



**FY 2022 Annual Report**  
**Maryland Agricultural and  
Resource-Based Industry  
Development Corporation**

*Helping to finance Maryland's food and fiber future*

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*On the cover: Chicken of the Wood Mushrooms from The Garden International, Beltsville, MD*

# From the MARBIDCO Board Chair & Executive Director

MARBIDCO celebrated its 15th anniversary this year, and the Corporation shows no sign of slowing down with about a dozen-and-a-half programs now being offered.

We started in 2007 with just one staff person launching a couple of financing programs, and now have a staff of ten.

We had an initial budget of just \$1 million, and have grown it to about \$13 million this year -- thanks in large measure to the Core Program funding provided by our State Government over the years (including \$2.2 million in FY 2022).

Indeed, our Core Programs are on track to be self-sustaining after FY 2025, and our several Specialty Lending and Next Generation Programs continue to be well supported thanks to the efforts of farsighted State leaders and willing partners at the Federal, State, Regional and Local levels.

We are truly delighted to report that we have funded 1,100 agricultural and rural business projects during MARBIDCO's 15 years of existence, with more than half of these supporting young and beginning farmers (a key reason that the Maryland General Assembly created MARBIDCO).

And MARBIDCO anticipates hitting the \$100 million projects funded milestone by this time next year.

## A Record Year

Moving forward with the difficult Covid-19 pandemic period mostly behind us, our business operations turned back to being mostly "normal" with the demand for new loans exceeding expectations.

We experienced a very productive 12-month period, while also adjusting to an unusually large transition in personnel, which has become commonplace for many organizations in the post-pandemic period.



Mary Shank Creek  
MARBIDCO Board Chair

On the programmatic front, MARBIDCO offered 16 programs during the year, with the Core loan programs – including our “workhorse” MRBIFF loan program – having had a near record year.

In FY 2022, MARBIDCO approved 22 Core program loan projects totaling \$9,084,100, versus during a previous “record setting year” in FY 2017, with 36 projects funded worth \$9,134,552.

In terms of all Core and Specialty program lending, last year compares rather well to FY 2017 especially in terms of loan dollar volume: 26 projects worth \$9,329,235 in FY 2022, versus 38 projects worth \$9,310,127 in FY 2017. So, FY 2022 wins on the basis of loan volume.

It's also noteworthy that, since 2017, MARBIDCO has added the two Next Generation Farmland Acquisition Programs to our list of active financing programs beginning with the original Next Gen Program starting in FY 2018, as well as the new Certified Local Farm Food Aggregation Grant program.

In terms of all projects funded in



Steve McHenry  
MARBIDCO Executive Director

FY 2022 (including loans, grants, and easement/option purchases), MARBIDCO approved a total of 87 projects totaling \$12,094,034, versus 54 projects worth \$9,519,072 in FY 2017 (or roughly 25% more project financing activity last year versus in FY 2017).

## Recognition & Appreciation

In addition to thanking our State leaders for their support, we need to acknowledge the commitment and enthusiasm of the MARBIDCO Board of Directors, the efforts of the members of various MARBIDCO loan and grant review committees, and the hard work of the talented MARBIDCO staff.

It takes a lot of people generously giving their time and talent to make progress towards sustaining a vibrant rural working landscape and heritage that produces an abundance of high-quality agricultural products for Marylanders to enjoy.

We thank all of them, as well as the many hard-working folks that labor daily across our great State to provide a cornucopia of food and fiber products that we all depend on as consumers and citizens.



# About MARBIDCO

## What We Do

MARBIDCO's vision is to ensure that the State of Maryland has thriving agricultural, forestry, and seafood industries. MARBIDCO

plays an important role in helping Maryland's food and fiber producers and processors to innovate and thrive both today and well into the future. MARBIDCO is nimble and flexible in providing targeted and specialized financing infrastructure that helps retain existing resource-based industry production and commerce, promote rural entrepreneurship, and nurtures emerging food, feed, and fiber businesses (including equine and horticulture).

## MARBIDCO Values Statement

### Accountability

We are responsible for our actions and for adherence to our mission, and we ensure that this responsibility is ingrained throughout the organization. We measure our activities and report our outcomes to our stakeholders.

### Collaboration

We build trust and credibility across the organization as well as with policymakers and people across the

commercial business sectors that we serve. We are transparent in the exchange of ideas and our encouragement of one another. We value teamwork in our pursuit of supporting innovation and organizational excellence.

### Integrity

We provide the best quality service to our stakeholders and strive to exceed expectations when possible. We act with the highest regard for moral, ethical, and inclusionary standards. We stand by what we say and what we do, and we always act in an honest and open way. We do the right thing.

### Respect

We uphold a culture of respect at work and within the community of our stakeholders. We embrace diversity, equity, and inclusion while also valuing our employees for their individuality and the unique perspectives that they bring to the organization. We recognize excellence in performance when we can.

### Stewardship

We take seriously our responsibility to manage scarce resources and to serve as stewards of public and private sector funds. We value our ability to serve our customers in a courteous, efficient and fiscally responsible manner. We encourage and empower MARBIDCO team members to act in accordance with our culture.





# 2022 MARBIDCO Board of Directors

**Ms. Mary Shank Creek**

(Chair)  
Farm Owner/Manager  
Palmyra Farm Ayrshires &  
Holsteins (Representing Commer-  
cial Food or Fiber Processing)

**Mr. John Jastrzemski**

(Vice Chair)  
Manager, Davey Tree Corporate  
Green Solutions, Mid-Atlantic  
Region  
Davey Tree Company (Represent-  
ing Timber and Forest Products  
Industry)

**Mr. Mark C. Krebs**

(Secretary-Treasurer)  
Executive Vice President and  
Chief Financial Officer  
Farmers and Merchants Bank  
(Representing Commercial  
Lending Institutions I/Open to  
Non-Farm Credit Organizations)

**Mr. Steve Connelly**

Deputy Secretary of Agriculture,  
Maryland Department of Agricul-  
ture (Representing the Maryland  
Department of Agriculture)

**Mr. Wayne Richard**

Area Lending Manager  
Horizon Farm Credit (Representing  
Commercial Lending Institutions II/  
Farm Credit Organizations)

**Mr. Wade A Haerle**

Agribusiness and Energy Program  
Manager, Maryland Department  
of Commerce (Representing the  
Maryland Department of Com-  
merce)

**Dr. Douglas Lipton**

Senior Research Economist,  
National Marine Fisheries Service,  
National Oceanic and Atmospheric  
Administration  
(Representing the Aquaculture  
Industry)

**Ms. Charlotte Davis**

Executive Director  
Rural Maryland Council  
(Representing Rural Maryland  
Council)

**Mr. Robert Yates Claggett, Jr.**

Farm Owner/Manager  
Bald Eagle Farm (Representing  
Ag, Forestry, or Seafood; or Eco-  
nomic Development)

**Dr. Donald Darnall**

Executive Director, Maryland Food  
Center Authority  
(Representing MFCA )

**Dr. James C. Hanson**

Associate Dean & Associate Direc-  
tor, University of Maryland Exten-  
sion (Representing UME)

**Dr. Faith Elliott-Rossing** (retired)  
Director of Economic Development  
and Agriculture, Queen Anne's  
County (Representing Rural Eco-  
nomic Development or Agricultural  
Marketing)

**Mr. Leo Paul Goeringer, Esq.**

Senior Faculty Specialist  
University of Maryland,  
Department of Agricultural &  
Resources Economics  
(Representing Public Finance)

**Mr. Berran L. Rogers Jr.**

Project Director/Small Farm Co-  
ordinator, University of Maryland  
Eastern Shore  
(Representing Agricultural  
Producers)

**Ms. Sarah J. O'Herron**

Owner, Black Ankle Vineyards  
(Representing Ag Producers II)

**MARBIDCO Staff**

**Mr. Stephen McHenry**

Executive Director

**Ms. Stacy Kubofcik**

Senior Programs Manager

**Ms. Betsy McKeehan**

Senior Programs Officer

**Ms. Tina Wilkins**

Senior Accounting Coordinator

**Ms. Jill Kubatko**

Communications Associate

**Ms. Daniela Merkle**

Loan Administration  
Specialist

**Ms. Allison Roe**

Financial Programs Officer

**Mr. Daniel Sweeney**

Financial Programs  
Specialist

**Ms. LeeAnn McCullough**

Administrative/Accounting  
Associate

**Mr. Munachi O. Nsofar Esq.**

Assistant Attorney General  
Counsel to MARBIDCO

# MARBIDCO's First Loan: A Look Back & Into the Future of Black Ankle Vineyards

*In celebration of MARBIDCO's 15<sup>th</sup> anniversary, we look back at our first loan recipient in 2007, their history, and where they are today.*

Black Ankle Vineyards was conceived by two young professionals who walked away from lucrative consulting careers to follow their dream – to create a world-class vineyard and winery in Maryland.

