temperature with near zero outside temperatures. Fortunately feed had been delivered prior to the storm and we were able to feed up the houses for the chicks. many farms were out of feed for hours and some for days due to road conditions. Unfortunately truck can't deliver feed when roads are impassable. In some communities farmers actually went out with large tractors to clear out county roads and help trucks get into farms to feed birds. On the eastern shore of



/Washington

Virginia it was so bad that some farms had birds without feed for up to 7 days due to mill problems and road conditions. I counted myself fortunate that we accomplished what we had to and got the chicks safely delivered. This legislative season has seen bills that have the potential to have a devastating impact on Animal agriculture. The Community Health Air SB 133 was pre filed by Senator Madaleno and heard in committee on January 24th and heard on January 24th. t and the cross file HB 26 is to be heard today in the house. The danger of these Bills is that that have the potential to undermine the Right to Farm act. These bills set up a commission with members being appointed by the Dean of the Johns Hopkins Bloomberg School of Public Health and the Dean of the University of Maryland's School of Public Health. This committee would set up an air quality sampling protocol. These folks are anti Ag and I am concerned there would bias in their findings. This would impact not only poultry, but any large animal CAFO such as Dairy. See Bills above. Another Bill SB391 would essentially remove poultry litter and biomass from the list of clean renewable. As you have heard me constantly comment I have grave concerns about what we will do with what I believe will be large amounts of poultry litter on the lower shore. Much of it no longer spreadable on the fields due to the PMT. We need to continue to search for alternative innovative uses for litter. See bill attached. I attended the Maryland Ag Dinner In February 1 2018. It was a well-attended event. There has been little activity on the protest against Poultry Agriculture in the form of local hearings in the past 2 months and hopefully it will stay quite in future, but I doubt it. It was reported by local news that the Naylor Mill project has been canceled. Sadly this will give the anti ag folks a feeling of victory and encourage them to keep on. See Link below. <http://www.delmarvanow.com/story/news/2018/02/07/controversial-chicken-farm-project-scraped-wicomico-county/300459002/> I will be participating in a project sponsored by the Pew Charitable Trusts about antibiotic resistance and the responsible and judicious use of antibiotics in animal agriculture in Washington DC this month. It is titled "Super Moms against Super Bugs" this is apparently something they do every year. My part is to help them connect the dots between animal welfare and antibiotic use and hopefully dispel some of the myths that surround animal antibiotic use from the farmer's perspective. We will see about that. I will have the opportunity to visit and speak with FDA, NIH and Congress over this three day event.

Ag Services- Vanessa Finney: Nursery and Greenhouse: The Commission attends the 48th annual Mid-Atlantic Nursery Trade Show (MANTS) on January 10th. The Maryland Nursery, Landscape, and Greenhouse Association was honored to host the Commission for breakfast and to offer a show tour following your meeting. Please see MANTS' post-show press. MANTS was very successful this year; much of the success is attributed to the strong housing market and economy. LEAD Maryland: It is expected that LEAD Maryland will open the application period for Class XI by June 1st. The application period will end on October 1st. Information about the program is at <https://extension.umd.edu/lead-maryland>. The application will be made available on the site, as well. We do seek a class with composition of at least 50% ag production representatives from a wide spectrum of commodity groups. Class X is at its mid-point of its two-year leadership development program. International travel is confirmed for Poland from July 22 – August 2. Class X will be hosting a celebration of LEAD's success in developing leadership for Maryland's agricultural, natural resource, and rural communities on April 13, 2019.

University- Dr. Craig Beyrouy: New positions in the university that are being filled. Recently hired a Fruit Crop Pathologist located in plant science and landscape department. Also, hired an individual who specializes in genetic manipulation of crop plants. Hired associate dean for extension which is a bit of old news Jim Hanson trying to learn what the high priorities are from the extension perception. Has given a list of what he wants to do in the next few years. Hired replacement for Dave Myers they are trying to replace those interim positions. Some program leaders that have stepped away such as national resources, and family and consumer sciences so conducting a search to replace those program leaders. Expanding the ag education program and have hired a full time faculty member. Hoping about within a year maybe a little longer then that wants to enhance and reinstate an ag extension program. Staff for communication has grown from 1 staff member to around 4 members now. Advance vet med program on campus has had several discussions.



/Washington

Viticulture- Corey Spies: This time of year is all about legislation for the Viticulture community. Two bills are being proposed: 1. All MD class 4 wineries require 51% local fruit or 20ac of vines in the ground. To go along with this proposed legislation wineries are asking if the industry has enough vines to support the demand it will cause. 2. Allowing wineries to self distribute as well as through a distributor.

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**Presentations:**

George Mayo- Maryland Agricultural Ed Foundation

Laurie Adelhart- My Maryland Farm Campaign

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Staff Updates:

Maryland Department of Agriculture Updates were given by: Julie Oberg, Joe Bartenfelder, Kevin Conroy, Hans Schmidt, Jason Schellhardt and Matt Teffeau

Meeting was adjourned at 12:10

Respectfully Submitted by Jessica O'Sullivan