



**EDD** ECONOMIC DEVELOPMENT DEPARTMENT

# Food, Hunger and Agriculture Program

**Nurturing Prosperity and Nutrition: New Mexico's Route to Economic Growth and Food Security**

**Water & Natural Resources Committee Meeting: July 23, 2024**



GOVERNOR MICHELLE LUJAN GRISHAM  
**FOOD INITIATIVE**  
CULTIVATING A NEW FOOD SYSTEM

 **VIDA MEJOR**  
CAPITAL

# Program Mission

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***To support the intersection of economic development in New Mexico's food and agricultural sector with increased food security for New Mexicans.***

The Food, Hunger and Agriculture Program is part of the governor's Food Initiative and prioritizes:

- Developing financial tools and technical assistance tailored for small and mid-scale food processing and agricultural enterprises
- Increasing access to food for historically under-resourced communities
- Addressing workforce development challenges through the creation and retention of jobs in the food and agricultural supply chain.
- Strengthening and diversifying in-state market channel access for small and mid-scale food and agricultural operations
- Advancing food safe storage/aggregation, distribution and transportation in regional food supply chain networks
- Supporting producers in the implementation of regenerative agricultural practices



# EDD's Food, Hunger, and Agriculture Program

# New Mexico Target Industries: Sustainable and Value-Added Agriculture

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## ***A need for technical assistance and financial tools tailored to small-midscale food processing and agricultural operations***

*“Agriculture, particularly of the sustainable variety, is a capital-intensive industry with significant up-front costs associated with investments in land and industrial infrastructure, such as heavy machinery. The ability for agricultural firms to easily access capital is a necessity for the establishment of a technology-enabled and sustainable agriculture industry..*

*...Stakeholders have indicated that New Mexico’s agriculture industry remains well-positioned to expand into the future. However, this expansion will require the state and stakeholders to capitalize on a number of opportunities arising in the near- and mid-term; many of these opportunities will require investments in financing mechanisms, education and training programs, and industry-relevant infrastructure development...*

*..Increasing food processing capacity in New Mexico will require additional and more stable funding mechanisms for producers in the state...the establishment of a revolving loan fund or non-traditional lending program for New Mexico’s agriculture industry could help the state expand food processing operations in rural and urban regions of the state.”*

***New Mexico Comprehensive Economic Development Strategy (CEDS)  
Plan, pp 72-74***



# EDD’s Food, Hunger, and Agriculture Program

# LEDA & JTIP

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## LEDA

- 10 projects over FY23 & FY24
- \$3,375,000 awarded
- \$67,881,220 private investment

## JTIP

- 19 projects over FY23 & FY24
- 271 jobs awarded
- \$2,071,641.56 awarded

### Challenges in eligibility for small-midscale food and agricultural businesses:

- Manufacturing, value-added businesses may qualify, but not food production operations. *LEDA can't help raise the cow, but it could help make the cheese!*
- Both programs are designed for “economic-based businesses”---companies that export at least 50% of their product or non-retail service out of state.
- Retail businesses do not qualify, as they are not considered “economic base”
- JTIP requires fulltime, year-round positions to qualify



# EDD's Food, Hunger, and Agriculture Program

# Current Initiatives

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## **The New Mexico Healthy Food Financing Fund (HFFF)**

*This grant program is the cornerstone of a strategic phased approach to developing a suite of financial tools and technical assistance for food and agricultural enterprises grow, raise, process, aggregate, distribute and sell local, fresh, healthy food through expanded retail and institutional in-state market channels in rural and underserved communities.*

## **Resilient Food System Infrastructure Program (RFSI)**

*Cooperative agreement between state department of agriculture and the United States Department of Agriculture's Agricultural Marketing Service.*

- *Address middle-of-the-supply-chain needs for locally and regionally produced food products (excluding meat and poultry)*
- *Benefit consumers, producers, and rural communities by providing more options, increasing access, and creating new, more, and better markets for small and mid-size producers.*
- *Bridge gaps in existing federal funding programs*