Sarah O'Herron and Ed Boyce were serious about their new venture, and it took several years to bring their vision to fruition. Having no winemaking experience, they traveled to renowned wine regions from Chile to France to New Zealand learning the art of winemaking.

With their newfound knowledge, they searched for the perfect Maryland soil and old-world harvestable grapes to grow and then researched how to build a sustainable eco-friendly complex utilizing nature's yield from the piece of earth they hoped to purchase.

That ideal 146-acre property was discovered in 2002 in the rolling, rocky terrain of Maryland's Piedmont area in Mount Airy, Frederick County: perfect for grape growing with good drainage and a temperate climate on a hilly landscape." Not the kind of soil most farmers are looking for," joked O'Herron. Working the land and planting their initial 22 acres with a dozen or so grape varieties in 2003-2004 took time, but by 2006 the couple had their first harvest.

Boyce and O'Herron now needed wine-making equipment and a tasting-sales facility to share their blended Bordeaux-and Burgundy-style wines with the public.

## Enter MARBIDCO

O'Herron and Boyce met with a loan officer at the local Mid-Atlantic



*Ed Boyce & Sarah O'Herron*

Farm Credit who introduced them to the State's newly formed quasi-public financial institution offering low-interest loans to agri-businesses, called the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO).

MARBIDCO had just opened its Maryland Resource-Based Industry Financing Fund or "MRBIFF" program and the couple obtained the corporation's very first loan. MARBIDCO's loan funds, in addition to Mid-Atlantic Farm Credit, allowed the couple to build a sustainable straw-built facility made from straw, wood, stone, and clay retrieved on their land.

The distinctive energy-efficient building with solar panels and a green (vegetation) roof opened in 2008.

"In this industry, it is such a huge outlay of beginning capital, and being able to get a low-cost loan with a super low-interest rate and great terms was wonderful," said O'Herron. "MARBIDCO was a big help to get us going to construct our tasting room."

MRBIFF has since become the most popular loan in MARBIDCO's portfolio of financial programs.

With the help of a commercial lender, qualified applicants can receive loan amounts, up to \$300,000 for the acquisition of equipment and fixed assets, up to \$600,000 for real estate purchases and \$900,000 for large-scale food/fiber processing projects.

Black Ankle Vineyards has also received three small grants from MARBIDCO over the years.

## Growing a Vineyard

The rocky low-fertility soil in the Piedmont region where Black Ankle Vineyards is located makes for superior growing conditions producing excellent fruit, according to O'Herron.

Since grapevine roots must penetrate deep into the earth to find water and nutrients, hormonal triggers in the plant force it to channel its energy into producing complex, concentrated fruit.

All Black Ankle grapes are grown and harvested on the property.

Among the varieties planted and used for crafting their blends are Syrah, Cabernet Sauvignon, Cabernet Franc, Merlot, Malbec, Petit Verdot, Pinot Noir, Albariño, Chardonnay, Grüner Veltliner, Muscat, and Viognier.

O'Herron said a quality product is imperative and they are dedicated to producing the best possible wines that some say compare favorably with the finest Europe has to offer.

Each of their 200,000 grape vines is hand-touched seven to 10 times a year to ensure they are healthy and cultivating optimal fruit.



*Black Ankle Vineyards eco-friendly complex*

For their efforts, Black Ankle Vineyards, has won “Best in Show” at four Maryland Governor’s Cup Competitions and was recognized in 2014 by the Washington Post as one of two Maryland wineries that are “changing the way wines are made in Maryland.”

The winery’s picturesque setting is reminiscent of a Tuscan winery or Spanish villa say its customers “The experience is wonderful, it’s like I am on vacation or in Italy,” recalled O’Herron of patrons’ comments. “It’s a great break from life. We are an hour from Baltimore and Washington D.C. and only about 20 minutes from Frederick City. It’s good to get out, get a taste of nature.”

Black Ankle has Friday and weekend events with live music and food trucks. It operates as a wedding venue, offers private tastings parties, wine cruises, curated wine experiences, a wine club, subscription service, plus an ask the winemaker online format “happy hour”, found on YouTube.

### **Yesterday, Today & Tomorrow**

Besides the tasting-sales building and sprawling patios, the property has a bank barn built in the 1800s (updated in the 1950s), a farmhouse circa 1860s-70s, a fermenting building housing steel wine-making tanks, a wine aging facility with hundreds of oak barrels and a

new storage-shipping facility.

The vines are expertly cared for by its seasonal team of 25, H2-A temporary agricultural workers from Mexico.

Other staff members include vineyard, operations and

general managers, a director of marketing, a DTC (direct to consumer) manager, wholesale accounts, education/communications, hospitality managers, special events and weddings coordinator, 50 tasting room associates, four wine club contacts, with O’Herron and Boyce as the proprietors and winemakers.

They recently purchased two farms in Montgomery County, one of which will be exclusively vineyards and the other a separate property that will feature a vineyard/winery dubbed “Live Edge Vineyards” in Clarksburg, slated for 2026.

A third grape-growing property in Carroll County, allows the business to expand even further. With these three properties, they added 430 acres, totaling about 600 combined acres on the three farms.

### **Getting On Board**

O’Herron was asked to join MARBIDCO’s Board of Directors. She has served since 2011, taking a break in 2016 and 2017 and is serving currently.

“I enjoy being on the Board and bringing people into the MARBDICO family and get them growing. A little support makes a substantial difference,” she said. “It fills a need and is a good role for the State.”



# MARBIDCO Core Loan & Grant Programs, FY 2022



## **Core Rural Business Development Financing**

*MARBIDCO loan and grant incentive programs help meet key agricultural, forestry, or seafood business financing needs.*

*Loans can be for land purchases, facility construction or renovation, equipment acquisition or working capital, and often leverage significant commercial lender funds. Young and beginning farmers and veterans often benefit from MARBIDCO core loan programs.*

*Grant incentive programs help producers with matching funds for food or fiber processing projects and provide local governments with matching economic development cost share funds for agricultural development projects.*

**Maryland Resource-Based Industry Financing Fund\*+ (MR BIFF)** offers low-interest loans to Ag/RBI-industry enterprises for the purchase of land and capital equipment for production and processing activities (including building construction). The maximum loan amount is \$300,000 for

the acquisition of equipment and fixed assets, \$600,000 for real estate purchases, and \$900,000 for large-scale food/fiber processing projects. MARBIDCO provides between 20% to 40% of the debt financing needed for a project, and a commercial lender and/or a public entity must also have at least an equal or greater financial commitment in the transaction. MARBIDCO usually takes a subordinate lien on collateral security with these gap financing loans.

**Agri-Business Equipment and Working Capital Loan Fund\*+** offers moderate-cost loans to Ag/RBI-industry firms and producers (including farmers) for working capital and equipment purchases. The maximum loan amount is \$100,000 and the minimum loan is \$15,000. Participation by a public sector lender is encouraged, at a level matching or exceeding MARBIDCO's participation. A referral from a commercial bank is required.

**Maryland Vineyard/Hops/Orchard Fruit Planting Loan Fund\*+** offers moderate-interest loans to help meet the unique financing needs of Maryland's landowners wanting to plant fruit-bearing vines, hops and trees. The maximum loan amount is \$100,000, and an interest-only option is available for a period of three years. A referral from a commercial lender is required, as well as a site evaluation approval letter from an appropriate university or other experts. The purchase of tractors, pick-up trucks, and wine- or beer-making equipment are not eligible for financing under this program.

**Forestry Equipment and Working Capital Loan Fund\*+** offers moderate-interest loans to Maryland's forest products businesses funding working capital and equipment purchases. The maximum loan amount is \$150,000. A commercial lender must participate in the application process by providing a letter of referral.

## **Core Agri-Business Grant Incentive Programs**

**Maryland Urban Agriculture Commercial Lending Incentive Grant (MUACLIG) Program**, offered with partial matching support from Farm Credit, is designed to meet the financing needs of urban farmers by providing an incentive for them to seek commercial lender financing for the development or expansion of their agricultural enterprises. The participation of a commercial bank, Farm Credit Association, or FSA in providing project financing is required. The maximum grant amount is \$10,000, calculated at no more than 20% of the project's total cost and no more than 25% of the amount of the approved commercial loan for the project. The minimum grant amount is \$1,000.

