MARBIDCO
Financing Maryland's Food and Fiber Future

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USDA Awards MARBIDCO With Funding to Assist with the Expansion of Livestock Processing Capacity in Maryland

ANNAPOLIS, MD (August 14, 2023) – The United States Department of Agriculture (USDA) recently announced that it is awarding $3.8 million from its Meat and Poultry Intermediary Lending Program (MPILP) to the Maryland Agricultural Resource-Based Industry Development Corporation (MARBIDCO) to finance the start-up and expansion of independent meat and poultry processing facilities in Maryland. MARBIDCO is a quasi-governmental economic development and financial intermediary organization with a mission to serve the commercial farming, forestry, and seafood industries of Maryland.

The USDA Meat and Poultry Intermediary Lending Program (MPILP) awards funds to financial intermediaries, like MARBIDCO, in the form of a grant to allow them to establish specialized revolving loan programs. The objective of the MPILP is to strengthen the financing capacity for small- and mid-sized independent meat processors, and to create a more resilient, diverse, and secure U.S. food supply chain.

MARBIDCO is supplementing the USDA grant with another $1.3 million of its own funds to establish a special pool of lending capital of approximately $5 million. The Maryland Livestock Processing Loan Fund is designed to assist with the expansion of livestock and blue catfish processing capacity in Maryland. Farmers raising cattle, sheep, goats, and pigs still are facing very long lead times to get their animals processed, while blue catfish is an invasive fish species in the Chesapeake Bay and its tributaries that is having a very detrimental impact on other species of fish and shellfish. Increasing commercial harvest and consumption of these catfish is one way to significantly reduce their numbers.

Businesses engaged in the processing of livestock, or the invasive blue catfish can apply for a Maryland Livestock Processing Loan, which may also include an equity incentive grant of up to 10% of the project cost. Loan and grant proceeds can be used to purchase livestock processing and cold storage equipment, build or upgrade meat processing facilities, as well as purchase real estate on which the livestock processing activity will occur.

MARBIDCO’s Livestock Processing Loan Fund can offer standalone financing or work in conjunction with other financing provided by commercial lenders.

“This should be an incredible win for Maryland. The addition of new or significantly expanded meat processing facilities will positively impact many people within the food supply chain, from farmers and commercial fisherman to consumer’s tables with these locally produced protein products,” said

MARBIDCO Executive Director, Steve McHenry. “We are delighted to be a USDA grant recipient, and we want to thank the Maryland Department of Agriculture and our State’s entire Congressional Delegation for their support of our application in what was a very competitive nationwide process.”

Loan amounts can range from a minimum of $250,000 up to a maximum of $2,500,000. MARBIDCO will charge a below-market fixed interest rate of 4.00% and will work cooperatively with borrowers on establishing other appropriate loan terms and conditions. An equity contribution of at least 7.5% of a project’s total cost is required by the borrower (which can be matched dollar-for-dollar with a grant, not to exceed 10% of the project’s total cost). The available equity grant match is coming from special funds appropriated to MARBIDCO by the State of Maryland to help enhance livestock processing capacity and cut down on long wait times.

Further information and the program application form is available on MARBIDCO’s website: www.marbidco.org.

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MARBIDCO was established by the Maryland General Assembly more than 15 years ago to help enhance the sustainability and profitability of the State’s agricultural and resource-based industries in order to help bolster rural economies, support locally produced food and fiber products, and preserve working farm and forest land. MARBIDCO is a nimble, quasi-public financial intermediary organization that has a mission to serve exclusively the commercial farming, forestry, and seafood industries of Maryland. Young and beginning farmers are a special focus for MARBIDCO, as is farm operation diversification. In delivering its financing programs, MARBIDCO works cooperatively with commercial banks and farm credit associations, as well as a host of federal, State, regional, and local government agencies, and universities. Since 2007, MARBIDCO has approved some 1,240 financings totaling over $100 million for food and fiber business projects located in all of Maryland’s 24 counties – and in the process has leveraged more than $214 million in commercial lender financing. For more information about MARBIDCO’s programs, please visit: www.marbidco.org