

# Maryland Agricultural and Resource-Based Industry Development Corporation

Maryland Agricultural Commission

*December 11, 2024*

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MARBIDCO

# “Mar\_Bid\_Co”



Is an Agricultural and Resource-Based Business Development Financial Intermediary Organization Serving All of Maryland



With a focus on:

Agriculture,  
Forestry,  
Seafood & Aquaculture



*“Food, Feed & Fiber”*

# Top Ag/RBI Business Development Concerns



Access to  
affordable credit  
and capital



Loss of rural  
land



Help for  
young/beginning/  
diversifying farmers  
(and watermen)



Information/referral/  
business planning

**Ag/RBI is a key MD industry  
\$20 billion in economic activity**



# Business Activity for MARBIDCO Eligibility Includes:

- ❖ **Food/Feed Production and Processing, including:**
  - commodity crops (includes human food & animal feed)
  - table crops (includes vegetables, fruits & specialty crops)
- ❖ **Seafood & Aquaculture** (commercial fisheries, farm-raised fish/ shellfish, & related commercial seafood processing)
- ❖ **Horticulture (greenhouse/nurseries) and equine (horses)**
- ❖ **Fiber production/processing:**
  - timber/wood products (lumber, pallets, flooring, pulp, paper, etc.)
  - wool (from sheep & alpacas)



# Purpose Driven Programs



**“Core” Rural (and suburban/urban ag) Business Development** – several secured lending and small grant investment programs that are funded from the *Agricultural Stewardship Act of 2006*.



**Rural Land Preservation Facilitation** – programs that are funded from dedicated special funds, or that are offered with other agencies (conduit finance), including today the two Next Generation Programs focusing on Beginner Farmers.



**“Specialty” Lending** – special revolving loan programs that are funded by partnering organizations or special state appropriations for targeted business/environmental purposes (e.g., farm energy efficiency, **watermen’s microloans**, **oyster shucking houses**, and two programs for shellfish aquaculture).

# Overview of Results to Date

- ▶ **507 Loans** Closed (or approved awaiting settlement)
  - Over \$86.3 million in total loan volume.
  - Over \$236 million in commercial lender leveraged.
  - Some 336 young or beginning farmers assisted.
  - Loan approvals for qualified borrowers took an average of just 17.8 days to process, credit underwrite, obtain board approval and issue a commitment for financing (FYs 2019–2024).
- ▶ **850 Targeted Rural Business Incentive Grants** Awarded
  - Over \$10.3 million in total grants awarded (includes nearly \$4.0 million in pandemic era–related grants).
  - Aimed at farm energy efficiency, farm viability, value–added processing, cold storage, and supporting county and regional agricultural development efforts (plus pandemic adjustment),
  - 406 young/beginning farmers have been assisted with incentive grants.
- ▶ **50 Beginner Farmers** approved for \$15.2 million in farmland purchases through the Next Generation Farmland Acquisition Program and Small Acreage Next Generation Farmland Acquisition Program (SANG).



# MARBIDCO Loan and Grant Activity (FY 2007–Present) By Region

Region	Loans		Grant Incentives		Next Gen Program Purchases	
	Number Funded	MARBIDCO Funds	Number Funded	MARBIDCO Funds	Number Funded	MARBIDCO Funds
Central MD	29	\$3,647,400	226	\$2,528,763	3	\$583,074
Eastern Shore	348	\$69,351,748	273	\$3,425,360	16	\$4,920,794
Southern MD	80	\$7,336,561	164	\$1,598,358	6	\$1,869,856
Western MD	50	\$5,970,821	164	\$2,041,874	25	\$7,856,766
Region/ Statewide	<u>0</u>	<u>\$0</u>	<u>23</u>	<u>\$799,600</u>	<u>0</u>	<u>\$0</u>
Totals	507	\$86,306,530	850	\$10,393,955	50	\$15,230,490

