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NEW MEXICO LIVESTOCK BOARD



2105 Osuna Rd NE
South Building
Albuquerque, NM 87109
(505) 841-6161

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Leif Rasmussen

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State Veterinarian

Important Facts:

- ✚ The New Mexico Livestock Board (NMLB) is the oldest law enforcement agency in the state. The agency derived from the Cattle Sanitary Board, founded in 1887, and the Sheep Sanitary Board, founded in 1889, merging in 1967 to become the NMLB which continues to operate today.
- ✚ The NMLB is charged with serving and protecting the NM Livestock Industry against loss of livestock by theft or straying, control of the spread of dangerous diseases of livestock, and to prevent the introduction of foreign animal diseases by natural occurrence or bioterrorism.
- ✚ The NM Livestock Industry produces \$3 – \$4 Billion Dollars a year in revenue for the state.

New Mexico Livestock Industry:

- ✚ The NM Livestock Industry is far reaching in New Mexico's Economy.
 - Industries and businesses supported by the livestock industry:
 - Meat Production – Producers, Feed Yards, Meat Processing Plants.
 - Milk Production – Dairies, Milk Transport, Milk Processing Plants.
 - Fabric Production – Producers, Wool & Hair Processing Plants.
 - Farming – Products grown feed livestock.
 - Livestock Sale Barns and Traders
 - Veterinarians
 - Horse Racetracks
 - Retail Sales – Grocery Stores, Restaurants
 - **NOTE:** All of the above businesses employ thousands of people.

New Mexico Livestock Inspections and State Veterinarian:

- ✚ The NMLB protects the industry against loss of livestock by performing in person inspections:
 - Verify ownership through the hot iron brand process or other approved means of identification.
 - Prevent the spread of disease by inspecting imported livestock for health papers.
- ✚ The southern border of NM is home to the world's largest land cattle port, where approximately 640,000 head of Mexican origin cattle cross each calendar year. The NMLB protects the industry from spread of disease, by providing traceability of those animals across the United States.
- ✚ The NMLB has the strongest traceability program and brand laws in the nation.
- ✚ The NMLB works with the US Department of Agriculture to control the spread of disease throughout the nation.
- ✚ The NMLB investigates and prosecutes animal cruelty cases in regards to livestock across the state.

New Mexico Meat and Poultry Inspections:

- ✚ The NMLB has the authority under 77-2-7(I) NMSA 1978 to adopt and promulgate rules for meat inspection, including the slaughter and disposition of the carcasses of livestock affected with diseases when the action appears necessary to prevent the spread of any contagion or infection among livestock.
- ✚ According to the U.S. Census Bureau for 2017 NM ranked in the nation as stated below:
 - NM had 153 food manufacturing firms and 159 food manufacturing establishment, ranking 41st.
 - The total revenue associated with food manufacturing was \$3.04 billion and 4,183 people were employed with an annual payroll of \$178.84 million, ranking 45th.
 - As a ratio of the state agricultural cash receipts, i.e., food manufacturing revenue / agricultural cash receipts, NM ranks 46th.
- ✚ Economic Development Opportunities:
 - Expansion of field to table and/or confined feeding operations.
 - Expansion of customer base for farmers.
 - Expansion of the number of meat processing plants.
 - Expansion of retail sales to retailers, restaurants, and direct-to-consumer markets.
 - Encourage small business development.
 - Support and grow rural economies.
 - Allow small producers to expand business.
 - Allow the purchase of locally grown meat and poultry to the consumers.
- ✚ Other Benefits of In-State Meat and Poultry Inspection Program
 - The state controls the number of inspectors available to the processing plants. Thus meeting the needs of the small processors where federal limitations may make it more difficult.
 - Processing plants find it easier to work with state licensing and inspectors.
 - The NMLB Livestock Inspectors perform ownership verification by inspecting hides at current licensed processing plants. With an in-state meat and poultry inspection program the businesses will be working with one agency.
 - Increased safety for the consumer, by the state providing more inspections at custom-exempt facilities which are currently inspected on a minimal basis.
 - Increased regulatory compliance actions against unlicensed and uninspected processing plants.

How The Program Works:

- ✚ NM must promulgate rules that are equal to or above the laws administered by the US Food Safety Inspection Service (FSIS). The federal government has Eminent Domain over meat processing.
- ✚ After NM has met all federal requirements, both administrative and operational, an In-State Meat and Poultry Inspection (MPI) Program agreement may be entered. This allows for intra-state commerce of inspected meat products.
- ✚ After operating under the MPI and meeting all federal requirements, the state may work towards entering an agreement which allows for inter-state commerce of inspected meat products.
- ✚ The MPI may be reimbursed, up to 50%, by the Federal Government once all requirements have been met. The FSIS is advising that reimbursement usually happens in 2 – 4 years once the MPI agreement is entered.

NEW MEXICO LIVESTOCK BOARD



FY2023 Budget Request Summary

LIVESTOCK INSPECTIONS PROGRAM

BUDGET NEEDS:

Our overall FY2023 budget request for our Inspections program includes an increase of \$568,370 to support the following:

Category 200 Personnel

- \$246,809 – Fund raises to bring employees closer to midpoint as recommended by SPO.
- \$156,248 – Fund Investigator FTE's that were created in 2019 but not funded.
- \$151,347 - Fund the addition of an FTE for an Emergency Coordination Manager and an FTE for an Investigator position.
- Includes a \$255,156 Reduction for 5% vacancy savings rate.

Category 400 Personnel

- \$112,142 - Support Fuel Expense. Monthly expense increased by about 10k/month.
- \$200,000 - Support cost for purchasing vehicles on an annual basis.

FUNDING NEEDS:

In **FY2022** the NMLB is budgeted to utilize **\$1,459,500** of the Fund Balance to supplement agency generated revenues to cover operating costs. That will leave a projected **\$950,000** in the Fund Balance at the end of FY2022.

To continue regulating and protecting New Mexico's \$3 – \$4 Billion Livestock Industry, NMLB is requesting an increase of **\$2,797,260** in General Funds to support stabilizing the Budget.

- **Budget Increase Requests and Current Operating Costs** - Support the above budget increases and fund current operating costs that are being paid for out of the fund balance during FY2022.
- **Fund Balance** - Maintain **\$1 Million** in the Fund Balance to ensure the NMLB has resources to respond immediately to emergency situations as required by law. And support agency generated revenues such as Mill Levy and Inspections which are highly susceptible to unpredictable factors such as weather and market values.

MEAT and POULTRY INSPECTION (MPI) PROGRAM

BUDGET NEEDS:

- NMLB received a Special Appropriation of **\$500,000** to start the MPI Program in **FY2022**.
- NMLB will require an appropriation of **\$1,719,734** to fund the full program in **FY2023**.

FUNDING NEEDS:

The MPI Program will be funded with General Funds until the USDA FSIS has determined the program complies with Federal requirements. At such time the FSIS may reimburse New Mexico's Meat Inspection program up to 50% of reported expenditures.