

Federal Funding Impacts to New Mexico Agriculture

Update for Water and Natural Resources Interim Committee

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NMDA
New Mexico Department of Agriculture

Impacts to NMDA

Resilient Food Systems Infrastructure (RFSI)

- After pause in early 2025 program continues

Local Food Procurement Assistance (LFPA)

- After pause in early 2025 program continues for current cycle

Impacts to NMDA

EPA pesticide compliance-related grants

- 20% reduction
- 2025 grants total \$600k; 2026 grants total \$479k

FDA Produce Safety Cooperative Agreement

- 39% reduction
- \$580k in FY25 to \$353k for FY26

Budget Reconciliation Bill Impact

Farm Safety Net & Disaster Support

- Increased reference prices for Commodity Title programs
- Expanded Disaster Assistance

Crop Insurance

- Higher subsidies and coverage levels (up to 90%)

Budget Reconciliation Bill Impact

Tax & Capital Support

- Permanent extension of key tax benefits
- Estate tax exemption locked at \$15M per individual
- Enhanced Section 179 expensing up to \$2.5M and full bonus depreciation

Budget Reconciliation Bill Impact

Specialty, Organic, & Trade Support

- Increased annual Specialty Crop Block Grant Program—with \$100M/year and
- Expanded USDA trade promotion funding (approx. \$285M annually)

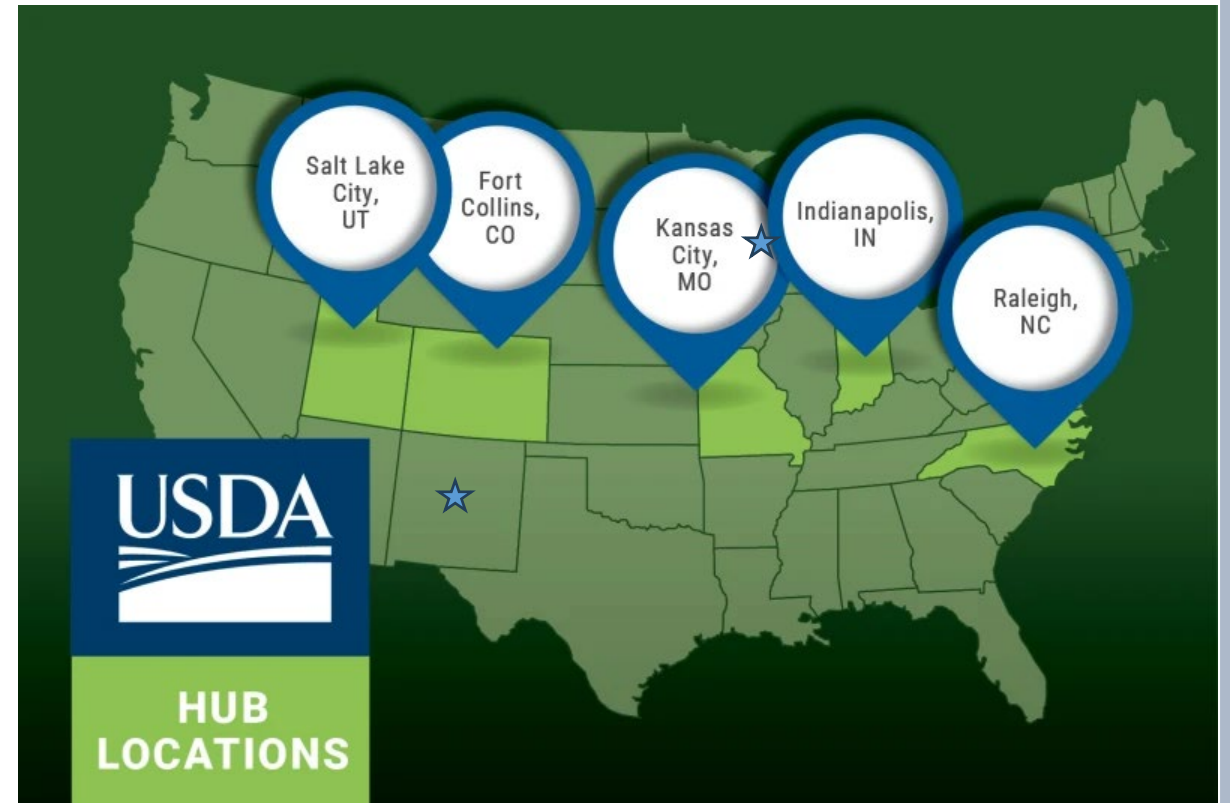
Budget Reconciliation Bill Impact

Conservation Programs

- Rescinded unobligated IRA funding for climate smart practices
- Increased the baseline budget authority of NRCS Farm Bill programs: EQIP (+55%), CSP (+36%), ACEP (26%), RCPP (+49%)

USDA Reorganization Plan

- Workforce size alignment
- Relocate resources
- Reduce management layers and bureaucracy
- Consolidate support functions



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