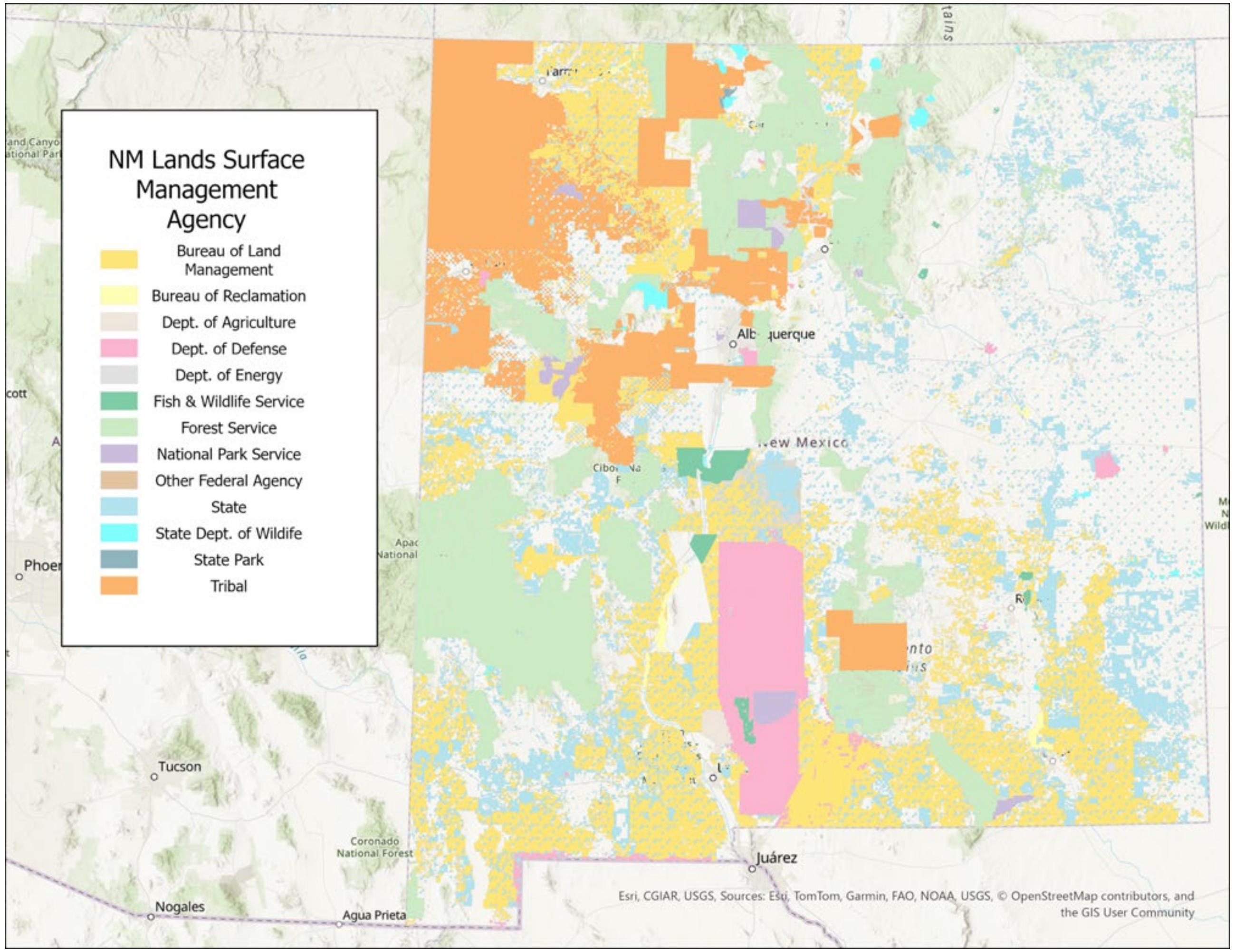
Federal Agricultural Policy and Funding Update

