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FISCAL IMPACT REPORT

SPONSOR B. Lujan ORIGINAL DATE 2/9/2007
LAST UPDATED _____ HB 745
SHORT TITLE Promote Acequia-Grown Products SB _____
ANALYST McOlash

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 744, HB 264/SB 90, SJM 38, and HB 437/SB 784.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

House Bill 745 appropriates \$250,000 from the General Fund to the NMSU Regents for the NMDA for expenditure in FY 2008 for the promotion of acequia-grown products.

FISCAL IMPLICATIONS

The appropriation of \$250,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

SIGNIFICANT ISSUES

The concept of marketing food and agricultural products grown utilizing the "Acequia Grown" products system in New Mexico has good public appeal. NMDA currently has a successful "New Mexico Grown with Tradition" logo and marketing program. The "Acequia Grown"

products promotion fits the “New Mexico Grown with Tradition” program.

NMDA administers several programs designed to promote New Mexico food and agricultural products. Those programs involve state, national, and international markets and will serve as models for this proposed program.

This request was not submitted by NMSU to HED for review and was not included in the Department’s funding recommendation for FY08.

ADMINISTRATIVE IMPLICATIONS

Prior to implementing an “Acequia Grown” products promotion, a complete inventory of growers, products, production and processing availability, and value should be conducted to determine the direction and scope of the promotion (NMDA Analysis).

Prior to implementing an “Acequia Grown” products promotion, buyers need to be identified, distribution channels established, and a marketing/business plan developed (NMDA Analysis).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 744 – appropriates \$100,000 to NMSU for a Farmer-to-Farmer Education Pilot Program.

HB 264/SB 90 – appropriate \$1,440,000 to NMSU to purchase New Mexico-grown fruits and vegetables for school lunch programs.

HB 437/SB 784 – appropriate \$75,000 to NMSU to market New Mexico-grown wheat.

SJM 38 – recognizing the significance of indigenous agricultural practices.

OTHER SUBSTANTIVE ISSUES

The New Mexico Acequia Association (NMAA) was founded in 1990 to build a united voice for acequia communities throughout the state. The association is a grassroots, membership-based organization that has worked to protect and strengthen acequias through community education, community organizing, and policy advocacy.

BM/mt