



MARBIDCO
growing rural ventures™

MARYLAND AGRICULTURAL AND RESOURCE-BASED
INDUSTRY DEVELOPMENT CORPORATION
1410 Forest Drive, Suite 21 ~ Annapolis, MD 21403
Office: 410-267-6807 ~ Fax: 410-267-6809
www.marbidco.org

Ms. Mary Shank Creek, *Chair* / Stephen R. McHenry, *Executive Director*

TESTIMONY STATEMENT

BILL: House Bill 147 (Maryland Farms and Families Fund, Maryland Food and Agricultural Resiliency Mechanism Grant Program, and Maryland Farm-to-School Meal Grant Pilot Program – Alterations and Establishment)

COMMITTEE: House Environment and Transportation

DATE: January 19, 2022

POSITION: Support

The Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) supports House Bill 147, which is often referred to as the “Maryland Farm to Food Security Act”. MARBIDCO’s support of this legislation is focused primarily on the **Maryland Farms and Families Fund** administered by the Maryland Department of Agriculture (MDA). MARBIDCO has been the grant recipient of this program for the last two years for support of the **Maryland Market Money Program (MMM)**.

Brief Overview of Maryland Market Money

The MMM Program matches federal nutrition benefits (such as SNAP, FMNP and WIC) used at Maryland farmers markets and farmstands for food insecure Marylanders. MMM is a MARBIDCO program largely managed by the Southern Maryland Agricultural Development Commission (a unit of the Tri-County Council for Southern Maryland). The program reduces barriers to healthy foods, improves economic viability of Maryland farmers, and diversifies the customer base of farmers markets. Since its inception in 2013, the program has provided more than \$1 million in matching funds to alleviate food insecurity. MMM currently receives \$100,000 annually from the State through the Maryland Farms and Families Fund (under MDA). This legislation would increase the amount of grant funding available in the Maryland Farms and Families Fund to help put more money into the hands of food insecure shoppers, markets, and farmers in the State of Maryland, and make some other programmatic improvements.

What Does this Legislation Do to Help the MMM Program?

Specifically, this bill helps the MMM Program by doing the following:

- Increases the funding for the Maryland Farms and Families Fund from \$100,000 to \$300,000 annually beginning in FY 2024. (NOTE: Increasing the amount of funding in the Fund is a recommendation of the Maryland Food System Resiliency Council, found in its recent report.)
- Allows the grant funding for participating farmers markets to include funding for local market food access coordinators in addition to the matching dollars for purchases made with FMNP, SNAP, and WIC benefits. Also allows funding to go to participating farmstands and CSAs.

- Changes the distribution of program foundational funds from 70% to participating farmers markets and 30% for administrative costs, to 60% and 40%, respectively. This change allows for additional program funding for administrative costs such as: program development, promotion and outreach, farmers market training and capacity building, technical assistance, program data collection, evaluation, administration, and reporting.
- Adds uncodified language that states that it is the intent of the General Assembly to encourage counties and municipalities to provide supplemental financial support to the program. Any financial support provided is encouraged to be distributed 80% to participating farmers markets and 20% to administrative related costs. (NOTE: Local governments that provide financial support can normally expect to see the food incentive dollars increased at the participating local markets over the basic incentive of \$10 per day.)

MMM Programmatic Information

Maryland Market Money (MMM) is Maryland's only statewide food incentive program that provides a dollar-for-dollar match for purchases made using federal nutrition benefits at select farmers markets. Each MMM dollar works in the following ways: helps Marylanders experiencing food-insecurity to access wholesome foods, boosts farmers' sales at the markets which increases the profitability of Maryland farms and strengthens communities making farmers markets a welcoming and equitable community space. Since 2013, the program has grown from two participating markets to 46 markets and farm stands, providing low-income Marylanders spending their benefits at participating markets with more than \$1.2 million in MMM matching funds to purchase eligible foods from local producers and supporting the Maryland economy.

MMM was originally administered by the Maryland Farmers Market Association, a nonprofit organization which ran the program from 2013 until it folded in April 2020. In recognizing the need for this vital food access program in Maryland to continue, MARBIDCO and the Southern Maryland Agricultural Development Commission (SMADC), a division of the Tri-County Council for Southern Maryland (TCCSMD), partnered to continue its operation. MARBIDCO is the fiscal agent for the program while SMADC assumes the responsibility for the day-to-day operations and staffing.