**Local Government Agricultural & Resource-Based Industry Project Cost Share Program** is designed to lend support to local and regional rural business development efforts. MARBIDCO will consider a project cost-share request from a local or regional economic development office if the project fits within MARBIDCO's statutorily established mission area. (Basically, any project or activity funded by MARBIDCO must assist Maryland's farming, forestry, or seafood industries.) Moreover, MARBIDCO's participation in the cost share project cannot exceed that of the local government (unless it is a "One Maryland" jurisdiction, where the funding could be up to double the amount). The maximum project cost share grant is \$10,000 (or up to \$25,000 under special circumstances), while Food Safety Modernization Act (FSMA)

matching grants are capped at \$5,000 and deer fences at \$3,000.

**Maryland Value-Added Producer Matching Grant (MVAP-MG – USDA Option)** is designed to encourage participation in USDA's highly competitive Value-Added Producer Grant Program (which has both planning and working capital components). The USDA VAPG program, which is offered annually, requires a non-federal financial matching commitment, and each application for the VAPG must include a "verification of matching funds". The USDA VAPG Planning Grant offers a maximum award of \$75,000, and the Working Capital Grant offers a maximum of \$250,000. MARBIDCO will provide up to 15% of the matching funds required to eligible applicants (up to \$11,250 for Planning Grants and up to \$25,000 for Working Capital Grants). To be eligible to apply to MARBIDCO for funding, an applicant must also be eligible under the USDA VAPG Program, and funds will only be awarded to those who receive the USDA VAPG award. Each application that has been approved to receive an MVAPG will receive a letter for submission to USDA that contains how much funding will be available to the applicant. (Notably, capital equipment purchases are NOT eligible for USDA VAPG funding.)

### **Maryland Cold Storage Grant Program-Shellfish Aquaculture**

This grant assists Maryland's shellfish aquaculture farmers with the purchase of cold storage equipment and installation assistance

if needed. MARBIDCO will match up to 50% of the cost of the project, with a maximum grant award amount of \$1,000. This program connects oyster farmers with vital cold storage funding assistance for their product. Applicants are asked to make a 50% matching contribution towards the purchase and installation of cold storage equipment. Grants are awarded on a discretionary basis. The Shellfish Aquaculture farmer must be an active leaseholder with the Department of Natural Resources.

**Future Harvest Beginner Farmer Training Graduate Grant Program** offers grants up to \$1,000 to Levels 2 and 3 current class graduates of the Future Harvest CASA Beginner Farmer Training Program that are or will be farming in Maryland. Grant funds may be used toward the purchase of those items that will help the Beginner Farmer to start or expand their commercial agricultural operation including planting materials, hand tools, and other tangible farming equipment.

*\*SMADC/TCCSMD and USRC each offer up to 5% in equity incentive grants under these loan programs.*

*+Veteran's loan interest rate reduction of 25 basis points eligible in the Core Loan Programs.*

# MARBIDCO Specialty Loan and Grant Programs



## **Specialty Lending (Sponsored loan programs)**

*MARBIDCO specialty loan programs are funded by other agencies and organizations for targeted purposes, such as the Maryland Shellfish Aquaculture Financing Fund Program, and the Rural Business Energy Efficiency Loan Program.*

*Specialty programs have the support of various federal, state, regional, and private philanthropic funds where normal credit underwriting standards may not make sense for the deployment of commercial debt capital.*

**Maryland Shellfish Aquaculture Financing Fund\*** in collaboration with Department of Natural Resources (DNR) and using a combination of State and federal funds, helps watermen (and others) wishing to transition from wild oyster harvesting to start or expand underwater shellfish farming enterprises using leased growing areas in the Chesapeake or Coastal Bays plans.

Loan proceeds can be used to purchase shell, seed, spat, or equipment (depending on the source of funds), plus bottom culture and water column (cages or floats) projects. Borrowers make interest-only payments for up to three

years while oysters are growing to market size.

After that, if borrowers have made their quarterly payments, 25% of the principal balance is forgiven (40% for first-time borrowers) and borrowers fully repay the remaining balance over two to four additional years.

The maximum loan amount is \$100,000 and subsidized loan amounts cumulatively max out at \$300,000.

**Maryland Remote Setting Shellfish Aquaculture Loan Fund\*** (in collaboration with DNR and using Maryland Port Authority funds) provides affordable financing to persons who want to start or expand shellfish remote setting (nursery) aquaculture operations. The nursery grower purchases larvae from a hatchery and places them in a tank containing cultch for the larvae to set on.

Eligible equipment includes items related to commercial remote setting aquaculture projects such as seed (larvae), shell (substrate), tanks, pumps, blowers, and tank heaters. The maximum loan amount is \$30,000.



Photo: Will Parsons (CHESAPEAKE BAY PROGRAM)

**Rural Business Energy Efficiency Improvement Loan Fund\*** (working in collaboration with Maryland Energy Administration and using Regional Greenhouse Gas Initiative funds) offers low-interest loans for energy efficiency projects undertaken by food and fiber producers and processors implementing the recommendations of a third-party energy auditor.

Loans may range from \$2,500 to \$30,000. The program potentially offers a grant subsidy to borrowers who are in good standing on making their payments of up to 10% of the loan, not to exceed \$1,000.

**Southern Maryland Agricultural Revolving Loan Fund** was established with the Southern Maryland Agricultural Development Commission (SMADC) to assist Southern Maryland agricultural producers with smaller agricultural projects that typically might not be financed by traditional commercial lenders.

This program offers subsidized low-cost loans between \$10,000 - \$15,000 to qualified applicants for the purchase of livestock (including

shellfish aquaculture), the production of small fruits and hops, upgrades for the safe growing, harvesting, packing, and holding of produce in conformance with Good Agricultural Practices (GAP) and the Food Safety Modernization Act (FSMA), on-farm production of value-added products and the growth and expansion of the equine industry.

Activities of agricultural businesses in these counties only are eligible: Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's Counties. Borrowers that pay on time will receive approximately 20-25% loan forgiveness at the end of the loan term.

*\*SMADC/TCCSMD and USRC each offer up to 5% in equity incentive grants under these loan programs.*

*+Veteran's loan interest rate reduction of 25 basis points eligible in the Core Loan Programs.*

## ***Specialty Grant Programs (Utilizing externally provided funding)***



*Maryland Cattlemen's Association*

***The Certified Local Farm Enterprise Food Aggregation Grant Fund Program*** supports the development of local food aggregation infrastructure in Maryland to help meet current and future wholesale and institutional market demand for locally produced food products. Additionally, it supports a new procurement goal for State agencies and universities to purchase at least 20% of their food from Maryland Certified Local Farm Enterprises. Grants between \$25,000 and \$100,000 are available for farm cooperative projects that include at least three Certified Local Farm Enterprise farmers and grants of between \$150,000 and \$350,000 are available for large-scale infrastructure projects led by a public sector institution.

***The Upper Shore Regional Council Farm Incentive Fund and the Southern Maryland Agricultural Equity Incentive Matching Fund*** is a partnership between MARBIDCO and the Upper Shore Regional Council and between MARBIDCO and Southern Maryland Agricultural Development Commission (SMADC) to help farmers from Cecil, Kent, and Queen Anne's Counties on the Upper Shore and Anne Arundel, Calvert, Charles, Prince Georges and St. Mary's Counties in Southern Maryland to meet certain down-payment (equity) objectives for MARBIDCO-related loans.



# Rural Land Preservation Facilitation Programs

*The **Next Generation Farmland Acquisition Program** enables MARBIDCO - when partnering with commercial lenders and farmland conservation programs - to assist young and beginning farmers with down-payment funding to purchase farmland, while effectively extinguishing development rights on the farmland, thus helping to preserve the rural working land in perpetuity for farms 50 acres or more.*

*The **Small Acreage Next Generation Farmland Acquisition Program** targets smaller farms between 10 and 49 acres in size.*



## **Next Generation Farmland Acquisition Program (“Next Gen Program”)**

This exciting program addresses financing challenges of young and beginning farmers and at the same time enables the State to further its mission to help preserve working agricultural and forest land.

In cooperation with farmland conservation programs and commercial lenders, MARBIDCO offers assistance to young and beginning farmers with down-payment funding for the purchase of farmland.

During the process, the development rights are temporarily extinguished on the farmland being purchased, and eventually the land will be permanently preserved.