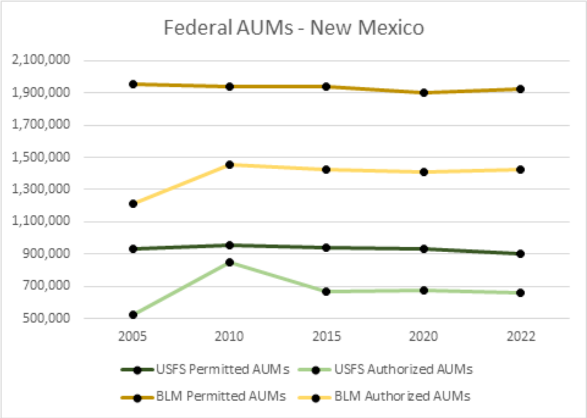
Jeff Witte, Director/Secretary

NEW MEXICO DEPARTMENT OF AGRICULTURE



Approximately 35% of New Mexico is managed by the federal government.

Under multiple-use management, BLM and U.S. Forest Service lands support over **2,800 livestock grazing permits.**



Food Safety Modernization Act
Produce Safety Rule

OBJECTIVES

- **Preventative Compliance**
  Conducts producer education, outreach, and On-Farm Readiness Reviews to assist growers in meeting regulatory standards
- **Farm Inventory**
  Identifies and maintains an accurate database
  of covered, qualified-exempt, and exempt agricultural operations within New Mexico
- **Inspection Framework**
  Executes scheduled farm inspections to verify compliance with the federal Produce Safety Rule

NMDA

FISCAL STRUCTURE

This program is 100% federally funded, with program personnel (3.5 FTE's) and the operational budget tied entirely to federal appropriations.

- 2025 funding: fully funded at $580,000
- 2026 funding: reduced funding $353,800
- 2027 funding: anticipate full funding

EXPOSURE

Any reduction, delay, or non-renewal of federal grant funds impacts the program's staffing levels and its capacity to conduct state-level operations.

Animal Feed Regulatory Program Standards

EXPOSURE

The grant offsets a portion of the feed program's total operational costs.
A reduction, delay, or non-renewal of federal grant funding would not significantly affect the program's overall regulatory capacity.

STRATEGIC OUTLOOK

The feed programs utilize a federal grant to cover a portion of their budget. Routine assessments and audits ensure continued alignment with Animal Feed Regulatory Program Standards, promoting continuous improvement of the feed regulatory program.

This federal support complements, but does not replace, the department's statutory responsibilities under the New Mexico Commercial Feed Act.

FISCAL STRUCTURE

2025 funding: *fully funded at $150,000*
2026 funding: *fully funded at $150,000*
2027 funding: *anticipate full funding*

NMDA

U.S. Environmental Protection Agency (EPA)

OBJECTIVES

Pesticide Compliance

- The U.S. EPA grant partially funds projects related to the co-regulation of pesticide products and pesticide applicators in the state.

- Recent decreases in federal funding have resulted in an increase in pesticide registration fees primarily directed at out-of-state manufacturers.

NMDA

FISCAL STRUCTURE: Pesticide Compliance

		FUNDING			APPROXIMATE % OF SECTION CURRENT BUDGET FUNDED BY EPA GRANT (Historic/Current/Anticipated) *
SOURCE	GRANT ID	HISTORIC	CURRENT YEAR (Reduction From Historic)	ANTICIPATED (Reduction From Historic)	
U.S.-EPA	Cooperative Agreement Grant	$590,481	$469,197 ($121,287)	$404,542 ($185,939)	34% / 27% / 23%

**Based on approximately $1.75 million section budget*

The U.S. EPA grant contributes to the salaries of the division leadership, pesticide section specialists, and field staff involved in inspections, certification, training and enforcement efforts.

