

*Maryland Agricultural and Resource-Based
Industry Development Corporation
FY 2009 Annual Report*



MARBIDCO
growing rural ventures™





Phyllis E. Kilby
Chairwoman



Stephen R. McHenry
Executive Director



MARBIDCO just completed its second full year of operation and, despite the near collapse of the nation's capital markets and a serious downturn in the global economy, the Corporation is pleased to report that it continued to make significant gains in fulfilling its mission in FY 2009. The succeeding pages of this Annual Report document many of these successes.

Disappearing rural working landscapes, global agricultural market competition, an aging farmer population, and a lack of access to affordable capital for new farmers and rural business innovation, are some key challenges that MARBIDCO was created to help to address. MARBIDCO, as a uniquely chartered financial intermediary and business development agency, brings together resources from the federal, State and local governments, as well as the private sector, to assist Maryland's farming, forestry and seafood businesses with an eye towards the long-term sustainability of these rural business sectors.

Our State agency partners – MDA, DBED, DNR, MEA, RMC, MFCA and UME – have contributed greatly to our efforts, as have our allied rural business organizations in the private sector. Moreover, the number of commercial banks that have participated in MARBIDCO business finance projects continued to grow this year, and together with our federal partners at USDA, have provided significant resource-leveraging opportunities for our customers. Add to this the contributions of our hardworking Board of Directors and Loan Review Committee, and we could not be more pleased with the collective effort and the progress we have made thus far to help Maryland's food and fiber enterprises succeed.

Thanks to the financial resources provided by Governor Martin O'Malley and the Maryland General Assembly, MARBIDCO was able to make more than \$2.6 million in direct financial investment in 33

rural businesses located in 14 Maryland counties during FY 2009. More than 80% of this investment was provided in the form of low-interest loans, while additional funds were used to provide partial matching grants for farm energy efficiency, value added processing, and county agricultural cost-share projects.

MARBIDCO's most popular offering continues to be the Maryland Resource-Based Industry Financing Fund ("the MRBIFF Program"), a program which makes available low-cost loan capital working in partnership with commercial banks and the farm credit system. Last year, as an outcome of this program, every dollar that MARBIDCO invested in a rural business project leveraged almost three dollars in commercial lender financing. As a result, we were able to assist several young and beginning farmers in starting their own businesses, as well as help a number of other enterprises to diversify or expand their operations.

In closing, while we experienced great success this year, the work of the Corporation is really just beginning. MARBIDCO remains absolutely committed to supporting the sustainability and profitability of Maryland's agricultural, forestry and seafood industries, while at the same time helping to ensure the viability of the rural working landscape that we have come to so greatly cherish in this State. And we see more opportunities in the future to simultaneously aid both resource-based business as well as the environment. For example, under development now are new programs to invest in on-farm renewable energy projects, shellfish aquaculture enterprises, and working forest land conservation, all programs that will provide a positive benefit for our environment and the health of the Chesapeake Bay.

Clean air and water, a safe and healthy local food supply, thriving rural communities, and scenic pastoral vistas for human enjoyment and renewal are what we plan to help sustain for the benefit of many generations of Marylanders. We invite you to learn more about our services and programs, and to join us on the journey towards sustaining a vibrant rural land and water heritage in Maryland that produces a cornucopia of high quality food and fiber products for all our fellow citizens to enjoy.

MARBIDCO: Growing Rural Ventures



During its first two years of operation, MARBIDCO invested almost \$6 million in 70 projects located in 16 counties, while leveraging \$13 million in private commercial lender capital. Some 24 of these investments were for value-added processing activities, a key business strategy for farm profitability. MARBIDCO has also helped 14 young or beginning farmers buy their first farms or expand their business operations. MARBIDCO, which began operating in 2007, now employs a small team of knowledgeable and experienced rural economic development, credit underwriting, and loan servicing personnel.

