



Maryland Department of Agriculture

Office of the Secretary

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

Maryland Agricultural Commission

The Wayne A. Cawley, Jr. Building
50 Harry S. Truman Parkway
Annapolis, Maryland 21401
www.mda.maryland.gov

Agriculture | Maryland's Leading Industry

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Maryland Agricultural Commission

Minutes

January 10, 2018

Present:

Ag Education - Martha Clark
Agribusiness - Thomas Fisher
Ag Services – David Roles
Bio-fuels - David Burrier
Consumer - Carroll Shry
Dairy I - Tim Bishton
Food Processing- Cheryl DeBerry

Horticulture – Cole Mangum
Nursery I – Keith Ohlinger
Organic – Marian Fry
Poultry I – Michael Levensgood
Turf – Thomas Warkowski
Veterinary – John Brooks
Viticulture – Corey Spies

Absent:

Agritourism- Taylor Huffman
Ag Services – Vanessa Finney
Aquaculture- Talmage Petty
Dairy II - Jason Myers
Equine – William Reightler (Sent Report)
Farm Bureau – Jonathan Quinn (Sent Report)

Field Crops – Donald Maring
Nursery II – Ray Greenstreet
Poultry II – Michelle Protani- Chesnik
Tobacco – Charles Cox
University- Dr. Craig Beyrouty

MDA Staff:

Joseph Bartenfelder – Secretary of Agriculture
Julie Oberg- Deputy Secretary of Agriculture
Kevin Conroy – Assistant Secretary
Jason Schellhardt- Media Relations

Kevin Conroy – Assistant Secretary
Hans Schmidt- Assistant Secretary
Matt Tefteau- Director Gov't Relations

Guest:

Paul Stull- State Grange

Commodity Reports:

Agribusiness- Tom Fisher: Talking to some Ag dealers recently they are saying they expect corn acres may be down 10% in 2018. The feeling is that with wheat acres up and soybean prices as they are, there will be a shift to more double-crop beans and full season beans. With beans in the \$9.50 range and July wheat at \$5.00, it is a good acre potentially for growers in 2018. The world palm oil price is low due to a production glut and that has put pressure on Pioneer's Plenish hi-oleic soybeans. There has been a premium per bushel paid for these beans in the past of .50/bu and that is being reduced for 2018 due to the



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palm oil surplus. Also, some growers feel there may be a yield drag with Plenish beans. The result is that Asgrow and the other soybean seed companies are seeing an increase in their seed sales for the coming year. On the merger front, Potash Corp and Agrium merger has received all the regulatory approvals to proceed and as of January 1, 2018 it was finalized. The new company is called Nutrium. As a note, Agrium owns CPS which is the largest Ag retailer in the U.S. Sulfur process have spiked as global supplies have tightened. Fertilizer companies convert sulfur to sulfuric acid to make DAP-dominium phosphate. Sulfur is extracted as part of petroleum production and Dap prices are up approximately 21% year over year.

Bio-Fuels-David Burrier: United States ethanol production set records in 2017, averaging almost 1.4 million barrels per day. The average price for ethanol averaged 1.41/gallon. Early in 2018, output has dropped and stocks are on the rise. The holiday accounted for some of the decline. The price of ethanol is now 1.24/gallon which has weakened margins, has also played a role. The Renewable Fuel Standard has not been updated because of policy differences of the Senate and the House. There is support in the Senate to end the lapsed tax incentives for biodiesel, while the House favors to extend lapsed incentives. An omnibus spending bill to keep the country running must be passed before January 19, and the House sees the incentives for biodiesel as a spending bill. DowDuPont has announced plans to sell its 30 million gallon per year cellulosic ethanol plant in Iowa. The company uses corn stover as its source of feedstock. The company's decision to sell is part of an ongoing cost-reduction following the DuPont and Dow merger. Dow DuPont will continue to participate in the bio-fuels market through specialty offerings including bio-fuel enzymes and engineered yeast solutions that improve yield and productivity for bio-fuel producers. The company had intended to sell its fuel to California as part of its low carbon fuel standard.