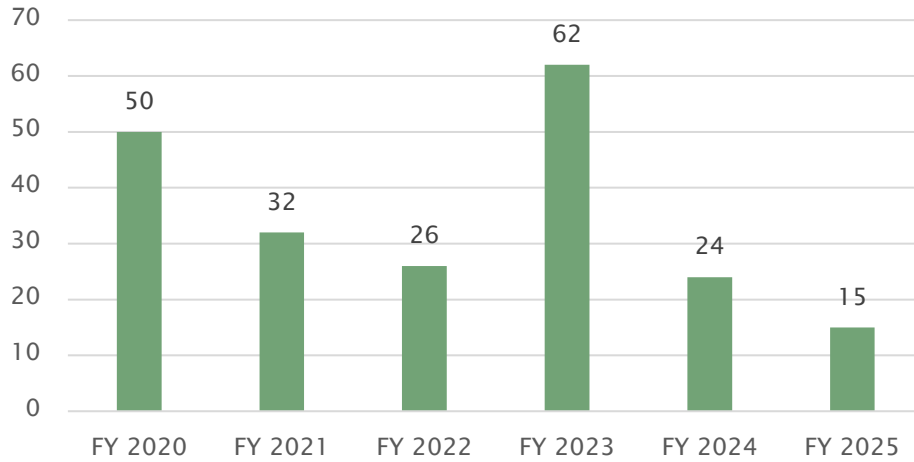
**Western Maryland:** Allegany, Carroll, Frederick, Garrett and Washington Counties

**Central Maryland:** Baltimore City and Baltimore, Harford, Howard and Montgomery Counties

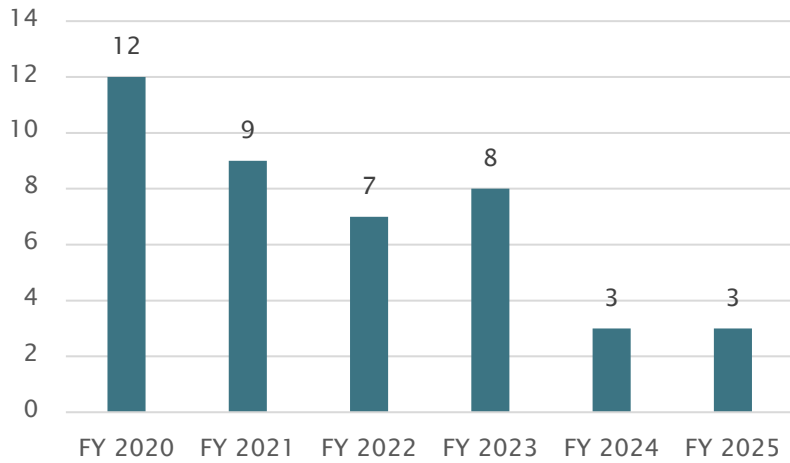
**Southern Maryland:** Anne Arundel, Calvert, Charles, Prince George's and St. Mary's Counties

**Eastern Shore:** Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester Counties

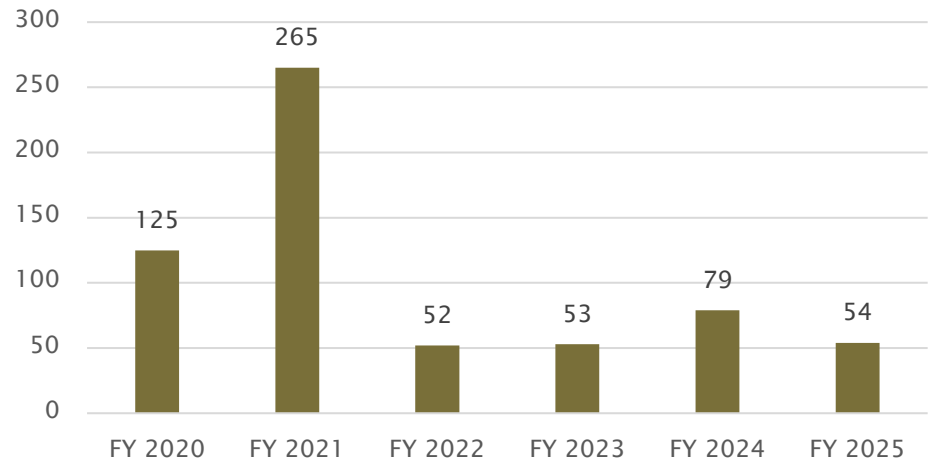
### MARBIDCO Loan Activity



### Next Gen/SANG Activity



### MARBIDCO Grant Activity





# FY 2024 Highlights

Launched the Maryland Oyster Shucking House Loan Program (\$1 million in funding available)

- Awarded first loan for \$200,000

Partnered with MDA to provide a non-federal matching grant to recipients of its RFSI grant program through the MARBIDCO Certified Local Farm and Fish Food Aggregation Grant program

- Awarded 5 applicants \$245,192

Wood Products Industry Equity Incentive Grant– \$600,000 in funding available (including \$500,000 from the General Assembly and \$100,000 additional provided by DNR to promote “value-added wood products”).