Maryland leaders have increasingly recognized the importance of retaining and expanding the State's agricultural and resource-based industries that underpin the economies of our rural communities, and provide important societal and environmental benefits as well. In 2004, the State government took an important step toward further enhancing the sustainability and profitability of these industries by creating the Maryland Agricultural and Resource-Based Industry Development Corporation, or MARBIDCO – an economic development entity that brings together public and private partners to focus exclusively on delivering enhanced business development and financial services to the State's agriculture, forestry and seafood businesses. A quasi-public corporation, MARBIDCO also is charged with helping to keep farmland in production by assisting young and beginning farmers in acquiring increasingly expensive agricultural land, and by assisting State and local rural land conservation agencies with their farm and forest land preservation efforts. MARBIDCO has been fully operational since 2007 thanks to the strong support of Maryland's Governor and General Assembly.

Our Vision

MARBIDCO expects to play a vital role in helping Maryland's food and fiber products and processors, and other resource-based businesses to innovate and thrive, both now and well into the future. By working collaboratively with its public and private sector partners, MARBIDCO will be the "go to" place in Maryland to obtain rural business development assistance, including help with accessing capital and credit, business planning information and referral and rural working land preservation.

Our Mission

To help Maryland's farm, forestry, seafood and related rural businesses achieve profitability through the provision of targeted services and a specialized infrastructure that helps retain existing resource-based industry production and commerce,

promotes rural entrepreneurship, and nurtures emerging industries.

MARBIDCO Offers:

- Assistance in securing capital and credit, especially for innovative or value-added activities;
- Rural business planning information and technical assistance referral;
- Rural land acquisition assistance (especially help for young/beginning farmers); and
- Rural working land preservation facilitation (as a financial intermediary).

MARBIDCO's programming fall into three broad categories:

Core Rural (and urban-edge) Business Development. Several loan and grant financing programs are available to meet key ag, forestry or seafood business investment needs. Loans can typically be used for land purchases, facilities construction or renovation, equipment acquisition or working capital. Loans range from \$10,000 to \$350,000, and all are required to be fully collateralized. Grant programs assisted with family farm viability planning, helped producers with partial matching funds for energy efficiency and value added projects, and provided local governments with matching economic development cost share funds.

Rural Land Preservation Facilitation. These financing opportunities are offered in conjunction with other agencies, with MARBIDCO serving as a conduit financing agent. This includes a new "installment purchase agreements" program with the Maryland Agricultural Land Preservation Foundation to assist with purchasing agricultural land conservation easements.

Higher Risk or Micro-Credit Lending. These loan programs are funded by partnering organizations for targeted purposes, such as the new Farm Energy Efficiency Loan Program (which is being offered with the support of the Maryland Energy Administration using regional greenhouse gas initiative funds).

MARBIDCO is an economic development agency with a unique mission: to provide much-needed specialized financing and business development assistance to support the continued viability of Maryland's agricultural and rural industries, and in the process to help preserve more than 3 million acres of open space and ensure a safe and plentiful supply of locally grown food and fiber. Our clients are rural business entrepreneurs, food/fiber producers and harvesters, and farm and forest landowners. We work closely with commercial lenders, cooperative extension agents, local economic development officers, State agency marketing and land preservation staff, and other rural business service providers to make our financial and business planning services available to those that need them.

During FY2009, MARBIDCO directly assisted some three dozen farms and other rural businesses in 14 counties across the State. MARBIDCO's Board of Directors consists of 17 people representing government agencies, food and fiber producers and processors, commercial lenders, and public finance and economic development professionals. The Governor, with the advice and consent of the Maryland State Senate, appoints 11 private sector members while six are appointed by state agencies.