Under the Next Gen Program, MARBIDCO will pay up to 51% of the Fair Market Value (FMV) of the land only (with a cap of \$500,000).

Following the land sale transaction, the Next Gen Farmer will then have a period of several years to sell the permanent easement to a rural land preservation program that will hold the permanent easement (thus extinguishing the development rights on the property forever).

## **Small Acreage Next Generation Farmland Acquisition Program (“SANG”)**

SANG targets young and beginning farmers wishing to purchase 10- to 49-acre farms. MARBIDCO will provide 40% to 60% of the FMV of the farmland in exchange for a permanent agricultural conservation easement - which is used as a down payment to purchase the farm property.

A commercial lender must also be involved in providing a portion of the financing for the farm purchase.

# Living the Dream via the SANG program

## First Recipients of Small Acreage Next Gen Program Finding Success



Michael and Lauren Adams with Joleen

Michael and Lauren Adams, a young couple living in Keymar, Frederick County, had a dream. They wished to own a farm, make and sell hay, and buy and sell livestock. Both had experience in farming, and both wanted to purchase their own land. Unfortunately, they were finding it difficult to finance their desire to one day become self-sufficient.

### Enter SANG

Until they discovered the Small-Acreage Next Generation Farmland Acquisition Program or “SANG” offered by MARBIDCO.

The Adams became the very first recipients of SANG, an off shoot of the Next Generation Farmland Acquisition Program, and part of MARBIDCO’s Rural Land

Preservation Facilitation Programs protecting Maryland’s working farms.

“The fact that there is a program like this is amazing,” said Michael Adams. “We would not have been able to buy our property without it,” added Lauren Adams. “It has always been our dream to have land and some animals and be more self-sufficient,” said Michael.

SANG helps qualified young or beginning farmers who may have trouble entering the agricultural profession because of relatively high farmland costs and a lack of access to adequate financial capital to purchase smaller farmland properties between 10 and 49 acres in size.

The Small Acreage Next Gen Program is a farmland conservation easement option purchase program designed to facilitate the transfer of farmland to a new generation of farmers and help preserve the agricultural land from future development.

By using the SANG Program, MARBIDCO can provide 40% to 60% of the Fair Market



New barn and hay bale storage

Value (land only) in exchange for a permanent agricultural conservation easement. The farmer can use that money as a down payment to purchase the farmland.

Before applying, the Adams had to work with the county to determine if the property was eligible for SANG.

“The [SANG] application was easy, and all went smoothly,” Michael explained, “but the wait was stressful. There were so many hands involved; thankfully the seller was very patient.”

### **Farming Backgrounds**

Lauren and Michael have interesting backgrounds for beginning farmers. Lauren grew up in Westminster, Carroll County and was a 4-H member. Her grandfather has 100-acre farm in New Windsor, Carroll County with pigs and lambs that she once cared for. As an adult she became a registered nurse working in hospitals until they purchased the Keymar property. Today she is a home care nurse traveling around Frederick County, then comes home to help at their farm.

For 10 years, Michael was a rodeo contestant traveling up and down the east coast and out west in Texas, Oklahoma, Colorado and Missouri. He became a farrier, shoeing horses and worked at a 1,700-acre ranch in New Jersey. Later he moved to Maryland from Chester County, Pennsylvania to work for J Bar W Ranch in Johnsville, Frederick County. He also baled hay on the ranches.

Michael currently works as a farrier in Carroll and Frederick counties until about noon each day when he returns to work the farm.

### **Living the Dream**

The couple moved into their 1700s home on the property and spent much of their time renovating and bringing it up to date. Outside the home, they planted twenty



*Michael tending to the hay field*

acres of hay and are currently selling it. They have sold hay bales for two summers. The couple first began baling hay into squares, but quickly changed to hay rolls.

“We may make a little less money, but it [a hay roll] is so much easier for just the two of us,” said Michael. “I deal with a lot of horse people, and they are moving to round bales.” “And,” joked Lauren, “it’s always one hundred degrees when we do it.”

They took down an unsalvageable barn and now have space for 4-board fencing around a 50x50 foot plot to one day hold livestock. Michael and his siblings built a new barn in May 2022 that holds processed hay and farm equipment. An old smoke house and a large shed, home to Michael’s tools and equipment, are also on the property.

### **Animal Farm**

The Adams recently ordered fifty meat chickens. “We will see how that goes,” said Michael. They plan to add 100-150 more chickens in the future. “They won’t go to waste, we both have big families,” said Lauren.

With 20-acres already used for hay, the additional five acres is on hold until they install fencing and start purchasing steer. To acquire cattle, Michael is collaborating with a customer who may barter hay for a cow or steer. “He is really friendly and is willing to help,” said Michael.

The couple has accomplished much in a year since settling on their dream property.

“There is no way we could have done it without the program,” said Lauren of the SANG opportunity.

# MARBIDCO Loan Activity in FY 2022

In FY 2022, MARBIDCO approved 26 core and specialty loans, totaling over \$9.3 million. MARBIDCO also helped 20 farmers purchase farmland.

Of the total loans approved in FY 2022, three were Shellfish Aquaculture Financing Fund loans (bringing the total of all Shellfish Aquaculture Lending to nearly \$5.4 million and supporting some 89 shellfish farming projects in the Chesapeake Bay and Coastal Bays).

| <i>Farm/Business Type</i> | <i>County</i> | <i>Loan Amount</i> | <i>Loan Type</i> |
|---------------------------|---------------|--------------------|------------------|
| Equine                    | Howard        | \$500,000          | MRBIFF           |
| Forestry/Wood Products    | St. Mary's    | \$250,000          | MRBIFF           |
| Fruit/Orchard             | Caroline      | \$84,300           | Vineyard/Orchard |
| Grains & Oil Seeds        | Caroline      | \$375,000          | MRBIFF           |
| Grains & Oil Seeds        | Kent          | \$420,000          | MRBIFF           |
| Livestock Processing      | Garrett       | \$180,000          | MRBIFF           |
| Poultry-Broilers          | Dorchester    | \$105,800          | MRBIFF           |
| Poultry-Broilers          | Worcester     | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Worcester     | \$399,000          | MRBIFF           |
| Poultry-Broilers          | Dorchester    | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Dorchester    | \$210,000          | MRBIFF           |
| Poultry-Broilers          | Wicomico      | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Somerset      | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Somerset      | \$560,000          | MRBIFF           |
| Poultry-Broilers          | Worcester     | \$560,000          | MRBIFF           |
| Poultry-Broilers          | Worcester     | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Somerset      | \$600,000          | MRBIFF           |
| Poultry-Broilers          | Caroline      | \$600,000          | MRBIFF           |
| Poultry-Other             | Worcester     | \$300,000          | MRBIFF           |
| Remote Setting            | Talbot        | \$30,000           | Remote           |
| Shellfish Aquaculture     | Talbot        | \$100,000          | Aqua             |
| Shellfish Aquaculture     | Dorchester    | \$15,135           | Aqua             |
| Shellfish Aquaculture     | Talbot        | \$100,000          | Aqua             |
| Vegetables/Table Crops    | Cecil         | \$270,000          | MRBIFF           |
| Vegetables/Table Crops    | Washington    | \$275,000          | MRBIFF           |
| Vegetables/Table Crops    | Queen Anne's  | \$395,000          | MRBIFF           |

## Total Loan Activity in FY 2022

**\$9,329,235**

# MARBIDCO Grant Incentives Activity in FY 2022

## Local Government Ag/RBI Project Cost Share Program

| <i>Farm/Business Type</i>                   | <i>County</i> | <i>Grant Amount</i>    |
|---|---------------|------------------------|
| Fruit/Orchard                               | Montgomery    | \$3,000                |
| Herbs/Flowers/Apiary                        | Cecil         | \$2,500                |
| Herbs/Flowers/Apiary                        | Montgomery    | \$985                  |
| Herbs/Flowers/Apiary                        | Montgomery    | \$338                  |
| Herbs/Flowers/Apiary                        | Montgomery    | \$1,995                |
| Herbs/Flowers/Apiary                        | Montgomery    | \$1,386                |
| Vegetables/Table Crops                      | Cecil         | \$2,500                |
| Vegetables/Table Crops                      | Montgomery    | \$3,000                |
| Vegetables/Table Crops                      | Montgomery    | \$2,393                |
| Sheep/Goats                                 | Cecil         | \$2,500                |
| Vineyards & Wineries                        | Montgomery    | \$3,000                |
| <b><i>Total Local Government Ag/RBI</i></b> |               | <b><i>\$23,597</i></b> |