EXPOSURE: Pesticide Compliance

Recent and current examples of how U.S. EPA grants benefit New Mexico include supporting:

1. Supports consumer protection: product registrations, inspections, enforcement actions, applicator certification & continuing education.
2. Supports investigations of possible pesticide misuse as reported by the public.
3. Supports pollinator protection through department participation in continuing education courses directed at pesticide applicators.
4. Product label review to ensure compliance with federal endangered species strategies.

U.S. Department of Agriculture – Animal Plant Heath Protection (USDA-APHIS)

O B J E C T I V E S

Entomology and Nursery Industries Section

- USDA-APHIS grants solely or partially fund projects related to conducting statewide surveys in managed and native ecosystems for presence of invasive plant pests of economic or aesthetic concern. *Early pest detection results in lower mitigation costs and increased likelihood of successful eradication or containment.*

- Establishment of new pests typically results in increased production or maintenance costs, increased pesticide use, and increased complexity and costs associated with exports of specific raw agricultural products.

- Over the past three-year funding cycle, USDA-APHIS cuts to department programs have been minimal. In the event of federal funding reduction without replacement, the state's ability to prevent establishment of new invasive plant pests becomes compromised due to possible reductions in staff and surveys. If approved, replacement funding would originate from an increased in plant nursery-related fees.

NMDA

FISCAL STRUCTURE: Entomology and Nursery Industries Section

SOURCE	GRANT ID	FUNDING AMOUNT: HISTORIC	PREVIOUS YEAR	CURRENT YEAR	APPROXIMATE % OF SECTION CURRENT BUDGET FUNDED BY USDA-APHIS GRANT (Historic/Previous/Current) *
USDA-APHIS	Cooperative Agricultural Pest Survey Grant	$86,000	$84,000	$84,000	7%/ 6% / 6%
USDA-APHIS	Plant Protection Act Grant	$49,000	$49,000	$49,000	4% / 4% / 4%

**Based on approximately $1.3 million section budget*

Both USDA grants contribute to the salaries of the *State Plant Pest Survey Coordinator, the New Mexico State University Extension Plant Pathologist, the State Taxonomist (Entomology),* field staff involved in surveys and mitigation efforts, and specialized contractors.

EXPOSURE: Entomology and Nursery Industries Section

Recent and current examples of how USDA-APHIS grants benefit New Mexico include:

1. Supported efforts to repeal Dona Ana's red imported fire ant quarantine.
2. Provides support for pest survey programs that resulted in the early detection of Japanese beetle and its eradication from three Bernalillo County locations.
3. Supports survey efforts of new invasive pecan pests, including pecan weevil.
4. Supports plant pest identification services requested by federal, state and private entities.
5. Supports honeybee pest surveys to help decrease overwintering mortality.

Entomology and Nursery Industries Section

- USDA-APHIS contribution to New Mexico's State Taxonomist's salary has supported the position's ability to contribute to the New World screwworm early detection survey efforts led by USDA-APHIS.

- The State Taxonomist has recently completed a series of examinations and is one of four non-federal employees certified in the identification and screening of adult New World screwworm.

- Certified individuals will be utilized by USDA-APHIS to address surges in screening regional samples. Currently, flies collected and submitted by New Mexico citizens and state agencies are forwarded to the State Taxonomist for preliminary screening

USDA Specialty Crop Block Grant Program (SCBGP)

OBJECTIVE

- Improve the competitiveness of New Mexico specialty crops through research, education/outreach, and marketing.