Appointed by the Governor

Phyllis Kilby (Chairwoman), Owner and Operator, Kilby Cream and Dairy Farm, representing Agricultural Producers

Peter Alexander, Mill Supervisor (Retired), Glatfelter Pulp Wood Company, representing Timber & Forest Products Industries

Joseph Chisholm, Retired Bank Vice President, representing Commercial Lending Institutions

Faith Elliott-Rossing, Director of Economic Development & Agriculture, representing Rural Economic Development

J. Robert Frazee, President/CEO, MidAtlantic Farm Credit, representing Commercial Lending Institutions

William Gerweck, General Manager (Retired), Winbak Farms, representing Agricultural Producers

Dr. Howard Leathers, Associate Professor, Dept. of Agricultural & Resource Economics (University of MD), representing Public Finance

Karen Oertel, Co-owner, Harris Crab House, Inc. and W.H. Harris Seafood, Inc., representing Aquaculture Producers

A. Orrell Saulsbury, III, Former Owner, Saulsbury Brothers Company, representing Commercial Food & Fiber Processing

W. David Thompson, Founder & President, Foxborough Nursery, Inc., representing Agricultural Producers

State Agency Representatives

Gregory Cole, Director of Rural Region Financing Programs, Maryland Department of Business and Economic Development

Donald Darnall, Executive Director, Maryland Food Center Authority

S. Patrick McMillan, Assistant Secretary, Maryland Department of Agriculture

Vanessa Orlando, Executive Director, Rural Maryland Council

Dr. Nick Place, Associate Dean/Director, University of Maryland Extension

Emily Wilson, Director of Government Affairs, Maryland Department of Natural Resources

Staff

Stephen McHenry, Executive Director

Kristen Robinson, Financial Programs Officer

Christina Wilkins, Bookkeeper/Loan Processing Assistant



Rural Business Development Programs

MARBIDCO Loan Programs

Maryland Resource-Based Industry Financing Fund offers low-interest (3% APR initially) loans to agricultural and other rural businesses for the purchase of land and capital equipment for production and processing activities. The maximum loan is \$250,000 (or \$350,000 for land acquisition). MARBIDCO provides up to 50% of financing needed for a project. A commercial lender and/or a public instrumentality must have an equal financial commitment in any transaction. MRBIFF is MARBIDCO's "workhorse" lending program.

Rural Business Working Capital Loan Fund offers below market rate loans to agricultural, forestry or seafood businesses for working capital and equipment purchases. The maximum loan is \$75,000 (\$150,000 for commercial forestry enterprises). A letter of referral from a commercial lender is required and eligibility restrictions may apply if USDA-Rural Development funds are used.

Maryland Vineyard Planting Loan Fund offers low-interest loans to help meet the unique financing needs of rural landowners who want to plant grapes and develop wineries. The maximum loan is \$100,000. An interest only option is available. A letter of referral from a commercial lender is required as well as a site evaluation approval letter from the wine/grape industry's viticulture committee. The requested financial assistance from MARBIDCO must relate to the installation of new vineyards, including, but not limited to, the prepping of land for vineyard installation, purchase of vines, vineyard equipment and supplies.

Forestry Equipment and Working Capital Loan Fund offers low-interest loans to Maryland's forest products businesses for working capital and equipment purchases. The maximum loan is \$150,000 and a letter of referral from a commercial lender is required. In a special effort to better serve the forest products industry, MARBIDCO uses

slightly more liberal underwriting guidelines than normal for making loans under this program.

Agricultural Cooperatives Equity Investment Fund provides a portion of the patient capital investment needed by cooperatives that do not have the necessary equity available to obtain the commercial financing that typically is required during the period that business operations are beginning or significantly expanding. The maximum amount of equity funding that MARBIDCO can provide to an individual cooperative is \$100,000 in a single year. Equity contributions made to coops by non-voting member investors will be offered in the form of "preferred stock", with a dividend paid annually beginning in the third year of business operation. After about the tenth year of a cooperative's operation, the equity investment

will be callable, at which time a lump sum principal repayment will be due or, alternatively, a loan note agreement must be entered into with MARBIDCO with a near market-rate interest charge.

MARBIDCO Grant Programs

Maryland Farm and Producer Viability Program is designed to improve the financial viability of producers/processors or assist fledgling rural entrepreneurs through specialized business planning assistance. The aim of the program is to help early stage or expanding rural enterprises with operational and risk assessment and with enhanced business plan development. Through this program MARBIDCO is able to engage specialized business consultants to assist rural enterprises with their value-added processing projects or business activities.