## Future Harvest Beginner Farmer Training Graduate Program Grant

| <i>Farm/Business Type</i>                   | <i>County</i> | <i>Grant Amount</i>   |
|---|---------------|-----------------------|
| Fruit/Orchard                               | Harford       | \$1,000               |
| Herbs/Flowers/Apiary                        | Baltimore     | \$1,000               |
| Herbs/Flowers/Apiary                        | Baltimore     | \$750                 |
| Herbs/Flowers/Apiary                        | Frederick     | \$750                 |
| Herbs/Flowers/Apiary                        | Wicomico      | \$1,000               |
| Vegetables/Table Crops                      | Anne Arundel  | \$750                 |
| Vegetables/Table Crops                      | Caroline      | \$750                 |
| Vegetables/Table Crops                      | Caroline      | \$1,000               |
| <b><i>Total Future Harvest Beginner</i></b> |               | <b><i>\$7,000</i></b> |

## Southern Maryland Agricultural Equity Incentive Matching Grant

| <i>Farm/Business Type</i>        | <i>County</i> | <i>Grant Amount</i>    |
|----------------------------------|---------------|------------------------|
| Forestry/Wood Products           | St. Mary's    | \$15,000               |
| <b><i>Total SMADC Grants</i></b> |               | <b><i>\$15,000</i></b> |

## Upper Shore Regional Ag Equity Incentive Matching Grant

| <i>Farm/Business Type</i>              | <i>County</i> | <i>Grant Amount</i>    |
|--|---------------|------------------------|
| Grains & Oil Seeds                     | Kent          | \$15,000               |
| Vegetables/Table Crops                 | Cecil         | \$15,000               |
| Vegetables/Table Crops                 | Queen Anne's  | \$15,000               |
| <b><i>Total Upper Shore Grants</i></b> |               | <b><i>\$45,000</i></b> |

# MARBIDCO Grant Incentives Activity in FY 2022 Continued...

## Maryland Value Added Producer Grant (Capital Assets Option)

| <i>Farm/Business Type</i> | <i>County</i>   | <i>Grant Amount</i> |
|---------------------------|-----------------|---------------------|
| Brewing/Hops/Barley       | Baltimore       | \$10,000            |
| Brewing/Hops/Barley       | St. Mary's      | \$3,297             |
| Dairy/Creamery            | Montgomery      | \$4,280             |
| Herbs/Flowers/Apiary      | Frederick       | \$10,000            |
| Hemp Production/Proc      | Washington      | \$8,100             |
| Seafood Processing        | Howard          | \$10,000            |
| Vegetables/Table Crops    | Dorchester      | \$10,000            |
| Vegetables/Table Crops    | Garrett         | \$5,517             |
| Vegetables/Table Crops    | Garrett         | \$9,809             |
| Vineyards & Wineries      | Prince George's | \$10,000            |
| <b>Total MVAPG (CAO)</b>  |                 | <b>\$81,003</b>     |

## Maryland Cold Storage Grants - Shellfish Aquaculture

| <i>Farm/Business Type</i>        | <i>County</i> | <i>Grant Amount</i> |
|----------------------------------|---------------|---------------------|
| Aquaculture                      | Dorchester    | \$656               |
| Aquaculture                      | Queen Anne's  | \$1,000             |
| Aquaculture                      | Somerset      | \$550               |
| Aquaculture                      | St. Mary's    | \$1,000             |
| Aquaculture                      | Talbot        | \$1,000             |
| Aquaculture                      | Wicomico      | \$802               |
| Aquaculture                      | Worcester     | \$1,000             |
| Aquaculture                      | Worcester     | \$966               |
| Aquaculture                      | Worcester     | \$1,000             |
| Aquaculture                      | Worcester     | \$1,000             |
| <b>Total Cold Storage Grants</b> |               | <b>\$8,974</b>      |

## Special Agricultural Development Activity

| <i>Project</i>                    | <i>County</i> | <i>Grant Amount</i> |
|-----------------------------------|---------------|---------------------|
| Maryland Farm & Harvest (MPT)     | Statewide     | \$35,000            |
| Economic Impact Research          | Statewide     | \$28,000            |
| MMM Organization Development      | Statewide     | \$11,500            |
| Ag/RBI Business Energy Efficiency | Statewide     | \$6,000             |
| <b>Total Special Agricultural</b> |               | <b>\$80,500</b>     |



**Maryland Urban Agriculture Commercial Lending Incentive Grant**

| <i>Farm/Business Type</i>   | <i>County</i>   | <i>Grant Amount</i> |
|-----------------------------|-----------------|---------------------|
| Vegetables/Table Crops      | Prince George's | \$10,000            |
| <b>Total Urban Ag Grant</b> |                 | <b>\$10,000</b>     |

**Local Farm Enterprise Food Aggregation Grant**

| <i>Farm/Business Type</i>            | <i>County</i>  | <i>Grant Amount</i> |
|--------------------------------------|----------------|---------------------|
| Cattle/Beef                          | Montgomery     | \$24,000            |
| Fruit/Orchard                        | Montgomery     | \$30,000            |
| Vegetables/Table Crops               | Baltimore City | \$29,271            |
| Vegetables/Table Crops               | Frederick      | \$92,710            |
| Vegetables/Table Crops               | Frederick      | \$99,737            |
| Vegetables/Table Crops               | Montgomery     | \$27,000            |
| <b>Total Farm Aggregation Grants</b> |                | <b>\$302,718</b>    |

**Total Incentive Grant Activity in FY 2022**  
**\$573,792**

# A Passion for Healthy Living Grows into Superfood Mushroom Farm

## **MARBIDCO Maryland Urban Agricultural Commercial Lending Incentive Grant Award Enables Expansion of New Industry**

Elizabeth Robinson and Cory Moore came to farming with divergent backgrounds. She was an accountant for Marriott International and he was a fitness businessperson for 25 years, opening Golds Gyms for many of those years.

What brought them together into the health food industry was each suffered from painful physical conditions. At one point in her career, Robinson faced stomach issues so severe she had to go on disability at her job. Moore had slipped and fell on ice and suffered a back injury.

Robinson began experimenting with herbs and supplements that would help her feel better, eschewing pharmaceuticals she said made her feel worse. She started mixing ingredients to make a hemp balm and hemp sublingual oil. After various tries she found the magic recipe that helped both she and Moore recover from their ailments.

“It transformed my life,” said Robinson. “The Gift” wellness products were born from their research and passion for healthy living.

During the Covid-19 pandemic, they decided to diversify and try an indoor crop – gourmet mushrooms. The global mushroom market size valued at USD \$50.3 billion in 2021, is expected to expand at an annual growth rate of 9.7% from 2022 to 2030. After researching how to grow the fungi, Robinson and Moore opened The Garden International.

“The two companies mesh together,” said Robinson. “Everything is plant-based.” The two distinct products are manufactured

in separate areas of their suite in Beltsville, Prince Georges County, MD.

### **Mushroom Diversity**

Although considered a vegetable, mushrooms are neither a plant nor an animal. They are a type of fungus. Mushrooms are deemed a superfood due to their nutritional contents and are a rich, low-calorie source of fiber, protein, and antioxidants.

The Garden International’s gourmet mushrooms are not your common grocery store white buttons or portobellos. The mushroom assortment they grow are peculiar and colorful, full of flavor with different textures you will not find at chain food markets.

They hand deliver boxes of individual or mixed mushrooms to buyers in Maryland, DC and northern Virginia and ship mushrooms across the country.

The mushrooms that customers will find in the variety box are pink oyster, blue oyster, golden oyster, lion’s mane, shiitake, black



*Mushrooms ready for harvesting*

king, king trumpet, chestnut, pioppino, maitake, beech, and more. Fresh mushroom delivery can be one or more types of mushrooms or a variety box that includes two to four varieties depending on size. With this option, mushroom types vary based on the current harvest. In a grow your own mushroom kit, they offer the hairy Lions Maine and the brightly colored Blue, Golden, and Pink Oysters.

The Garden International sells wholesale to local restaurants and retail at farmers markets and direct to consumers. “There is nothing fresher than hand delivery,” said Moore.



*Retail box of mixed mushrooms*



*Elizabeth Robinson and Cory Moore*

### **Growing the Business**

Once the business began to grow, The Garden International was ready to purchase equipment and expand to mail orders. They applied to MARBIDCO's Maryland Urban Agricultural Commercial Lending Incentive Grant program.