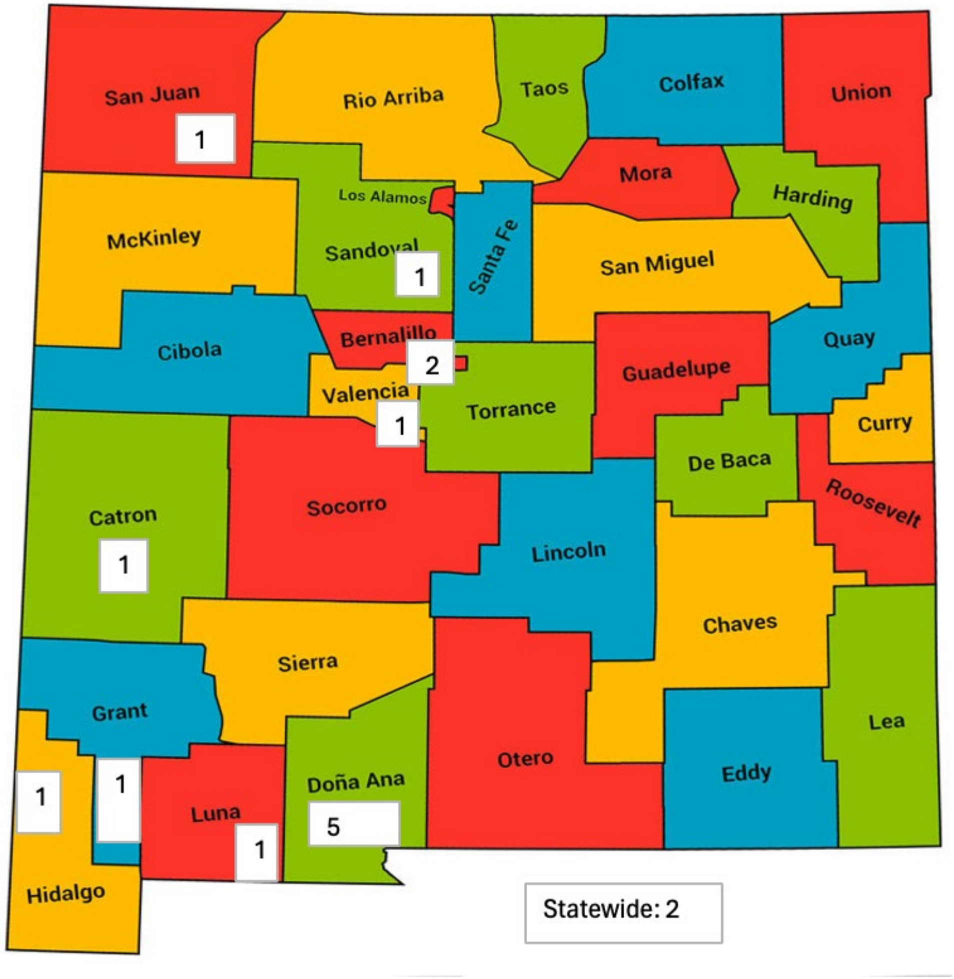
- Continue supporting key industries including chile, pecans, onions, nursery, and horticultural crops.

NMDA

FISCAL STRUCTURE

- FY26 Allocation: $732,277 (17% increase over FY25).
- NMDA anticipates funding 10 projects through the USDA Specialty Crop Block Grant Program.
- H.R. 1 increases national SCBGP funding from $85 million to $100 million annually.

The numbers noted on top of each county represent the number of projects that have the potential to impact that county.



EXPOSURE AND OUTLOOK

- The proposed Farm Bill reauthorizes the SCBGP through 2031, ensuring continued support for specialty crop producers.

- New federal matching requirements and rising program costs may increase financial and administrative burdens for states.

- NMDA supports increased funding and advocates for greater flexibility and streamlined USDA implementation to maximize program effectiveness.