In FY 2021, MMM allocated \$391,000 to farmers markets and other access points. Funding came from a variety of public and private sources including: MDA's Maryland Farms and Families Fund, Montgomery County, Prince George's County, Baltimore City, Rural Maryland Council, federal Relief Act funding and other private donations. Funding supported the 2021 market season, which runs January-December 2021, with matching dollars being spent with 550 farmers at 46 farmers markets, farmstands and mobile markets located in 13 counties. The program increased its access points statewide by nearly three-fold over the previous market year. The funding available for this season also allowed MMM to double its basic incentive match from \$5 to \$10 per day. And where county or municipal government funding is provided, the per day incentive match is often substantially increased with this supplemental funding.

In FY 2022, MMM is allocating \$461,443 to farmers markets and farmstands in MMM matching dollars. The total number of farmers and local food producers is dependent on the number of markets and farm stands that apply in the winter of 2021 to participate in 2022. In FY 2022, growth of the MMM program will prioritize strengthening the current participating farmers markets in addition to adding more farm stands and introducing CSAs, which require minimal operational support as compared to farmers market access points. In addition to the \$100,000 Maryland Farms and Families Grant, additional funding is coming from Montgomery and Prince George's Counties, Baltimore City (pending), Rural Maryland Council, USDA (GusNIP grant), and other donations.

The budgets (actual and projected) for fiscal years 2021 through 2024 are included as attachments. The budgets for fiscal 2023 and 2024 are based on funding we project to be available, including hopefully additional county/municipal government funding, and we will continue to apply for additional funding from federal and private sources as well.

Additional Detailed Explanation

The bill increases the funding for the Maryland Farm and Families fund from \$100,000 to \$300,000 beginning in FY 2024. The funding from the State provides a stable and foundational source of funding for the MMM program. Currently only three local jurisdictions provide financial support to the program to provide matching dollars in their counties/municipalities. Additional state support is needed to provide the core funding to the rest of the State. MMM's goal for 2023 is to increase the number of access points to 90 including farmers markets, farm stands, and CSAs and to target the Eastern Shore, as well as urban and rural farms, rural farm stands, and CSAs located in healthy food priority areas. Additional funding will be needed in order to continue to add more access points and increase the match in future years. Once markets participate in this program, they almost always continue in future years and even experience growth and more demand from the communities they serve. Rates of food insecurity are expected to remain high in Maryland for some time to come, underscoring the importance of long-term system changes to ensure that every resident has meaningful access to healthy, affordable, and culturally appropriate food. Some other states provide a level of funding that allows a for basic match of at least \$20, or even greater.

The bill allows for 60% of the funds to be distributed to participating farmers market and 40% for administrative related costs. We are often able to find sources of funding willing to support nutrition incentives specifically mandated to fund matching, but operational funding support consistently remains a challenge and stunts program capacity and growth. For this reason, having the flexibility to allow up to 40% of the funding from the Maryland Farms and Families Fund to be used for administrative and operational costs will allow the program to expand its offering to other markets but still maintain the services MMM provides markets including marketing, promotion and outreach, technical assistance and training, program data collection, and importantly monitoring and reporting.

The bill proposes to allow grant funding for participating farmers markets to include funding for local market food access coordinators. Our experience has shown that jurisdictions that hire local food access coordinators have a greater chance of success in running a matching incentive program. The State funding at current levels does not allow for the program to afford offering stipends for farmers markets to hire their own food access coordinators and impacts those jurisdictions that rely solely on State funds and do not have local government funding support.

The bill includes uncodified language that states that it is the intent of the General Assembly to encourage counties and municipalities to provide supplemental financial support to the program of which 80% would go to participating farmers markets and 20% to administrative related costs. While the State cannot mandate county or municipal governments to fund programs in their local jurisdiction, we believe local governments should be encouraged to provide support on an 80/20 basis to help food insecure Marylanders access healthy foods in Maryland grown by local farmers.

For these reasons **MARBIDCO respectfully requests a favorable report for HB 147** to help facilitate the improvements described above to the Maryland Farms and Families Fund.

