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FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/13

SPONSOR Woods LAST UPDATED _____ HB _____

SHORT TITLE No Sales of Raw Milk SB 286

ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 286 would repeal NMSA 25-8-1 (which currently allows the retail sale of raw milk if it meets certain standards) and replace it with language that makes the retail sale of raw milk illegal in New Mexico. The bill also repeals NMSA 25-8-2, the jurisdiction to enforce 25-8-1; and 25-8-3, a civil penalty for violating 25-8-1.

FISCAL IMPLICATIONS

No fiscal implications are identified.

SIGNIFICANT ISSUES

NMDA notes that the Food and Drug Administration bans the sale of raw milk packaged for consumer use across state lines. Each state, however, regulates the sale of raw milk within the state, and approximately half of the states in the United States allow it to be sold including New Mexico.

DOH informs that raw milk and raw milk products are proven vehicles for many food borne illnesses, including salmonellosis, brucellosis, cryptosporidiosis, listeriosis, Q fever, and E.

coli-associated hemolytic-uremic syndrome (HUS). Although some of these diseases acquired from raw milk are mild and/or self-limited, others can be deadly or have long-term debilitating consequences.

Raw milk and raw milk products contribute to significantly more outbreaks than pasteurized milk. The federal Centers for Disease Control and Prevention (CDC) estimates the risk of an outbreak from raw milk is 150 times greater than the risk from pasteurized milk.

A disease outbreak due to consumption of raw milk from a dairy producer in New Mexico could have a negative impact on the public's perception of the safety of milk and decrease sales of all milk, including pasteurized milk. A disease outbreak due to raw milk consumption from a New Mexico dairy producer could potentially affect trade with other states and countries thus creating a significant economic impact on New Mexico's dairy and cheese industry.

TECHNICAL ISSUES

NMDA points out that the bill repeals 25-8-2 AND 25-8-3 NMSA 1978 thereby eliminating penalties and enforcement against anyone who violates it. Also, it only addresses the sale of raw milk and does not address the retail sale of raw milk products such as raw milk cream, raw low-fat milk, and raw milk cheese.

POSSIBLE QUESTIONS

Should penalties for sale of raw milk be reinstated?

MW/svb