Maryland Value Added Producer Grant encourages participation in the USDA's annual and highly competitive Value Added Producer Grant Program.

Spotlight

a MARBIDCO Success Story

Second Career Farmers Receive Assistance to Begin Vineyard

John Wilkerson had over 25 years of experience as a professional manager and business owner when he and his wife decided to purchase a small farm in Baltimore County with the intent of producing wine grapes. MARBIDCO provided the Wilkersons with the low-cost financing they needed to purchase vines, trellising and labor to plant three acres of grapes in 2008 and an additional six acres of grapes in 2009. The Wilkersons have continued to expand their farm operation with the recent purchase of the equipment needed to operate a winery.



To be eligible for funding under the MARBIDCO program, the applicant must also be eligible under the USDA program and funds will be awarded up to one-third of the matching requirement to those who actually receive the USDA award. The USDA program requires a financial matching commitment and each application for the USDA VAPG program must include a "verification of matching funds". The USDA offers a maximum award of \$100,000 for a planning grant and \$300,000 for a working capital grant. MARBIDCO's grants can be applied for up to 15,300 and \$25,000 respectively.

Rural Business Energy Efficiency Grants and Loan Interest Rate Buy-Downs helps agricultural producers to purchase equipment or technology related to lowering farm and business-related energy consumption. Grants up to 10% of a project's cost (up to maximum of \$5,000) are available for eligible activities. A third party energy audit is required.

Local Government Agricultural/RBI Project Cost Share Program lends support to local and regional rural business development efforts that substantially support Maryland's farming, forestry, or seafood industries. MARBIDCO's participation cannot exceed that of a unit of local government or regional development council. (The only exception to this funding limitation is in a "One Maryland" designated jurisdiction, which may qualify for up to 200% of a county's contribution.)

MARBIDCO Loan Review Committee

The Loan Review Committee plays one of the most important roles at MARBIDCO. This committee typically meets once a week via conference call to review all applications for grant and loan assistance. Although the Board of Directors has final say in how and when MARBIDCO funds are distributed, the Board relies heavily upon the recommendations of the Loan Review Committee. MARBIDCO is indebted to all committee members for their exemplary service and commitment. They are:

Joseph Chisholm, Poultry Farmer & Vice President (retired), Mercantile Peninsula Bank

Kenny Bounds, Vice President of Business Development, MidAtlantic Farm Credit

Gregory Cole, Director of Rural Financing Programs, MD Department of Business & Economic Development

S. Patrick McMillan, Assistant Secretary, Marketing and Consumer Services, MD Department of Agriculture

Dan Rider, Associate Director, Maryland Forest Service, MD Department of Natural Resources

Commissions and Reports Support Ag/RBI

MARBIDCO-Supported Commission Aims to Protect Working Waterfronts

The Working Waterfront Commission, created by legislation in 2007, made recommendations for protecting and preserving Maryland's commercial fishing industry's access to public trust waters. The Commission, chaired by MARBIDCO's Executive Director Stephen McHenry, completed its work December 1, 2008.

The Commission's most significant early success was in supporting legislation that was passed during the 2008 Session of the Maryland General Assembly (Chapter 281) which gave each county and municipal corporation in Maryland the authority to grant a tax credit for working waterfront properties.

The Working Waterfront Commission focused on several issue areas affecting commercial fishing waterfront landing access. These issues included tax abatement, conservation easements, public education, and miscellaneous other changes. The Commission heard a variety of perspectives, discussed other states' working waterfront programs, and evaluated current State programs for potential ability to aid in preserving working waterfronts.

Read the Commission's complete report and recommendations at: www.marbidco.org/

Spotlight

a MARBIDCO Success Story



Iraq Veteran Receives Working Capital Loan for Value Added Farm Enterprise

Robert Miller, Jr., served five years as an officer in the U.S. Army, with two years of service on deployment in Iraq. When he returned home from active duty, he applied to MARBIDCO for a Rural Business Working Capital Loan to renovate an existing facility and purchase necessary supplies and equipment to establish a micro-creamery at the Miller and Tanner Dairy Farm in Caroline County (which is owned by his parents).