The program is designed to meet the financing needs of urban farmers by providing an incentive for them to seek commercial lender financing for the development or expansion of their agricultural enterprises.

Their \$10,000 grant award, leveraging a loan from the United States Department of Agriculture Farm Service Agency for \$50,000, was used to help them purchase a filtration system, boxes for shipping mushrooms, shipping costs, substrate, mushroom bags, a variety of mushroom spawn, which is the living fungal culture, called mycelium, grown onto a substrate providing the backbone to a mushroom growing operation. Substrate is the equivalent of "seeds" for a mushroom farm, but unlike seeds, the spawn is grown from selected genetics and cloned for consistent

production of a particular mushroom.

"Maryland has some of the best programs in the country for agriculture, even though we are not often thought as an agricultural state," said Robinson.

"MARBIDCO has great programs that go hand in hand with commercial lending. Grants are good for beginning farmers as it gives you time to learn and improve. You may have to pivot at some point in your business and having the funding helps with making changes when getting started."

### **Farming the Product**

The shop is kept at a cool 62 degrees for optimal growing and houses five black tents with string lighting and shelving that facilitate each stage of mushroom growth.

First the substrate is rehydrated and put into five-pound bags and then five to six bags are run through a pressure sterilizer. The mushroom spawn and mycelium are mixed in the sterilizer tent. Next, the mixture goes into the

incubation tent where the mycelium grows. Once the bags are fully colonized with mycelium, they are moved to the fruiting tents for "fruitification" When fructification begins, the mushrooms are placed onto shelves in fruiting tents and the various mushrooms grow larger as they wait to be harvested at just the right time.

"The mushrooms each have different timing," explained Robinson. "They can take from 14 days up to six months from inoculation to harvest. We rotate them through, and the tents are emptied and cleaned frequently."

### **Mushroom Offshoots**

Besides owning two health-related businesses, Robinson, and Moore work with Prince Georges County teachers at elementary schools where they supply kits for students to grow their own mushrooms.

Other projects include working on a curriculum for fourth to sixth graders that will teach STEAM, healthy eating, environmental issues and how to grow mushrooms.

They are also raising funds for a "Mushroom Learning Campus" slated to open in 2023 – a place for Mycology, discovery, workforce development, a commercial kitchen, and a connection with nature, states their website.

"We have old school respect with a new approach," said Moore about respecting the earth, using modern equipment, and sharing their knowledge with other business owners.

"We need more urban farmers. We should not be getting our vegetables from thousands of miles away. We need to be harmonizing with local businesses."

"We thank the MARBIDCO grants that helped us and other up-and-coming entrepreneurial spirits," he added.

# Project Financing Review Committees Members

*The Project Financing Review Committees play one of the most important roles at MARBIDCO.*

*These committees have the demanding task of reviewing and approving applications for financial assistance (including grants as well as loans).*

*Although the Board of Directors often has the final say in how and when MARBIDCO funds are distributed to qualified applicants, the Board relies heavily upon the recommendations of these panels of experts.*

*The Next Gen Program Review Committee, MARBIDCO Loan Review Committee, the MVAPG-CAO Grant Review Committee, the Certified Local Farm Enterprise Food Aggregation Grant Review Committee and the Maryland Shellfish Aquaculture Financing Fund Review Committee are comprised of individuals from MDA, UME, Commerce, DNR, local government and the private sector.*

*MARBIDCO would like to recognize the following individuals for their exemplary service and generous commitment of time and talent on one or more of our Project Financing Review Committees during FY 2022:*

**Ms. Michelle Cable**

Executive Director,  
Maryland Agricultural Land Preservation  
Foundation  
Maryland Department of Agriculture

**Mr. Joseph Chisholm**

Poultry Farmer  
(Retired banker)  
Mercantile Peninsula Bank

**Mr. Steve Connelly**

Deputy Secretary,  
Maryland Department of Agriculture

**Ms. Charlotte Davis**

Executive Director, Rural Maryland Council

**Ms. Shannon Dill**

Talbot County Extension Director  
University of Maryland Extension

**Dr. Faith Elliott-Rossing**

Former Director of Agriculture,  
Economic Development and Agriculture (Retired)  
Queen Anne's County

**Ms. Karen Fedor**

Program Administer, Office of Agriculture and  
Seafood Marketing  
Maryland Department of Agriculture



The Spurge Eats

**Ms. Julia Freedgood**

Senior Fellow & Senior Program Advisor  
American Farmland Trust

**Mr. S. Patrick McMillan**

Assistant Secretary (retired)  
Maryland Department of Agriculture

**Ms. Sarah J. O'Herron**

Owner, Black Ankle Vineyards

**Dr. Matt Parker**

Senior Agent Associate Aquaculture  
Business Specialist  
University of Maryland Extension

**Mr. Mark Powell**

Chief, Agriculture and Seafood Marketing  
Maryland Department of Agriculture

**Dr. Donald Darnall**

Executive Director, Maryland Food Center Authority

**Mr. Dan Rider**

Forest Stewardship & Utilization Program Manager,  
Forest Service  
Maryland Department of Natural Resources

**Ms. Pamela Saul**

Owner Rolling Acres Farm & Equine Business  
Services, LLC

**Mr. Martin Sokolich**

Long Range Planner, Talbot County Government

**Ms. Shelby Watson-Hampton**

Director, Southern Maryland Agricultural  
Development Commission (SMADC)

**Mr. Bruce Yerkes**

(Retired Loan Officer)  
MidAtlantic Farm Credit

**Ms. Rebecca Thur**

Shellfish Leasing & Permitting Program  
Coordinator  
Maryland Department of Natural Resources

**Mr. Leo Paul Goeringer, Esq.**

Sr. Faculty Specialist,  
University of Maryland,  
Department of Agricultural &  
Resources Economics

**Ms. Betsy McKeehan**

Senior Programs Officer  
MARBIDCO

**Mr. Tom McCarthy**

Conservation Easement Supervisor  
Land Acquisition and Planning  
Maryland Department of Natural Resources



## FY 2022 Commercial Lender Leverage

In FY 2022, MARBIDCO lent approximately \$9 million (in conjunction with Commercial Lenders) to 21 Maryland Resource-Based Industry Financing Fund (MRBIFF) borrowers.

This enabled MARBIDCO to leverage more than \$21.1 million in commercial lender funds, resulting in a 2.38-to-1 leverage ratio.

The MRBIFF Program is MARIBDCO's most popular financing program. Since 2008, MARBIDCO has made 245 MRBIFF loans totaling \$62 million.

| <b>County</b> | <b>Business Type</b> | <b>MARBIDCO Program</b> | <b>MARBIDCO Loan Amount</b> | <b>Commercial Lender Leverage Amount</b> |
|---------------|----------------------|-------------------------|-----------------------------|--|
| St. Mary's    | Forestry             | MRBIFF                  | \$250,000                   | \$566,000                                |
| Garrett       | Livestock Processing | MRBIFF                  | \$180,000                   | \$261,000                                |
| Worcester     | Poultry              | MRBIFF                  | \$399,000                   | \$500,000                                |
| Dorchester    | Poultry              | MRBIFF                  | \$210,000                   | \$360,000                                |
| Somerset      | Poultry              | MRBIFF                  | \$600,000                   | \$1,862,800                              |
| Cecil         | Veg/Fruit/Spec       | MRBIFF                  | \$270,000                   | \$585,000                                |
| Howard        | Equine               | MRBIFF                  | \$500,000                   | \$1,257,500                              |
| Kent          | Grain/Table Crops    | MRBIFF                  | \$420,000                   | \$705,000                                |
| Dorchester    | Poultry              | MRBIFF                  | \$105,800                   | \$441,000                                |
| Worcester     | Poultry              | MRBIFF                  | \$600,000                   | \$1,610,000                              |
| Washington    | Veg/Fruit/Spec       | MRBIFF                  | \$275,000                   | \$700,000                                |
| Worcester     | Poultry              | MRBIFF                  | \$300,000                   | \$500,000                                |
| Dorchester    | Poultry              | MRBIFF                  | \$600,000                   | \$1,225,000                              |
| Queen Anne's  | Veg/Fruit/Spec       | MRBIFF                  | \$395,000                   | \$900,000                                |
| Wicomico      | Poultry              | MRBIFF                  | \$600,000                   | \$3,100,000                              |
| Somerset      | Poultry              | MRBIFF                  | \$600,000                   | \$1,650,000                              |
| Somerset      | Poultry              | MRBIFF                  | \$560,000                   | \$725,000                                |
| Worcester     | Poultry              | MRBIFF                  | \$600,000                   | \$1,630,000                              |
| Worcester     | Poultry              | MRBIFF                  | \$560,000                   | \$700,000                                |
| Caroline      | Grain/Table Crops    | MRBIFF                  | \$375,000                   | \$550,000                                |
| Caroline      | Poultry              | MRBIFF                  | \$600,000                   | \$1,290,000                              |
| <b>TOTALS</b> |                      |                         | <b>\$8,999,900</b>          | <b>\$21,118,300</b>                      |

# The Maryland Market Money Food Incentive Program – A Win for All



Maryland Market Money (MMM) is a statewide food incentive program facilitated by MARBIDCO which contracts with the Southern Maryland Agricultural Development Commission (SMADC), a division of the Tri-County Council for Southern Maryland, to manage the program.