- Provided 14 grants of \$560,734

Launched the Livestock Processing Loan Program– \$5 million in revolving loan funds for loans to purchase equipment and/or upgrade facilities. To increase processing of livestock at USDA inspected slaughter facilities, including blue catfish.

Approved 26 Maryland Cold Storage Equipment Grants totaling over \$42,000

# New in FY 2025

## Maryland Large Animal Veterinarian Loan Program

- ▶ Purpose: to help attract and/or retain large animal veterinarians in Maryland.

### Loans terms:

- Financing is available for the purchase of a truck and specialized equipment necessary to provide large animal veterinary medical care services.
- Have a license to practice veterinary medicine in Maryland issued on or after January 1, 2004
- Loans between \$25K and \$100K.
- Interest rate of 4.00% with up to six-month interest only.
- Collateral security is required.



# New in FY 2025

## MRBIFF Direct Loan Option (DL) and Participation Loan Option (PL) Available

- ▶ Offers low-interest loans for purchase of land, equipment/fixed assets or large-scale processing projects
- ▶ Max loan amounts:
  - Equipment- \$300,000 DL, \$350,000 PL
  - Land Purchases- \$600,000 DL, \$700,000 PL
  - Large Processing Project- \$1,000,000

- ▶ Bank financial commitment.
- ▶ MARBIDCO is in the subordinate lien position (on the collateral security) in most situations
- ▶ Bank services the PLs

MARBIDCO finances 30-49% of the debt

- ▶ DL Rates: 4.75% (3 yrs); 5.25% (3 yrs); and 5.75% for remaining loan term
- ▶ PL Rate: 4.25% and the primary lender servicing fee of up to 0.75%.

- ▶ **Benefits:**
  - Complements the banks position by helping with “gap” financing available and affordable for beginner farmers/producers.
  - MARBIDCO is lending money where a bank would normally expect to see a significant down-payment as “equity.”

# Current Grant Opportunities:

- ▶ **Livestock Processing Equipment Grant–Open**
  - Provides matching grants for the purchase of livestock and meat processing equipment and/or to upgrade facilities to help increase production in Maryland, with a focus on large animal and Blue Catfish processing.
  - Matching Grant of 50% up to \$50,000 for USDA–inspected slaughter facility projects, including Blue Catfish.
  - Matching Grant of 50% up to \$20,000 for other (USDA) facility projects, custom–exempt processing or mobile processing projects.
  - Applications are due to MARBIDCO by January 17, 2025.
  - Eligible expenses incurred before December 2, 2024, are not eligible.
  - All eligible applicants should purchase or order equipment no later than April 30, 2025.

# Current Grant Opportunities: Maryland Urban Agriculture Commercial Lending Incentive Grant– Ongoing

- Helps **urban farmers** to start/expand their farm operations by providing an incentive grant for seeking commercial lender financing for the urban farm equipment/projects.

Hoop houses, walk behind tillers, etc., and now real estate too.

- **Maximum Grant Amounts:**
  - \$35,000 for real estate
  - \$15,000 for equipment
- The grant may be no more than 25% the projects total cost and no more than 33% of the amount of the approved loan.

- **Eligible Applicants:**
  - 10 or fewer years of commercial farming experience – either in a for-profit or not-for-profit setting or having limited personal or business financial resources (net worth less than \$300,000);
  - a commercial food/fiber growing operation located in an urban area as defined by the US Census and any incorporated municipality in Maryland

# Upcoming Grant Opportunity: Certified Local Farm & Fish Food Aggregation Grant to Open January 2025

- ▶ **A program with two targeted types of aggregators:**
  - **The Small-Scale Farmer Aggregation Grant**– Provides an 80% matching grant between \$25,000 and \$100,000 that include at least four (4) **Certified Local Farm and Certified Chesapeake Invasive Species Providers**. Applicants could include an Agricultural Product Aggregation and Distribution Entity or a farm cooperative
  - **The Public Sector Aggregation Grant**– Provide an 80% matching grant between \$150,000 and \$300,000 to a public entity (such as a county government, municipality, community college, university, county school system or rural regional council) to a **build aggregation center for wholesale and institutional buyers working with or purchasing from at least four (4) Certified Local Farm and Certified Chesapeake Invasive Species Providers**.



# Thank you!



## MARBIDCO

[www.marbidco.org](http://www.marbidco.org)