USDA Resilient Food Systems Infrastructure (RFSI)

OBJECTIVE

- **NMDA administered a $4.6 million USDA cooperative agreement, investing more than $3.7 million directly into New Mexico food businesses.**

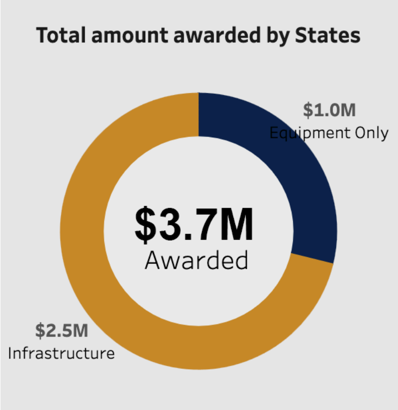
- Strengthened New Mexico's local and regional food supply chain by supporting investments in:
  - *Aggregation capacity*
  - *Processing infrastructure*
  - *Cold storage*
  - *Distribution capacity*
  - *Value-added food production*

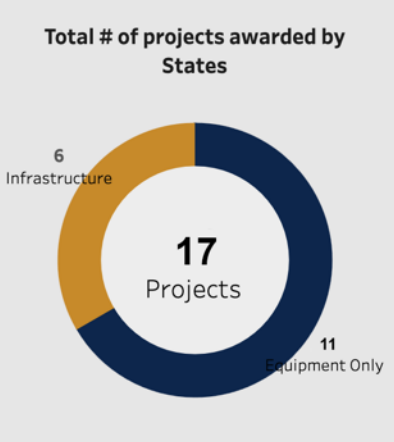
- Expanded market opportunities for producers while improving food system resilience.

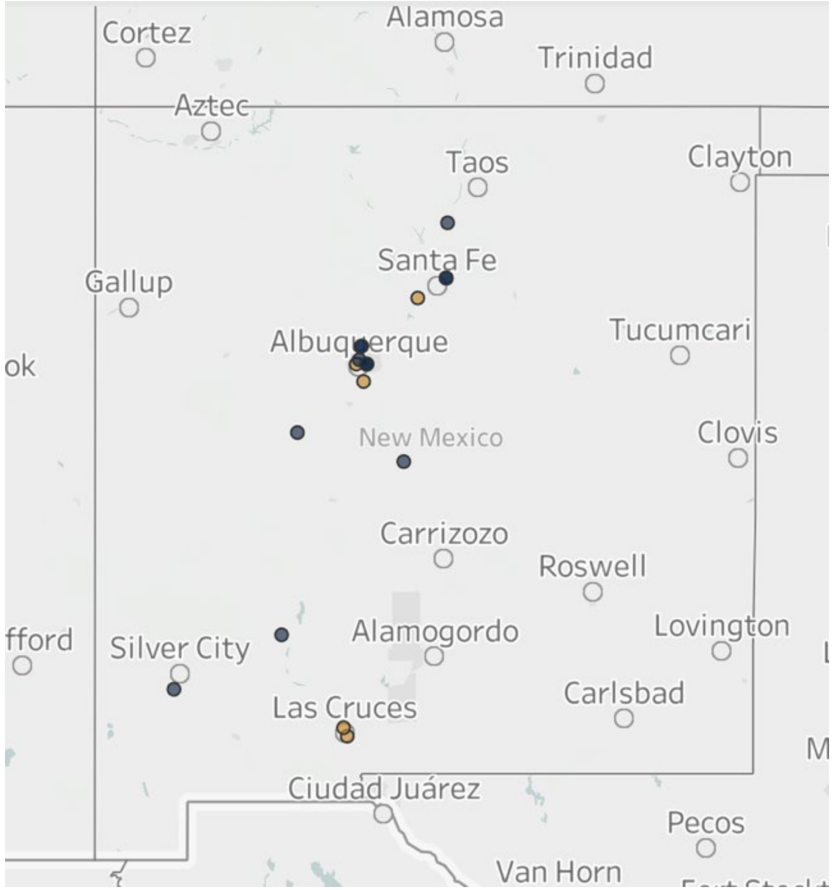
FISCAL STRUCTURE

RFSI was created and funded through the American Rescue Plan Act (ARPA) as a one-time USDA initiative, providing approximately $400 million nationwide through state cooperative agreements.