MMM removes economic barriers for food-insecure Marylanders, providing a dollar-for-dollar match per person with a cap on spending set by individual markets (per market day) for purchases made utilizing federal nutrition benefits at Maryland farmers' markets.

These benefits include the Supplemental Nutrition Assistance Program (SNAP); Woman, Infants, and Children Fruit and Vegetable Benefit (WIC FVB) as part of eWIC;

and the Farmers Market Nutrition Program (FMNP), both WIC and Senior programs.

The Maryland Market Money comes in the form of \$1 tokens that can be used to purchase fruits, vegetables, eggs, dairy, proteins, and other eligible local food items at the farmers' markets.

The program is a win-win-win in that it helps shoppers, farmers, and markets.

- It helps food-insecure Marylanders to stretch their limited food budgets through matching dollars received, making it easier to access fresh, healthy, quality foods.
- It helps farmers' markets broaden and diversify their customer base, creating welcoming community spaces and thriving economic centers for market vendors.
- It helps local farmers and

producers selling at participating markets diversify and augment their revenue stream.

- Communities gain a positive gathering place for diverse residents of all ages and backgrounds through the establishment of an accessible market and local economies grow and sustain through the spending of federal nutrition benefits and MMM by community residents with local markets.

During the 2022 Market Season, 48 farmers' markets, farm stands, on-farm markets, mobile markets, and CSAs participated in MMM; plus 60 additional pop-up farmers' market were held. For FY 2022, the MMM program had expenditures of nearly \$217,125 with \$91,874 of this going directly into food incentive payments.

# MARBIDCO Ag/Rural Business Investments in FY 2022



*Baltimore Foodshed Map*

| <b>FY 2022 Loan Programs</b>                               | <b>Applicants</b> | <b>Amount</b>       | <b>Status</b> |
|--|-------------------|---------------------|---------------|
| Maryland Resource-Based Industry Financing Fund Loan       | 17                | \$6,864,800         | Settled       |
| Maryland Resource-Based Industry Financing Fund Loan       | 4                 | \$2,135,000         | Approved      |
| Maryland Vineyard/Hopyard/Orchard Planting Loan Fund       | 1                 | \$84,300            | Settled       |
| Maryland Shellfish Aquaculture Loan Fund                   | 3                 |                     | Approved      |
| Maryland Remote Setting Shellfish Aquaculture Loan Fund    | 1                 | \$215,135           | Approved      |
| <b>Total Loan Applications Settled or Approved</b>         | <b>26</b>         | <b>\$30,000</b>     |               |
| <b>Total Loan Applications Denied or Withdrawn</b>         | <b>10</b>         | <b>\$9,329,235</b>  |               |
| <b>Total All Loan Applications</b>                         | <b>36</b>         | <b>\$2,134,273</b>  |               |
| <b>Percentage of Loan Applications Settled or Approved</b> | <b>72%</b>        | <b>\$11,463,508</b> |               |

| <b>FY 2022 Rural Business Incentive Grants</b>                | <b>Applicants</b> | <b>Amount</b>    | <b>Status</b> |
|---|-------------------|------------------|---------------|
| Maryland Value Added Producer Grant - Capital Assets Option   | 5                 | \$43,106         | Closed        |
| Maryland Value Added Producer Grant - Capital Assets Option   | 5                 | \$37,897         | Approved      |
| Local Government Ag/RGI Project Cost Share Program            | 5                 | \$13,097         | Closed        |
| Local Government Ag/RGI Project Cost Share Program            | 4                 | \$10,500         | Approved      |
| Special One Time Grant  | 3                 | \$69,000         | Closed        |
| Special One Time Grant  | 1                 | \$11,500         | Approved      |
| Future Harvest Beginning Farmer Graduate Grant                | 4                 | \$4,000          | Closed        |
| Future Harvest Beginning Farmer Graduate Grant                | 4                 | \$3,000          | Approved      |
| Maryland Urban Agriculture Commercial Lending Incentive Grant | 1                 | \$10,000         | Closed        |
| Upper Shore Regional Council Equity Incentive Grant           | 3                 | \$45,000         | Closed        |
| SMADC Equity Incentive Grant                                  | 1                 | \$15,000         | Closed        |
| Certified Local Farm Enterprise Food Aggregation Grant        | 2                 | \$119,710        | Closed        |
| Certified Local Farm Enterprise Food Aggregation Grant        | 4                 | \$183,008        | Approved      |
| Maryland Farmer Cold Storage Equipment Program                | 8                 | \$6,974          | Closed        |
| Maryland Farmer Cold Storage Equipment Program                | 2                 | \$2,000          | Approved      |
| <b>Total Grant Applications Closed or Approved</b>            | <b>52</b>         | <b>\$573,792</b> |               |
| <b>Total Grant Applications Denied or Withdrawn</b>           | <b>6</b>          | <b>\$41,672</b>  |               |
| <b>Total All Grant Applications</b>                           | <b>58</b>         | <b>\$615,464</b> |               |
| <b>Percentage of Grant Applications Closed or Approved</b>    | <b>90%</b>        |                  |               |

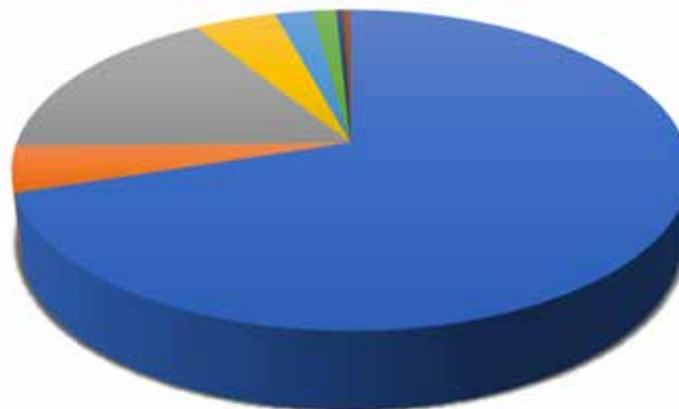
## FY 2022 Land Preservation Facilitation Programs Applicants Amount Status

|   |            |                    |          |
|---|------------|--------------------|----------|
| Next Generation Farmland Acquisition Program  | 2          | \$763,521          | Settled  |
| Next Generation Farmland Acquisition Program  | 3          | \$1,234,958        | Approved |
| Small Acreage Next Gen (SANG)   | 1          | \$132,709          | Settled  |
| Small Acreage Next Gen (SANG)   | 1          | \$59,072           | Approved |
| <b>Total Land Preservation Facilitation Programs Settled or Approved</b>            | <b>7</b>   | <b>\$2,190,260</b> |          |
| <b>Total Land Preservation Facilitation Programs Denied or Withdrawn</b>            | <b>3</b>   | <b>\$135,920</b>   |          |
| <b>Total All Land Preservation Facilitation Program Applications</b>                | <b>10</b>  | <b>\$2,326,180</b> |          |
| <b>Percentage of Land Preservation Facilitation Applications Closed or Approved</b> | <b>70%</b> |                    |          |

## FY 2022 MARBIDCO EXPENDITURES, BY CATEGORY

|  |                     |
|--|---------------------|
| Ag/Rural Business Loan Proceeds                        | \$9,329,235         |
| Ag/Rural Business Incentive Grants                     | \$616,640           |
| Ag/Rural Land Preservation Option Purchases (Next Gen) | \$2,190,260         |
| Programmatic Support                                   | \$615,163           |
| General Administrative                                 | \$284,872           |
| Communications and Outreach                            | \$176,563           |
| Food Systems Support                                   | \$56,794            |
| Rural Economic & Program Development                   | \$50,714            |
| <b>Total</b>   | <b>\$13,320,243</b> |

