



MARYLAND DEPARTMENT OF AGRICULTURE

LEGISLATIVE COMMENT

DATE: February 24, 2016 BILL NO.: HB 599

SUBJECT: HB 599-POULTRY LITTER MANAGEMENT ACT

COMITTEE: ENVIRONMENT AND TRANSPORTATION

MDA POSITION: OPPOSE

EXPLANATION:

HB 599 would significantly change the way poultry companies and growers conduct their voluntary-based contract agreements and business relations. If passed, HB 599 would make the poultry companies responsible for the poultry litter, an organic by-product from poultry house operations. Transferring responsibility of the litter to the poultry companies would take away a valuable nutrient commodity and potential income source from poultry farmers. This bill would require the Maryland Department of Agriculture (MDA) to inspect and enforce reporting requirements between integrators, manure brokers, manure transport companies, poultry growers, and receiving agricultural operations. Additional general funds would be necessary for new MDA personnel and travel to comply with these added enforcement requirements.

COMMENT:

HB 599 creates additional enforcement responsibilities for MDA. The department currently has a verification process in place for approving farmers' compliance with their mandated nutrient management plans (NMP). This was established by the General Assembly in 1998. Since then, MDA has been recognized by the U.S. Environmental Protection Agency as having a "gold standard" in regulating NMPs. Any additional regulatory burden placed on this process impacts the advancement that has been made in achieving pollution limits set forth by the State's Total Maximum Daily Load (TMDL) and Water Implementation Plan (WIP) goals.

Maryland was one of the first states to adopt mandated nutrient management plans. These science-based plans, written by trained and certified consultants, specify how much fertilizer, manure, or other nutrients may be safely applied to crops to achieve yields and

prevent excess nutrients from impacting waterways. This bill would restrict and harm manure brokers, farmers, and integrators with additional record keeping. Any violation would result in possible civil penalties up to \$50,000 per violation and establishes these violations as a criminal misdemeanor, to be enforced by MDA.

Environmental industry groups, including Chesapeake Bay Foundation (CBF) President, William Baker, has acknowledged dating back to a 2007 jointly held news press conference with MDA that “Farmers are good stewards of the land.” Mr. Baker’s recognition of Maryland farmers would include the many best management practices poultry farmers have put in place to handle the storage, transportation, and application of manure to cropland.

Additionally, HB 599 would not allow public funds to provide cost share for the transportation of all livestock manure. This eliminates the current Manure Transport Program, which poultry, dairy, organic, and grain farmers rely on for an organic fertilizer source and for transporting manure to where it can be safely utilized. In accordance with the Manure Transport Program, poultry companies voluntarily pay part of the cost for transporting poultry litter generated by their growers. Since the program began in 1999, poultry companies have contributed \$5.1 million and the state has provided \$6.5 million for the transport of poultry litter. Every eligible farmer who has requested help transporting manure has received it. No eligible farmer has been denied assistance to date due to lack of funding. HB 599 would eliminate this assistance.. The availability of the Manure Transport Program is essential in assuring compliance with the PMT while addressing some of its economic impacts to farmers and the industry. MDA has prioritized its use for farmers impacted by PMT requirements.

The bill also has the potential of negatively impacting development of alternative technologies that utilize manure that can no longer be land applied or improve manure management so PMT requirements can be met.

In addition, current Vice President of Environmental Protection and Restoration for CBF, Kim Coble, stated at the 2006 Maryland Farm Bureau convention, “They [CBF] are done finger pointing,” yet this bill points the finger directly at poultry companies and the farmer by taking away a valuable revenue stream for farmers. Working with farmers, poultry companies, legislative leaders, and the environmental community (including CBF), the Hogan administration enacted new phosphorus management regulations, also known as the PMT last year. This compromise agreement highlights the administration’s commitment toward water quality, using sound science, not finger pointing. HB 599 seeks to change the economic dynamics of the industry and as a result is counterproductive in achieving the goals established by the PMT. It ignores the agreed upon framework developed last year and is a major disappointment to those who negotiated in good faith in 2015.

A fact sheet as been included with this testimony to update the committee on the progress and implementation of the PMT.

In conclusion, this bill limits the market availability of manure (both poultry and dairy) available as fertilizer and for alternative technologies. Many stakeholders, including state agencies, private investors, and poultry companies are exploring and funding alternative technologies. These projects can separate the nutrients from animal manure and have the ability to generate renewable energy. These measures have the potential to assist the agricultural sector in meeting their phosphorus runoff goals and to reach Maryland's renewable energy portfolio standards.

To put into perspective, Maryland's poultry industry employs 4,370 people and generates 12,100 jobs with average wages and benefits of \$48,000 a year, or total wages of \$805 million. There are about 2,600 chicken houses owned and operated by Maryland family farms serving five poultry companies on the Eastern Shore. This bill would have a direct negative effect on the overall strength of Maryland's poultry, dairy, grain, and organic agricultural industries. These family farms, which provide safe and affordable food products, will be placed at risk and a competitive disadvantage if SB 496 were to pass.

MDA REQUESTS AN UNFAVORABLE REPORT FOR HB 599.