- In New Mexico:
    - 11 equipment-only projects were completed in December 2025.
    - Investments supported aggregation, storage, processing, manufacturing, and transportation/distribution equipment.
    - 6 infrastructure projects remain on schedule for completion by December 31, 2026.







EXPOSURE

- RFSI is not permanently authorized under the proposed Farm Bill.
- Although H.R. 1 included investments in other agricultural programs, it did not continue or establish RFSI as a permanent USDA program.
- Without future funding, similar infrastructure investments may not be available to New Mexico food businesses.

STRATEGIC OUTLOOK

- NMDA supports making RFSI a permanent Farm Bill Program.
- Permanent authorization would:
  - Continue strengthening regional food systems
  - . Increase processing and distribution capacity
  - . Expand market opportunities for New Mexico producers
  - . Improve long-term food supply chain resilience

USDA Local Food Purchase Assistance (LFPA)

OBJECTIVE

- Strengthened New Mexico's local food system through strategic public food purchasing
- Generated approximately $4.6 million in purchases from New Mexico producers
- Connected local producers with food banks, improving food access while creating reliable markets
- Established the foundation for New Mexico's Regional Farm to Food Bank (RF2FB) Program

NMDA

FISCAL STRUCTURE

- LFPA was funded through a USDA cooperative agreement.
- Following the discontinuation of new USDA LFPA funding in 2025, New Mexico sustained the effort with approximately $2 million in non-recurring state funding for the Regional Farm to Food Bank (RF2FB) Program in FY27.
- State funding allowed the program to continue supporting producers and food assistance organizations despite the loss of federal funding.

EXPOSURE

- USDA discontinued new LFPA funding in 2025, creating uncertainty for future local food purchasing initiatives.
- Continued program success currently depends on limited, non-recurring state appropriations.

STRATEGIC OUTLOOK

The proposed Farm Bill includes provisions based on the Local Farmers Feeding Our Communities Act, which would establish an LFPA-like program as a permanent USDA initiative.

International Marketing

OBJECTIVE

International Marketing Programs

- Expand global market opportunities for New Mexico agricultural products
- Connect New Mexico producers and processors with international buyers through strategic partnerships and export promotion activities
- Target priority export markets, including:
  - Mexico
  - Central & South America
  - Canada
  - Europe
  - ASEAN
  - South Korea
  - Middle East & North Africa
  - India

Key New Mexico Export Products

- Pecans
- Chile products
- Dairy products
- Grain products
- Consumer-ready food and beverages
- Livestock genetics

FISCAL STRUCTURE

- NMDA leverages federal and partner resources through organizations including:
    - WUSATA
    - USLGE
    - NASDA
    - American Pecan Council
    - U.S. Dairy Export Council
    - Commodity organizations
- These partnerships support:
    - Trade missions
    - International trade shows
    - Buyer education
    - Market research
    - In-store promotions
    - Digital marketing campaigns

EXPOSURE

- New Mexico producers rely on continued federal investment in export promotion programs to maintain and expand access to international markets.
- Stable funding is essential to diversify export opportunities and remain competitive globally.

STRATEGIC OUTLOOK

Farm Bill & H.R. 1

- International marketing remains one of the strongest-supported agricultural priorities in both H.R. 1 and the proposed Farm Bill.
- Agricultural Trade Promotion and Facilitation Program
    - Establishes $285 million annually in mandatory funding through 2031 to strengthen USDA's export promotion capacity.
- Proposed increases to USDA export programs:
    - Market Access Program (MAP): $200 million → $400 million annually
    - Foreign Market Development (FMD) Program: $34.5 million → $69 million annually.

US/Indonesia Dairy Partnership (USIDP)

OBJECTIVE

- Develop and disseminate a training program for Indonesian dairy farmers in exchange for plant registrations by the Indonesian government to increase US dairy exports.

NMDA

FISCAL STRUCTURE

Funding for this project has been provided by USDA through the Regional Agriculture Promotional Program (RAPP) funding secured by USDEC.