Consumer – Carroll Shry: A special congratulations to the University Of Maryland College Of Agriculture for its special Initiative to stimulate college students to teach agricultural education at the middle school and high school levels in Agriculture, and as well to foster the growth of college students to enroll in studies of Agricultural Extension Service. There is a continued need to encourage local restaurants to feature local Maryland farm producers and products in their restaurants rather than out of state Agricultural producers. We need to encourage our local Maryland Agricultural producers to meet with the local delegation to ensure that they understand the focus of Agriculture in their respective legislative districts.

Dairy I- Tim Bishton: The U.S. average all-milk price for 2017 ended around \$17.60. Most reports for 2018 prices are looking towards a downward price cycle. Futures market has the price around \$16.50. The upcoming year will be difficult because we are entering our 4th consecutive year of depressed prices.



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Equine- William Reightler: The Maryland Jockey Club reported total wagering at Laurel Park and Pimlico was \$627.3 million for 2017. It was the first time since 2008 wagering eclipsed \$600 million. The Fasig-Tipton Company conducted its December Mixed Sale on December 5th. 221 horses sold for \$2,448,200 up 170 % from \$906,400 in January 2017. The Maryland Thoroughbred foaling and breeding season is beginning. Eight new Maryland stallions will begin their breeding careers in 2018. The Maryland Horse World Expo held at the Timonium Fairgrounds canceled their 2018 event usually held in January due to a decrease in the number of vendors and patrons. The Horse World Expo will be held at the Pennsylvania Farm Show Complex in March. The Maryland Horse Council announced the acquisition of the Equiery magazine on January 1st. Neil Agate, President of the Horse Council, noted this was a natural fit for the horse council. Crystal Pickett retires after 27 years as founder and publisher.

Farm Bureau- Jonathan Quinn: From December 2nd till the 5th Maryland Farm Bureau held there 102nd annual convention it started off on Saturday and Sunday with young farmers and woman's committees meetings. Representatives from the United Soybean Board, US Wheat Associates and National Milk Producers talked with the MFB Young Farmers about foreign trade and open world markets for agriculture. Young Farmers also held there discussion meet and the winners were in Nashville this past weekend competing at the national competition. Policy was passed to give Farm Bureau lobbyist guidance when the legislature starts on January 10th; US Senator Chris VanHollan addressed the membership on what's going on in Washington and the Farm Bill. President Chusk Fry, First vice president Wayne Stafford and Second vice president John Draper were all reelected to two year terms. In November president Fry had a very productive meeting with the University of Maryland AGNR dean Craig Beyrouthy and Jim Hanson Associate dean they out lined their vision for the Extension Collage of Agriculture also discussed how the staff at AGNR and Extension and Maryland Farm Bureau can work more closely to achieve our mutual goals of serving our farm community. Over the last year Extension has filled more than 30 positions there is a new emphasis on filling the specialist positions that are critical to Maryland producers consistent with Farm Bureau's recommendations. On February 17th the Farm Bureau board will meet with Governor Hogan in his office the board has been meeting with him since he was elected to talk about issue's effecting Maryland farmers. February 7th will be Farm Bureau's day in Annapolis.

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 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.

Horticulture- Cole Mangum: The poinsettia season wrapped up nicely for growers across the state with an above average fall temperature leading to reduced heating costs on the crop. Seasonal weather from Thanksgiving through Christmas as well as one extra weekend in-between compared to 2016 led to a good selling season for most growers. Pansy production started in December and will start in January for others. The recent dramatic cold we've seen has strained heating systems keeping young plants at their



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desired temperatures. Growers with outdoor perennial production have had to cover with frost blankets, remay, or poly and cross their fingers that the last 10 days of polar weather hasn't killed anything. It won't be until we thaw out that the potential damage will really show itself. Production on other cool season annuals such as petunias and dianthus will start later this month along with hanging baskets and containers for the Easter holiday. The EIA (Energy Information Administration) put out a report saying the average daily temperature between 12/24 and 1/3 was 27 degrees in the lower 48 states which was 25% colder than the 30 year average. In just the last 3 weeks the 12 month price for natural gas has gone up 4% with the price for electricity close behind rising 3.4%. January 1 2018 the United States hit a single day record for natural gas consumption, beating January 4th 2014 when the polar vortex came through. The record was likely set due to increasing LNG exports, primarily to Mexico. Balancing that record demand is record production. September 2017 broke the record for single month natural gas production, broken just a month later by October production. The average production per day during the month of December was 77 billion cubic feet – per day.