# EDD's Food, Hunger, and Agriculture Program

# Current Initiatives

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## America's Healthy Food Financing Initiative (HFFI)

*America's Healthy Food Financing Initiative (HFFI) Partnerships Program is designed to invest in local capacity and capital to establish and grow partnerships between organizations that are working at the local, state, or regional level to provide financing and technical assistance to food retail and food supply chain businesses in underserved communities.*

## Socially Disadvantaged Farmer and Rancher Access to Capital Program

*The CDFA-NASDA Foundation Access to Capital Program helps rural communities understand the many financing programs available to build successful operations.*

- *Seek to identify the barriers to accessing sustainable business capital in New Mexico*
- *Utilize an educational curriculum that will be culturally significant to communities that will teach agricultural finance in relatable and meaningful terms*
- *Provide specialized assistance to communities and will develop a financial program guidebook/toolkit*



# EDD's Food, Hunger, and Agriculture Program

# What We're Hearing

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## Top 5 Focus Areas: RFSI Survey Results Fall 2023:

- Expand capacity for processing, aggregation and distribution of agricultural products to create more and better markets for producers
- Modernize or expand an existing facility (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities)
- Develop, customize, or install equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals
- Support construction of new facilities
- Improve operations through training opportunities

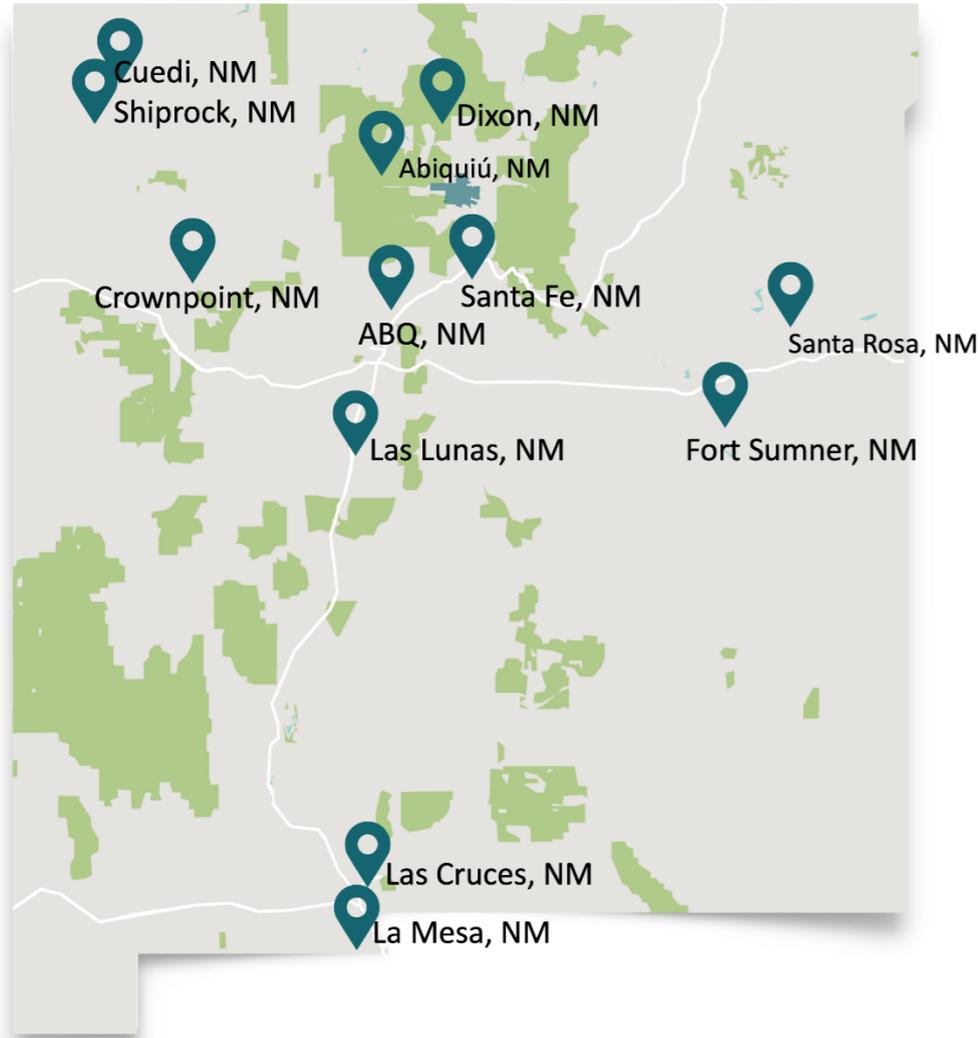
## Financial, Technical Assistance, and Logistical Needs:

- Reluctance to take on long-term debt; Interest in non-traditional lending options
- Unified/open-source supply chain logistics management system
- Connecting growers with food processors and manufacturers
- Developing co-op, independent food retailer programs/community of practice
- Assist businesses in navigating regulations, finding resources
- Conduct assessments and provide resources for new technology (solar, climate smart, water-smart, etc.)



# EDD's Food, Hunger, and Agriculture Program

# Healthy Food Financing Fund FY23



## Funding Summary

FY23 Total Requested Grant Funding

**\$4,796,241.86**

HFF Funding

**\$510,000**

During the inaugural FY23 Grant Cycle of HFFF, a total of 72 applications were submitted, requesting over \$4.7MM in critical funding for their projects.

In FY 2023, HFFF awarded more than \$500,000 in competitive grants to a range of food enterprises from across the state of New Mexico.

# Healthy Food Financing Fund FY24



## Funding Summary

FY24 Total Requested Grant Funding

**\$6,517,890.80**

HFF Funding

**\$950,000**

During the FY24 Grant Cycle of HFFF, a total of 80 applications were submitted, collectively requesting over \$6.5MM in critical funding for their projects.

In FY 2024, HFFF awarded \$950,000 in competitive grants to a diverse array of food and agricultural enterprises throughout the state of New Mexico.



## New Mexico Healthy Food Financing Fund Partnership

The Healthy Food Financing Initiative (HFFI) aims to enhance food supply chain resiliency, increase access to healthy foods in underserved areas, and boost economic growth by creating and preserving jobs.

Reinvestment Fund awarded \$40,336,270 in grant funding for the Local and Regional Healthy Food Financing Partnerships Program (HFFI Partnerships Program) to support food financing programs in rural, urban and Tribal communities across 20 states and Washington D.C.

**The New Mexico Healthy Food Financing Fund Partnership was awarded our full request of \$3MM over 5 years** to conduct new market studies to evaluate the needs of New Mexico's food ecosystem and design loan, grant, and technical assistance programs that improve sustainability and resiliency for local healthy food retail and food retail supply chain projects.

The Partnership is comprised of Vida Mejor Capital, New Mexico Economic Development Department, New Mexico State University, the Santa Fe Farmers' Market Institute, and the New Mexico Community Development Loan Fund.

The project kick-off is scheduled for August 2024.





# *Healthy Food Financing Fund*

*Spotlight of FY23 and FY 24  
Awardees*



## Bidii Baby Foods LLC

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### FY23 | PROJECT DETAILS

*The HFFF initiative expanded capacity and crop variety for Navajo Nation's farm-to-school programs, doubling production by equipping young indigenous farmers with the necessary tools and infrastructure for growth.*

### PERFORMANCE MEASURES & OUTCOMES

- Entrepreneurial Development: Supported the launch of the Farmer-in-REZidence program and equipped four local Indigenous farmers under 35 with farmland and shared equipment.
- Certification Achievement: All four Farmers-in-REZidence attained NM Grown certification with Bidii Baby Foods LLC's leadership, enhancing local and indigenous food availability.
- Production Growth: The Farmer-in-REZidence program led to a doubling of cultivated acreage by Bidii Baby Foods LLC.
- Product Expansion: Introduced Oaxacan Green Cornmeal as a new value-added product.