EXPOSURE

The core program has been created, and a website has been established to house the registrations, materials, and collected data.

500 farmers are enrolled in the program and have achieved a 32% increase in milk production.

STRATEGIC OUTLOOK

Plans are in place to:

- Film and create more materials to add to the program
- Expand to other Southeast Asian and Central American countries
- Develop an online certification program to increase exposure among farmers across the country

Funding is the key for this to continue.

Agricultural Programs and Resources (APR)

OBJECTIVES

- Promotes beneficial natural resources policy and planning to support New Mexico agriculture

- Provide support to the NM Soil and Water Conservation Commission and the state's 47 soil and water conservation Districts (SWCDs)

- Implement and administer statutory programs:
  - *Soil and Water Conservation District Act*
  - *Healthy Soil Act*
  - *Noxious Weed Management Act*
  - *Agricultural Workforce Development Act*
  - *Acequia and Community Ditch Fund Act*

FISCAL STRUCTURE

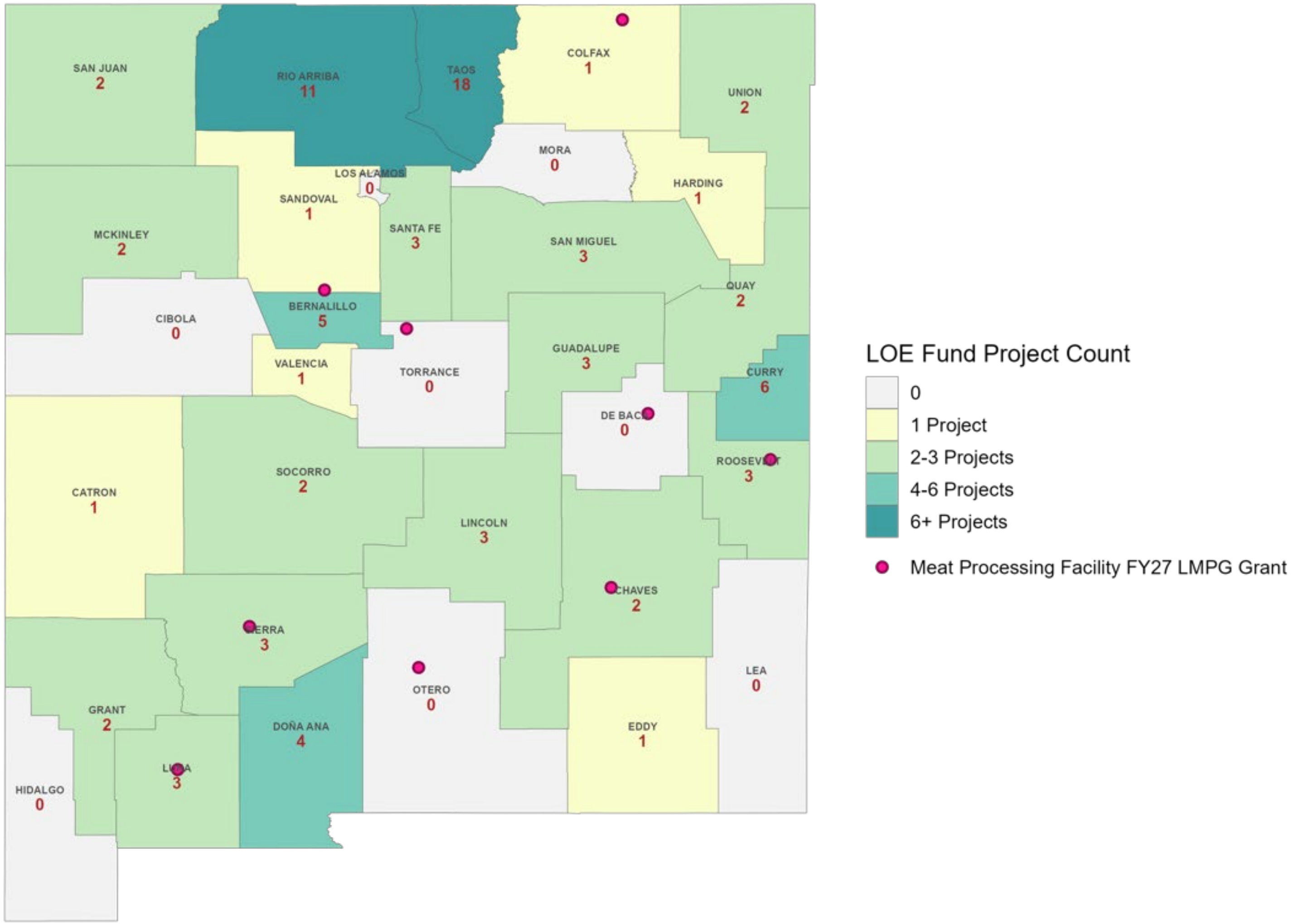
- Operations covered by state appropriations
- Statutory grant programs generally funded through state appropriations and Land of Enchantment (LOE) Legacy Fund
- In FY27, NMDA received $4 million in LOE Legacy Fund for three programs:
  - *Healthy Soil Program: 52 grants/$1.33m*
  - *Soil and Water Conservation District Program: 20 grants/$2.05m*
  - *Noxious Weed Management Program: 13 grants/$623k*