The creamery was intended to provide Mr. Miller with post military employment as well as to diversify his parent's existing dairy operation in a way to be able to market their family's milk directly to the consumer.

Mr. Miller purchases his milk from his parents and then processes it in the new creamery facility which is located adjacent to the milking parlor. After pasteurization, the milk is bottled into gallon and half-gallon jugs and sold as Creamline Milk. Additional milk is processed into Creamline Yogurt and sold in eight ounce cups. New products planned for the future include chocolate milk, fruit-flavored yogurt, homemade ice-cream, various cheeses and grass fed beef.

Spotlight

a MARBIDCO Success Story



Next Generation Farmers Receive Assistance

In Fall 2008, MARBIDCO assisted Zeke Collins, Jr., and his wife Whitney Collins, through the formation of Double Z Enterprises, a business entity designed for a Wicomico County family poultry/grain business owned and operated originally by Zeke Collins, Sr. Zeke Sr. began his own farm operation with a single poultry house in 1984, and has since expanded the operation to include three farm properties consisting of 237 acres and eight poultry houses. Zeke Jr., who has been helping out on the farm since he was a child, came to MARBIDCO for help purchasing 15 acres with two poultry houses to enable the Collins' family to efficiently expand their current operation while also providing Zeke Jr. with an opportunity to increase his farm management skills. Zeke Jr. is the primary manager of the new farming operation, and he and his wife have been successfully running their first farm business for more than a year now.

MARBIDCO Studies Impact of Resource-Based Industries on the Maryland Economy

MARBIDCO teamed up with BEACON (Salisbury University) to conduct a study and determine the impact of resource based industries (RBI) on the Maryland economy. According to the report, the total economic impact of resource-based industries in Maryland was estimated to be around \$16.5 billion in 2005, supporting over 94,500 jobs, and generating over \$680 million in state and local tax revenue. In 2008, this impact is reported to be about \$18 billion. **Read the complete report at: www.marbidco.org/BEACONS%20STUDY.pdf**



MARBIDCO
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Maryland Agricultural and Resource-Based Industry Development Corporation
Statement of Net Assets*
June 30, 2009 and 2008



	2009	2008
Assets		
Current Assets:		
Cash and cash equivalents	\$1,717,452	\$1,359,749
Account Receivable	\$ 355	\$0
Loan receivable - current	\$ 253,577	\$198,205
Noncurrent Assets:		
Loan receivable - non-current	\$3,622,734	\$1,783,841
Capital assets, net	\$36,432	\$43,417
Total Assets	\$5,630,550	\$3,385,212
Liabilities		
Accrued expenses	\$ 0	\$1,819
Total Liabilities	\$ 0	\$1,819
Net Assets		
Invested in capital assets	\$ 36,432	\$43,417
Unrestricted	\$5,594,118	\$3,339,976
Total Net Assets	\$5,630,550	\$3,383,393

**Statement of Revenues, Expenses,
and Changes in Net Assets***
June 30, 2009 and 2008



Year Ended	Year Ended	Year Ended
	June, 30 2009	June 30, 2008
Income		
State appropriation	\$2,750,000	\$3,000,000
Interest income	\$ 109,886	\$72,966
Program revenue	\$ 13,277	\$5,600
Federal grant	\$ 95,000	\$0
Expenses		
Grants	\$(302,592)	\$(102,419)
Administrative	\$(147,947)	\$(155,026)
Salaries & benefits	\$(261,743)	\$(248,181)
Depreciation expense	\$ (8,724)	\$(6,943)
Net Income	\$2,247,157	\$2,565,997
Net Assets, Beginning of Year	\$3,383,393	\$817,396
Net Assets, End of Year	\$5,630,550	\$3,383,393