Organic- Marian Fry: We're meeting at a time when the recent cold temperatures and windy conditions challenge everyone's system of agriculture! Hats off especially to those with animals who continue to tend to their welfare, day & night, in freezing conditions. After my November report that the longtime NOP director Miles McEvoy left the agency, he has been replaced by Ruihong Guo, Ph.D. as Acting Deputy Administrator with no word on when an appointment will be made. Winter is conference time and tomorrow, Jan. 11, Future Harvest CASA's conference begins in College Park. With 5 learning tracks, the conference continues thru Saturday, 1/13. Featured speakers: our own Craig Beyrouthy; Gabe Brown of Brown's Ranch, North Dakota; Ira Wallace, Southern Exposure Seed Exchange and co-founder of the Heritage Harvest Festival at Monticello; and Michael Twitty, chef, culinary historian and author of "The Cooking Gene." With 6 educational tracks offering different programs over 3 days, there's something of interest for anyone who wants to be part of a local food movement.

Poultry I- Mike Levengood: Preparing for 2018 General Assembly. Bills of interest so far are: HB 26 – The Community Health Air Act – Delegate Robin Lewis, Baltimore City and Delegate Shane Robinson Montgomery Co. HB 43 - Provides a subtraction modification for the first \$100,000 under the Maryland income tax from the sale of a perpetual conservation easement on real property. HB 46 - Allows or requires oversize farm equipment to display oversize load signs or amber lights. A planned Senate bill called the Community Healthy Air Act: Delmarva Poultry Industry, Inc. is developing a voluntary program to earn money for Maryland chicken growers served by Delmarva Power by enrolling them in a chicken farm generator dispatch program that call upon growers to make their generators available to help reduce stress on the regional electric grid at times of high demand in the summer of 2018 and the summers beyond. Growers could earn \$700 per house in 2018, less the one-time \$400 per generator fee to be paid the Maryland Department of the Environment. Delmarva Poultry Industry, Inc. continues to work with the local land grant universities to strengthen the relationships and communications among persons/organizations in the chicken community and the universities and their research/extension/teaching personnel. This is a follow-up to a conference at the University of Maryland Eastern Shore in April 2017. Delmarva Poultry Industry, Inc. was kept busy in November and early



December trying to inform chicken growers about the EPA's program to have growers notifies the U.S. Coast Guard and the EPA if they believe they have ammonia releases from their chicken houses in the amount of 100 pounds or more per day. This poorly designed reporting protocol was supposed to start on November 15, but was delayed until January 22, 2018 at the earliest. Delmarva Poultry Industry Inc. and its members are trying to convince members of Congress from the three Delmarva states to seek a legislative fix to this reporting requirement that is part of the Comprehensive Environmental Response, Compensation, and Liability Act.

Turf- Tom Warpinski: A busy and relatively mild fall gave way to a current very cold winter. Most farms were able to get their new seedlings done in time to get some pretty good growth to handle the cold snap. Late seeding will suffer frost heave and winter desiccation with the cold temperatures and windy conditions. The snowfall helps insulate the grass from the cold temperatures but in many areas the wind has blown the snow off the open fields exposing the grass. There is actually a benefit to the current cold snap. Some insects, such as grubs, do not overwinter well when temperatures get down low for an extended period. Some turf diseases also may be set back a bit by cold temperatures. Hopefully reduced insect and disease pressure will result from these frigid temperatures we are currently experiencing. Fall turf grass sales were relatively strong statewide up until Christmas when the weather turned cold and pretty much halted all sales. Overall, the business outlook looks optimistic for 2018. Labor continues to be one of the main concerns for the industry. The Mid-Atlantic Turf grass Expo will take place January 30th – Feb. 2nd at the Fredericksburg Expo Center in Fredericksburg, VA. It is a show for all segments of the green industry featuring educational seminars, pesticide recertification classes and a trade show. The Turf grass Producers International conference and field day will take place February 12-15, 2018 in Tucson AZ. Many educational sessions as well as a large equipment demonstration and field day are planned.

Updates:

Maryland Department of Agriculture Updates were given by: Julie Oberg, Joe Bartenfelder and Matt Teffeau

Meeting was adjourned at 9:00.

Respectfully Submitted by Jessica O'Sullivan