NMDA receives some federal funding for conservation from the USDA Natural Resources Conservation Service (NRCS), the US Fish and Wildlife Service, and the US Forest Service

- *This funding is mainly passed through to local partners.*

Agency	NMDA Program	FY27 Funding	Historic Funding	FY27 Status
USDA-NRCS	Technical Service Provider/ Healthy Soil Program	$1,207,734	$1.2m/yr	Waiting for NRCS approvals
USDA-Forest Service	Noxious Weed Management	$90,000	$0-248k/yr	Contract in progress
US Fish & Wildlife Service	Mexican Wolf Depredation Compensation	$275,000	$150k-195k/yr	Contract in place

FY27 NMDA Projects by New Mexico County



Source: FY27 NMDA APR Program Budgets

EXPOSURE

- Limited exposure to federal funding changes– federal funding to division is most supplemental to state LOE Legacy Programs
- No federal awards or funding have been withheld or canceled so far. However, funding opportunities, awards, and contracting have gotten slower and less predictable in the past two years.
- Main concern is NRCS funding that cost-matches with an annual state appropriation to support Farm Bill program implementation. NMDA has been waiting on NRCS Headquarters approval for nearly 4 months.

EXPOSURE- USDA CAPACITY

- Staffing down significantly in New Mexico.

  Natural Resources Conservation Service (NRCS):
  Historically 175 employees, currently 111

  Farm Service Agency (FSA):
  Historically 80 employees, currently 60

  Rural Development (RD):
  Historically 120 employees, currently 25

- Staff reduction has kept remaining employees processing paperwork rather than providing technical assistance to farmers and ranchers in the field

STRATEGIC OUTLOOK

Expand State Conservation Efforts
- NMDA will continue to implement LOE Legacy Fund programs and expand the conservation impact of state funding through federal uncertainties

Support SWCD Capacity
- Unique authority to lead local conservation on private, state, and federal lands
- Can fill in technical support and implementation gaps left by NRCS
- Special appropriations through NMDA to support SWCD growth:
  - *$9m for SWCD capacity building in FY26-28*
  - *$1m for SWCD training in FY27*

FEDERAL AGRICULTURAL POLICY AND FUNDING UPDATE

Thank you!

QUESTIONS?

Jeff Witte, Director/Secretary
jwitte@nmda.nmsu.edu

Les Owen, Deputy Director/Secretary
lowen@nmda.nmsu.edu

Candie Sweetser, Public Affairs
csweetser@nmda.nmsu.edu
575-646-3007