*From Audited Financial Statements

MARBIDCO Loan-Making Activity
July 1, 2008 to June 30, 2009

<i>Business or Farm Description</i>	<i>County</i>	<i>Loan Amount</i>
Dairy Farm and Creamery	Baltimore	\$250,000
Vineyard	Baltimore	\$75,000
Wheat, Soybean, Corn & Vegetable Farm	Caroline	\$225,000
Poultry Farm	Caroline	\$275,000
Creamery	Caroline	\$36,000
Timber and Sawmill	Carroll	\$150,000
Nursery Farm	Cecil	\$65,000
Corn, Soybean, Wheat and Milo Farm	Dorchester	\$119,250
Vineyard and Winery	Dorchester	\$250,000
Vineyard and Winery	Dorchester	\$75,000
Poultry and Grain Farm	Dorchester	\$350,000
Buffalo Farm and Slaughter Facility	Garrett	\$170,000
Goat Farm and Creamery	Garrett	\$107,240
Timber and Sawmill	Garrett	\$150,000
Winery	St. Mary's	\$71,000
Poultry and Grain Farm	Wicomico	\$207,500
Free Range Eggs	Wicomico	\$30,000
Total Amount of Loans:		\$2,605,990

MARBIDCO Grant-Making Activity
July 1, 2008 to June 30, 2009

<i>Rural Business Energy Efficiency Grants</i>	<i>County</i>	<i>Grant Amount</i>
Poultry Farm	Caroline	\$5,000.00
Vineyard and Winery	Frederick	\$5,000.00
Dairy Farm	Frederick	\$3,970.00
Dairy Farm	Kent	\$877.00
Poultry and Grain Farm	Talbot	\$1,374.00
Dairy Farm	Washington	\$437.00
Dairy Farm	Washington	\$5,000.00
Nursery Farm	Wicomico	\$3,579.50
Total:		\$25,237.50

<i>Maryland Farm and Producer Viability Program</i>		
<i>Business or Farm Type Assited</i>	<i>County</i>	<i>Grant Amount</i>
Dairy Farm and Creamery	Harford	\$15,000.00
Goat Dairy Farm and Creamery	Washington	\$15,000.00
Dairy Farm and Creamery	Washington	\$15,000.00
Total:		\$45,000.00

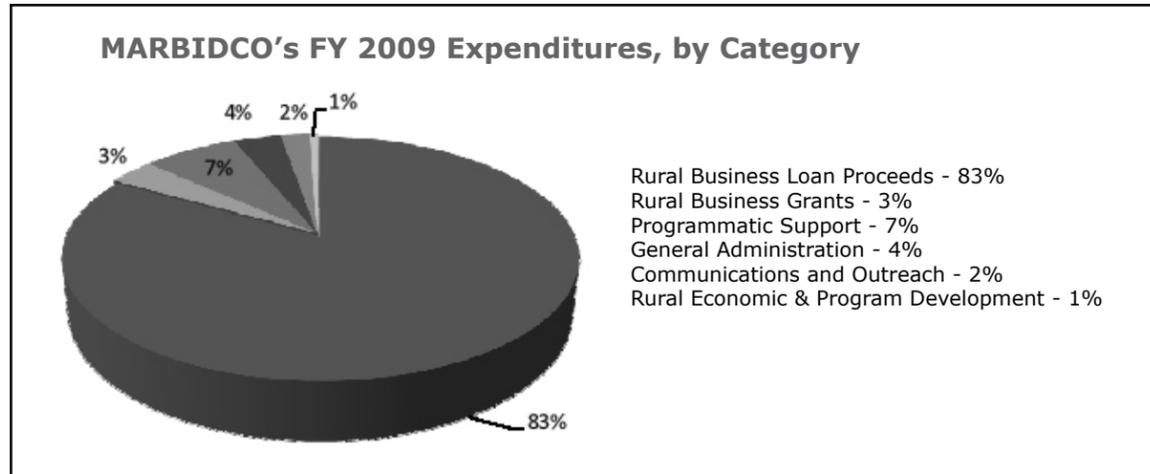
<i>Local Government Agricultural/RBI Cost Share Program</i>		
<i>Industry/Association Assisted</i>	<i>Partnering County Units</i>	<i>Grant Amount</i>
Vineyard/Winery TV Production	Baltimore, Frederick & Queen Anne's County Departments of Economic Development	\$14,500
Winery	St. Mary's County Department of Economic Development	\$25,000
Total:		\$39,500.00