*\*includes remainder of Relief Grants from FY21 - \$39,668 and Pandemic Adjustment Loan Fund Rebates from FY22 - \$3,179.*



- Ag/Rural Business Loan Proceeds
- Ag/Rural Business Incentive Grants
- Ag/Rural Land Preservation Easement Purchases (Next Gen)
- Programmatic Support
- General Administrative
- Communications & Outreach
- Food Systems Support
- Rural Economic & Program Development

# MARBIDCO FY 2022 Statement of Net Position\*

*June 30, 2022 and 2021*

| <b>Assets</b>   | <b>2022</b>         | <b>2021</b>         |
|---|---------------------|---------------------|
| <b>Current Assets:</b>  |                     |                     |
| Cash and cash equivalents   | \$14,726,639        | \$12,177,545        |
| Current portion of loans receivable   | \$2,839,417         | \$4,661,968         |
| Accrued interest receivable   | \$172,763           | \$146,763           |
| Other Assets  | \$3,892             | \$4,892             |
| <b>Noncurrent Assets:</b>   |                     |                     |
| Loans receivable, net of current portion and<br>Allowance of \$1,261,263 and \$1,298,777<br>for 2022 and 2021, respectively | \$26,873,571        | \$23,468,608        |
| Capital assets, net   | \$18,634            | \$17,778            |
| <b>Total Assets</b>   | <b>\$44,634,916</b> | <b>\$40,477,554</b> |
| <br><b>Liabilities</b>  |                     |                     |
| <b>Current Liabilities:</b>   |                     |                     |
| Accrued expenses  | \$102,694           | \$117,078           |
| Other liabilities   | \$9                 | \$73                |
| <b>Noncurrent Liabilities:</b>  |                     |                     |
| Other liabilities   | \$3,647             | \$2,540             |
| <b>Total Liabilities</b>  | <b>\$106,350</b>    | <b>\$119,691</b>    |
| <br><b>Net Position</b>   |                     |                     |
| Invested in capital assets, net   | \$18,634            | \$17,778            |
| Restricted  | \$1,602,213         | \$2,284,616         |
| Unrestricted  | \$42,907,719        | \$38,055,469        |
| <b>Total Net Position</b>   | <b>\$44,528,566</b> | <b>\$40,357,863</b> |
| <b><i>Total Liabilities, Deferred Inflows of<br/>Resources and Net Position</i></b>   | <b>\$44,634,916</b> | <b>\$40,477,554</b> |

\* From Audited Financial Statements

# 2022 Revenue and Expenses\*

*June 30, 2022 and 2021*

|  | Year Ended<br>June 30, 2022 | Year Ended<br>June 30, 2021 |
|--|-----------------------------|-----------------------------|
| <b>Income</b>  |                             |                             |
| State appropriations<br>(Core programs and Easement options) | \$5,235,000                 | \$5,106,250                 |
| Interest on investments                                      | \$74                        | \$498                       |
| Interest income on loans receivable                          | \$1,253,726                 | \$1,123,041                 |
| Program revenue  | \$120,125                   | \$55,157                    |
| Other revenue  | \$1,171                     | \$4,496                     |
| Easement option repayments                                   | \$1,190,654                 | \$500,000                   |
| Federal, regional and local grants                           | \$0                         | \$3,592,700                 |
| <b>Expenses</b>  |                             |                             |
| Grants   | \$1,154,904                 | \$3,538,930                 |
| Easement option purchases                                    | \$1,092,895                 | \$2,887,035                 |
| Easement purchases   | \$132,709                   | \$96,000                    |
| Administrative   | \$241,228                   | \$254,877                   |
| Salaries & benefits  | \$941,957                   | \$903,550                   |
| Depreciation   | \$6,090                     | \$5,978                     |
| Provision for Loan Losses                                    | \$60,264                    | \$562,965                   |
| Change in Net Position                                       | \$4,170,703                 | \$2,132,807                 |
| <b>Net Position, Beginning of Year</b>                       | <b>\$40,357,863</b>         | <b>\$38,225,056</b>         |
| <b>Net Position, End of Year</b>                             | <b>\$44,528,566</b>         | <b>\$40,357,863</b>         |

\* From Audited Financial Statements



Photo: Rich Anaker

# MARBIDCO Local Farm Enterprise Food Aggregation Grant Program Fund

## Connecting Farmers to Food Distributors and Institutions



Small-scale farmers wishing to sell agricultural products to wholesale food distributors and institutions often face challenges in connecting with potential customers and producing the volume of food items required to meet buyer's needs.

To confront this obstacle, legislation was passed in 2020 which established a 20% procurement goal for Maryland State agencies and institutions to purchase locally grown food from Certified Local Farm Enterprises. A Certified Local Farm Enterprise is a farm that has a nutrient management plan and is registered with the Maryland Department of Agriculture.

The legislation also created the Certified Local Farm Enterprise Food Aggregation Grant Fund to be managed by MARBIDCO.

This bill created a pool of funding – \$435,000 annually (FY 2021- FY 2024) – for MARBIDCO to offer Local Farm Enterprise Food Aggregation Grants supporting the development of a local food aggregation infrastructure in Maryland. For FY 2022, MARBIDCO had \$748,000 available to fund such projects.

There are two components to the grant program. First is the Small-Scale Farmer-Led Aggregation Project Grant of between \$25,000 and \$100,000.

In FY 2022, applicants included at least three Certified Local Farm Enterprise farmers and provided at least a 10% match of private funds in the project.

This funding helps farm aggregators with the construction of processing and storage facilities and the purchase of capital equipment. A modest amount of start-up working capital was also potentially available.

The second component is the Large-Scale Public Institution Aggregation Project Grant of between \$150,000 and \$350,000. Applicants are public entities such as a county government, municipality, community college, university, county school system or rural regional council. Those applying must engage at a minimum three Certified Local Farm Enterprise farmers and contribute at least a 10% match of funds in the project.

MARBIDCO held two rounds of grant applications and has approved four projects totaling \$302,718.

To highlight one grant recipient, Moon Valley used the funds to purchase equipment in order to aggregate and sell to the Frederick County Public Schools. The farm works with several Certified Local Farm Enterprises to supply fresh produce to the schools including peppers, grapes, apples, carrots, salad mix, among others.

In 2021, Moon Valley established a working relationship with Frederick County Schools and sold them \$12,000 of produce from their farm or partner farms. They projected this to increase to \$50,000 in FY 2022. Moon Valley applied for a second round of grant funds in order to establish a commercial kitchen to expand their ability to supply institutional markets.

# MARBIDCO Helps Put a Face on Farming, Sponsors MPT's Maryland Farm & Harvest for 10 Years

Ten years ago, Maryland Public Television (MPT) was approached by the president of the Maryland Grain Producers Association and the Maryland Secretary of Agriculture about showcasing Maryland's farming industry.

From these discussions MPT's Maryland Farm & Harvest was born. Inquiries were put out to fund the program and MARBIDCO jumped at the opportunity to help sponsor the now popular mainstay on Tuesday evenings.

The timing for the show was just right. People had begun wondering where their food came from and how it was harvested – not that it just appeared at the local grocery store.

"We started the program to educate the public, but the farmers love it too," said Linda K. Castrilli, senior production funding executive, who has been with MPT for 12 years.

"Farmers see themselves and their friends showcased. They know we have their back, and we highlight the hard work they provide. MARBIDCO helped make it possible. Without our sponsors it would have never taken place. All our funders from the beginning have been with us except two. The bulk of our sponsors stayed on, including MARBIDCO," said Castrilli.

"The show has educated a lot of people; viewers have no idea how much they are learning. It's a very popular program," added Castrilli.

The program is also running on YouTube and has 14 million viewers.

"We never thought it would go one year let alone 10 seasons. With the support of MDA and our sponsors including MARBIDCO even through hard economic times, we've made it happen. Maryland Farm & Harvest has become important to its viewers," she added.

Season 10 will premiere in November 2022 and run an initial 13 weeks. Original episodes always premiere on Tuesday at 7:00 pm and repeat another four times that week and every week for 13 weeks. It will then repeat for an-



*Joanne Clendining, host of Maryland Farm & Harvest*

other 13 weeks with the same repeat schedule.

Through its first nine seasons, Maryland Farm & Harvest has earned ten Emmy Awards. The series has received 31 Emmy nominations to date. The Emmy® Award is the premier TV production award presented in the industry.



*Photos: Maryland Public Television*



# MARBIDCO

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