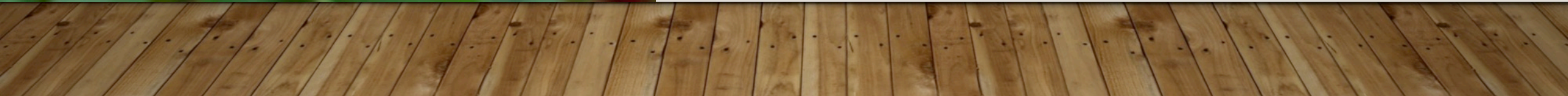




GROW & FORTIFY

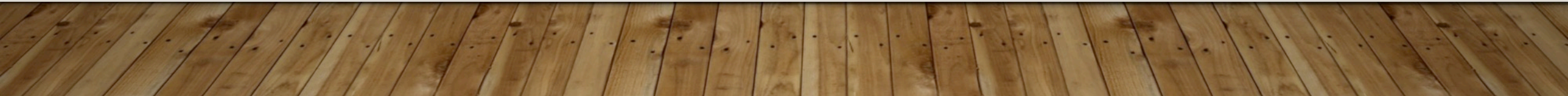
Ag Commission Update 6/13/18

Kelly Dudeck • Grow & Fortify



GROW & FORTIFY MISSION

To cultivate an environment where value-added agricultural producers, operators and growers innovate and thrive.



WHAT IS VALUE-ADDED AGRICULTURE?

- Altering or processing a raw agricultural product in a way to increase its worth to the consumer, and in turn, bring more revenue to the farmer, producer or processor.
- While definitions vary, it is clear there are common characteristics associated with value-added products:
 - physical changes to the product
 - Production
 - identity/marketing characterizations like certified organic or labeling products as local.

STATE OF THE STATE: *Craft Beverages*

- **WINERIES:** More than 94 federal permits issued to date. Approximately 100 active wineries and wineries-in-planning. This currently includes meaderies and cideries.
- **BREWERIES:** More than 75 federal permits issued to date. Approximately 90 active breweries and breweries-in-planning. Of these, 12-15 are farm-based breweries. Also includes two cider producers
- **DISTILLERIES:** 22 federal permits issued to date. Approximately 20-25 active distilleries and distilleries-in-planning. These also include wineries/distilleries.



WINERIES LEGISLATIVE SESSION 2018: *Update*

- New law passed requiring 51% of wine be produced using Maryland agricultural ingredients.
- Or the winery must own/operate/lease 20 acres of grapes (or fruit used in wine).
- Wineries have until 2022 to comply.

DISTILLERIES LEGISLATIVE SESSION 2018: *Update*

Nothing passed. Here's what we hoped *would* pass:

Ability to serve cocktails

- As the law currently stands, distillers are permitted to offer samples of their products and sell bottles to go.
- But many spirits are best presented mixed with other non-alcoholic ingredients. Distillers in DC, VA and other neighboring jurisdictions are able to serve cocktails to their customers, and this would provide a new opportunity for local distilleries.

Off-Site Permit

- Bringing the Distillery Off-Site Permit on-par with the Winery Off-Site Permit, which:
- Allows a distillery to attend more off-site events (from 7 to 32);
- Allows a distillery to attend farmers markets;
- Does not change the sales or service authorized by the permit;
- Already requires that the licensee or employee managing the distillery's participation in the event is certified under a responsible alcohol service program.

BREWERIES LEGISLATIVE SESSION 2018: *Update*

- HB 518 – Alcoholic Beverages – Reform on Tap Act of 2018 | **Failed**
- HB 1052 – Alcoholic Beverages – Class 5 Brewery License – Alterations | **Failed**
- HBHB 1370/SB 956 – Alcoholic Beverages – Maryland Beer and Brewery Promotion Program – Establishment | **Failed the House; Passed the Senate Unanimously**
- HB 1148/SB 1017 – Alcoholic Beverages – Class 5 Breweries – On Premise Sales | **Held in Committee**
- HB 1015/SB 839 – Alcoholic Beverages – Class 7 Limited Beer Wholesaler’s License – Production and Distribution Limits | **Held in Committee**
- HB 1176/SB 1044 - Alcoholic beverages – Class 5 Breweries – On Premise Consumption – Hours of Operation | **Held in Committee**
- HB 1222/SB 1043 – Alcoholic Beverages – Beer Franchise Agreements – Notice of Nonrenewal or Termination | **Held in Committee**
- HB 1369/SB 867 – Alcoholic Beverages – Breweries – Limits on Production and On Premises Sales | **Held in Committee**

BREWERIES LEGISLATIVE SESSION 2018: *Update*

- SB 406 – Class 5 Breweries – Sales of Beer for On-Premises Consumption | ***Failed, Withdrawn***
- SB 609 – Class 5 Breweries – Hours of Sale for On-Premises | ***Failed, Withdrawn***
- HB 357/SB 311 – Alcoholic Beverages – Manufacturer’s License Fees – Alteration | ***Failed***
- HB 66 – Sales and Use Tax – Alcoholic Beverages – Rate Reduction | ***Failed***
- SB 577 – Alcoholic Beverages – Prohibited Acts – Defense to Prosecution for Sale to Underage Individuals | ***Failed***
- HB 1003 – Alcoholic Beverages – Licenses Issued by Different Local Licensing Boards to Single License Holder – Authorized | ***Passed***
- HB 1316 – Task Force to Study State Alcohol Regulation, Enforcement, Safety, and Public Health | ***Passed***

BREWERIES LEGISLATIVE SESSION 2018: *Update*

Purpose of Task Force

In addition to examining the State agency (The Office of the Comptroller) currently regulating the State alcoholic beverage industry, the task force must review:

- Maryland alcohol laws in light of recent changes regarding alcohol production, distribution, and sale;
- The public health impact of alcohol in Maryland;
- The economic development and employment impact of alcohol in Maryland; and
- The enforcement of alcohol regulation and laws at the State and local levels, including regulatory systems in other states and the methods by which State and local enforcement agencies interact.

Other Legislative Updates

AGRITOURISM DEFINED!

House Bill 252 establishes a model definition for agritourism in the Land Use article for county governments to adopt through their legislative process as a local ordinance, resolution, law or rule. The definition is not a mandate, but will serve as a reference in state law to help counties regulate their own agritourism activities.

Many thanks to MDA, MDP and the Governor's Office!

INDUSTRIAL HEMP PASSED!

A measure to allow Maryland farmers to grow industrial hemp if they do it in partnership with a university or state agency is now in place.

NEXT STEPS FOR HEMP?

- Legislation passed.
- Stakeholders meeting was held.
- Fall workshop being developed.
- MDA working on regs.
- Grow & Fortify starting a coalition.



WHAT ELSE ARE WE UP TO?

- Regulatory Matrix
- Value-Added Agriculture
Economic Impact Study
- Grow & Fortify Summit 12/6



WHAT DOES YOUR SUMMER LOOK LIKE?

- 6/15 Preservation Maryland Summit
- 6/16 Drink Maryland Centreville
- 6/10 MD Wine Comp – Presentation
- 6/23 Drink Maryland North Beach
- 7/11 LEAD MD Legislative Workshop
- 7/19 Buy Local Cookout
- 7/21 Cecil Wine Fest
- 7/27 Biodynamic Workshop @ Old West
- 8/7 BAM Ag Resource Field Day (Hops!)
- 8/18 MD Craft Beer Competition
- 8/25 Revive! Divine Food + Divine Beer
- Regional Meetings



QUESTIONS?

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