Total Amount of Grants: \$109,737.50

**By the Numbers:
MARBIDCO Rural Business Investments**

<u>FY 2009 Loan Programs</u>	<u>Applicants</u>	<u>Loan Amount</u>	<u>Status</u>
MD Resource-Based Industry Financing Fund Loan	8	\$1,418,990	Funded
MD Resource-Based Industry Financing Fund Loan	2	\$600,000	Approved
MD Resource-Based Industry Financing Fund Loan	4	\$925,000	Withdrawn
MD Resource-Based Industry Financing Fund Loan	1	\$200,000	Denied
Rural Business Working Capital Loan Fund	3	\$141,000	Funded
Rural Business Working Capital Loan Fund	1	\$75,000	Withdrawn
Rural Business Working Capital Loan Fund	1	\$75,000	Denied
Maryland Vineyard Planting Loan Fund	1	\$75,000	Funded
Forestry Equipment and Working Capital Loan Fund	1	\$150,000	Funded
Forestry Equipment and Working Capital Loan Fund	1	\$150,000	Approved
Agricultural Cooperative Equity Investment Fund	1	\$71,000	Funded
Total Applications Funded or Approved	17	\$2,605,990	
Total Loan Applications Withdrawn	5	\$1,000,000	
Total Loan Applications Denied	2	\$275,000	
Total All Loan Applications	24	\$3,880,990	
Percent of Loan Applications Funded or Approved	71%		

<u>FY 2009 Rural Business Grants</u>	<u>Applicants</u>	<u>Grant Amount</u>	<u>Status</u>
Rural Business Energy Efficiency Program	8	\$25,238	Funded
Maryland Farmer and Producer Viability Program	3	\$45,000	Approved
Local Government Ag/RBI Cost Share Program	2	\$39,500	Funded
Total Applications Funded	13	\$109,738	



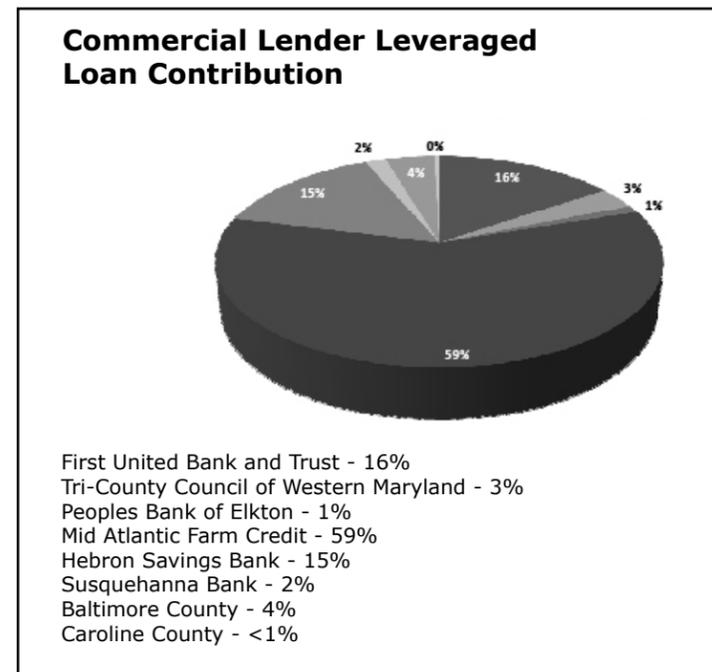
FY 2009 MARBIDCO Expenditures, by Category