MARBIDCO Contact: Steve McHenry, 410.267.6807

Attachments:

- 1) Budget summaries for fiscal years 2021 through 2024
- 2) A slide that illustrates the benefits of the MMM Program
- 3) A slide that maps the MMM access points around Maryland

Maryland Market Money Program
(Includes an Annual MDA "Farms and Families Fund" Grant)
Current and Projected Budgets -- FY 2021 thru FY 2024

FY 2021 ACTUAL MMM Program Budget				
Revenue Source	Food Dollar Funding (Incentives)	Local Food Access Coord. Funding	Operational/ Administrative Funding	Total Funding
State Funds (FFF and RMC)	\$71,500		\$89,430	\$160,930
Federal Funds (APRA)	\$167,000			\$167,000
County & Municipal Contracts	\$152,500	\$15,408	\$54,112	\$222,020
Other Grants			\$8,321	\$8,321
Total	\$391,000	\$15,408	\$151,863	\$558,271

Total Access Points 2020 Market Season: 16

Total Access Points 2021 Market Season: 46

Incentives Funding constituted 70% of total budget.

FY 2022 CURRENT MMM Program Budget				
Revenue Source	Food Dollar Funding (Incentives)	Local Food Access Coord. Funding	Operational/ Administrative Funding	Total Funding
State Funds (FFF and RMC)	\$85,000	\$0	\$85,000	\$170,000
Federal Funds (USDA)	\$85,875	\$0	\$25,000	\$110,875
County & Municipal Contracts	\$269,568	\$19,500	\$84,131	\$382,547
Other Grants	\$21,000		\$4,900	\$25,900
Total	\$461,443	\$19,500	\$199,031	\$689,322

Total Access Points 2021 Market Season: 46

Total Projected Access Points 2022 Market Season: 65

Incentives Funding constitutes 67% of total budget.

FY 2023 PROJECTED MMM Program Budget (Assumes Enactment of 2022 Legislation)				
Revenue Source	Food Dollar Funding (Incentives)	Local Food Access Coord. Funding	Operational/ Administrative Funding	Total Funding
State Funds (FFF)	\$120,000		\$80,000	\$200,000
Federal Funds (USDA)	\$85,875		\$25,000	\$110,875
County & Municipal Contracts	\$340,438	\$19,500	\$72,609	\$432,547
Other Grants	\$10,000		\$25,000	\$35,000
Total	\$556,313	\$19,500	\$202,609	\$778,422

Total Projected Access Points 2022 Market Season: 65

Total Projected Access Points 2023 Market Season: 90

Incentive Funding constitutes 71% of total budget.

FY 2024 PROJECTED MMM Program Budget (Assumes Enactment of 2022 Legislation)				
Revenue Source	Food Dollar Funding (Incentives)	Local Food Access Coord. Funding	Operational/ Administrative Funding	Total Funding
State Funds (FFF)	\$162,000	\$18,000	\$120,000	\$300,000
Federal Funds (USDA)	\$85,875		\$25,000	\$110,875
County & Municipal Contracts	\$436,438	\$19,500	\$96,609	\$552,547
Other Grants	\$30,000		\$15,000	\$45,000
Total	\$714,313	\$37,500	\$256,609	\$1,008,422

Total Projected Access Points 2023 Market Season: 90

Total Projected Access Points 2024 Market Season: 120

Incentives Funding constitutes 71% of total budget.

Benefits of Maryland Market Money

A WIN-WIN FOR ALL INVOLVED:

- **Food-insecure Marylanders** stretch their limited food budgets through matching dollars received, making it easier to access fresh, healthy, quality foods.
- **Farmers markets, farms stands, and CSAs** broaden and diversify their customer base, creating welcoming community spaces and thriving economic centers for market vendors.
- **Local farmers and producers** diversify and augment their revenue stream while building a new, inclusive customer base.
- **Communities** gain a positive gathering place for diverse residents of all ages and backgrounds through the establishment of accessible farmers markets.
- **Local economies** grow and sustain through the spending of federal nutrition benefits and Maryland Market Money by community residents with local markets and farms



www.marylandmarketmoney.org



SMADC is a division of the TRI-COUNTY COUNCIL for SOUTHERN MARYLAND

2021 Maryland Market Money Access Points

46 farmers markets, farm stands, on-farm markets, mobile markets and 8 pop-up farmers markets

