



February 13, 2024

Environment and Transportation
Delegate Marc Korman
Room 251
House Office Building
Annapolis, Maryland 21401

Re: HB 0537 – Agriculture – Confinement of Egg-Laying Hens in Commercial Egg Production – Prohibitions – Oppose as written

Dear Delegate Korman:

Sunnyside Poultry Farms is a 400,000-bird layer operation in Westminster, MD, owned by Lippy Brothers Farms, fourth-generation family-owned farming operation. When all four Sunnyside Poultry Farms houses are in full production, they produce 29 thousand dozen eggs per day and deliver to Sauders in Hampstead to be processed. They have solar panels at the chicken house operation, generating approximately 25% of their annual electric usage. Lippy Brothers Farms utilizes all the organic chicken manure from Sunnyside farms as an alternative to commercial fertilizer on their 8,000 acres of cropland.

As HB 0537 is currently written, their operation would have to start the process of not replacing birds in late 2024, if the entire operation was required to meet the cage free requirements by January 2026. There is an 18- month cycle to grow and replace the birds, so they will be ready to lay eggs in full production.

“All of our employees would be eliminated, and we would not have any source of income to finance the remodel. We have four chicken houses that would have to be remodeled under the new restrictions,” said Susan Stonesifer Lawrence, Lippy Brothers Farms Secretary.

At the estimated costs, the requirements described in HB 0537 would be cost prohibitive without outside financial assistance. The estimated cost to remodel Sunnyside Egg Farm to meet the proposed standards would be approximately \$24m (400,000 hen capacity X \$60/hen). Remodeling would additionally require engineering/permitting for the project; construction of the new egg farm and equipment ordering/installation; and the sourcing, financing, and contracting of unique/new pullet rearing facilities to support the new egg farm barns of cage free. The current lifespan of the hens on the farm and the immediate scheduling to support the farms operation/flock replacement plans, need a minimum of 6 years lead-time to adjust to support the housing type change and implementation.

If the proposed ban of caged eggs is implemented prior to adequate lead-time for existing Maryland egg farms to remodel/build, we expect there will not be sufficient Maryland produced eggs to meet Maryland consumer’s needs. As is currently happening in other states that have implemented similar cage egg bans (CA, OR, WA), there is a national shortage/supply of approved eggs to reach consumers in retail markets, due to the significant amount of cage free egg



farms that have contracted HPAI and been depopulated to meet the WHOA/USDA protocols for controlling the virus spread. Because of this, many retail locations in these states are very short on egg supply and greatly restricting consumers freedom to access/purchase affordable eggs.

Considering the expected economic impact, we suggest incentivizing the transition to cage-free systems, rather than take a punitive approach. Such an effort could foster smoother implementation while still achieving the desired welfare outcomes for livestock. Following the guidance of Lippy Brothers Farms, if this bill is to move forward as structured, we request existing facilities be grandfathered in to remain exempt from the cage-free requirements, requiring only remodeled or new facilities to meet the new legislation.

The Carroll County Chamber of Commerce is informed by a member of our chamber, Lippy Brothers Farms, the expertise of the United Egg Council, and the impact of similar bills in other states, to oppose this bill. If this bill is to move forward, Lippy Brother Farms requests existing facilities be grandfathered in to remain exempt from the cage-free requirements, requiring only remodeled or new facilities to meet the new legislation. We suggest the bill be rewritten to incentivize the transition to cage-free operations.

The Carroll County Chamber of Commerce, a business advocacy organization of nearly 700 members, strongly opposes this bill as written and therefore requests that you give it an unfavorable report.

Sincerely,

A handwritten signature in black ink that reads "Mike McMullin".

Mike McMullin
President
Carroll County Chamber of Commerce

Cc: Senator Justin Ready
Delegate April Rose