Rural Business Loan Proceeds:	\$2,605,990
Rural Business Grants:	\$109,738
Programmatic Support:	\$223,850
General Administrative:	\$110,442
Communications and Outreach:	\$67,101
Rural Economic & Program Development:	\$17,020

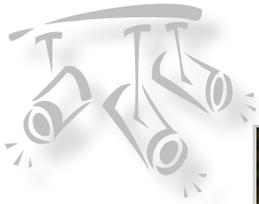
Commercial Lender Leverage Amounts, FY 2009

In FY 2009, MARBIDCO lent more than \$2 million to 10 Maryland Resource-Based Industry Financing Fund (MRBIFF) and Rural Business Working Capital Loan Fund (RBWC) borrowers. This enabled MARBIDCO to leverage almost \$6 million in commercial or economic development lender funds, resulting in a favorable 3-to-1 leverage ratio.

<u>Borrower</u>	<u>Loan Type</u>	<u>MARBIDCO Loan Amount</u>	<u>Commercial or Economic Development Lender Loan Amount</u>
Poultry Farm (young farmer)	MRBIFF	\$207,500.00	\$207,500.00
Grain Farm	MRBIFF	\$119,250.00	\$119,250.00
Buffalo Farm & Processing Facility (young farmer)	MRBIFF	\$170,000.00	\$1,117,000.00
Nursery Operation	MRBIFF	\$65,000.00	\$65,000.00
Poultry Farm	MRBIFF	\$275,000.00	\$1,070,370.00
Vineyard & Winery Operation (young farmer)	MRBIFF	\$250,000.00	\$450,000.00
Vineyard & Winery Operation (young farmer)	RBWC	\$75,000.00	\$425,000.00
Creamery	MRBIFF	\$250,000.00	\$500,000.00
Creamery	MRBIFF	\$107,240.00	\$107,640.00
Grain Farm (young farmer)	MRBIFF	\$225,000.00	\$225,000.00
Poultry and Grain Farm (young farmer)	MRBIFF	\$350,000.00	\$1,640,000.00
Creamery (young farmer)	RBWC	\$36,000.00	\$22,500.00
Totals		\$2,129,990.00	\$5,949,260.00



First United Bank and Trust - 16%
 Tri-County Council of Western Maryland - 3%
 Peoples Bank of Elkton - 1%
 Mid Atlantic Farm Credit - 59%
 Hebron Savings Bank - 15%
 Susquehanna Bank - 2%
 Baltimore County - 4%
 Caroline County - <1%



Spotlight

MARBIDCO Success Story



Farmers Gearing Up To Start Creamery



David and Betsy Herbst own Misty Meadows Farm, a 379-acre dairy operation which has been run by the family since 1918.

The couple is considering starting a creamery to help increase the profitability and sustainability of the farm. In 2008 they asked MARBIDCO to help them develop a business feasibility study that will allow their new

enterprise to become eligible for bank financing and USDA grant funding. Currently, they grow most of the forage and grain they need to feed their 171 dairy cows and 150 replacement heifers. Production and sales from the proposed creamery would be integrated into the existing agricultural, educational and agri-tourism activities of the farm. The Herbst have recently made an application for a USDA Value Added Producer Grant and hope to start work on the creamery in the new year.



From Cow to Cone Business Planning



MARBIDCO's Maryland Farm and Producer Viability Program helps agricultural enterprises diversify their operations. Under this program, MARBIDCO collaborates with other partners to make specialized



business planning resources available. Pictured here in the family kitchen discussing the farm creamery business and financing plan are (left to right): Stephen McHenry, MARBIDCO Executive Director, Leslie Hendrickson-Hart, Washington County Agriculture Marketing Specialist, Dale Johnson, University of Maryland Extension Senior Agent & Farm Management Specialist, and Misty Meadow Farm owners David and Betsy Herbst. By producing "cow-to-cone" super premium ice cream and bottled milk they intend to increase the business' overall cash flow and provide additional on-farm jobs for the next generation of Herbst family members.



MARBIDCO
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Maryland Agricultural & Resource-Based Industry Development Corporation

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