## La Mesa Organic Farms

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### FY23 | PROJECT DETAILS

*La Mesa Organic Farms boosted their production and efficiency with HFFF funding by improving storage and reducing labor through equipment upgrades, thus fostering growth and safer work conditions.*

### PERFORMANCE MEASURES & OUTCOMES

- Tripled Blue Corn Production: Achieved a 300% increase in blue corn yield, resulting in the largest harvest to date.
- Market Expansion: Extended presence at the Santa Fe Farmer's Market by three months and debuted at the Taos Farmer's Market for the full season.
- Customer Reach: Grew customer base from 10,000 in 2022 to an estimated 18,000 in 2023.
- New Jobs: Created three new part-time positions; sustained two full-time roles, supporting business expansion and revenue growth.
- Value-Added Production: Processed nearly double the annual amount of blue corn products.
- Community Impact: Improved access to healthy foods for vulnerable populations in Taos and Santa Fe, with a strong uptake of traditional New Mexico value-added products.





## FY23 | PROJECT DETAILS

*Backyard Farms has developed a Business and Commercialization Plan with Arrowhead Center for their freeze-dried project. They will source fresh farm goods from small and mid-sized farmers across New Mexico to empower them. The products will be marketed through NM Grown, Farm to Food Bank, FreshRx, Veggie Rx, and local food programs to increase access to healthy food for underserved populations.*

## PERFORMANC MEASURES & OUTCOMES

- **Processing Capacity Increase:** The award enabled processing an additional 5,754 pounds of apples and 22,000 pounds of watermelons, equivalent to 44 pallets or 2 semi-truck loads.
- **Job Creation:** The expansion led to the hiring of five new kitchen staff to manage increased volumes, including washing, cutting, lyophilization processing, labeling, and bagging.
- **Market Channels Increased:** Products are now available in NM Grown Early Childcare facilities, senior centers, the 2023 NM Senior Olympics, and the 45th Annual Conference on Aging. They are also included in the Texas Double-Up Food Bucks Program in El Paso and West Texas.
- **Entrepreneurial Development:** Collaborated with the American Indian Business Enterprise Center/Arrowhead Center (NMSU) to develop a program for Native American Farmers and Ranchers to create value-added products.





## Ledoux Grange, LLC

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### FY24 | PROJECT DETAILS

Ledoux Grange is a small family farm committed to sustainable agriculture and enhancing food equity in their community. To achieve true sustainability and expand their operations, they require small-scale farming equipment that reduces labor costs and protects the soil. Currently, the farm relies heavily on manual labor, which is not feasible for scaling up, especially in a region where the soil is challenged by stones, ash, and debris from fires and erosion. Transitioning to specialized machinery will enable Ledoux Grange to increase their production of vegetables, and grains, pulses, and seeds which are incorporated into their popular baked goods.





## FY24 | PROJECT DETAILS

HFF funding will enhance Major Market Inc.'s (MMI) mission to improve food access in the Zuni region by expanding its storage with a climate-controlled facility. This enhancement aligns with MMI's original vision and addresses the USDA-defined food desert status of Zuni, providing residents with a local source of healthy foods and contributing to the revitalization of traditional diets. The upgraded storage, coupled with renewable energy integration, positions MMI to increase bulk food supplies and ensure affordability in this culturally rich area.





Firm Foundation Farms

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## **FY24 | PROJECT DETAILS**

HFFF funding will be pivotal for Firm Foundation Farms' innovative pork production using Indigenous MicroOrganisms (IMO) for sustainable agriculture. The grant will help establish a more efficient system for raising hogs with minimized waste and odor, creating valuable compost, and ensuring financial sustainability. The support will also facilitate the expansion of vegetable production and enhance the farm's market reach, including online sales and community programs, contributing to food security and educational opportunities in sustainable farming practices.

