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FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/08

SPONSOR Nunez LAST UPDATED _____ HB 83

SHORT TITLE Market NM-Grown Fruit & Vegetables SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

House Bill 83 appropriates \$300.0 from the general fund to the Board of Regents of New Mexico State University to support the New Mexico Department of Agriculture in marketing New Mexico fruits, vegetables and food products at domestic and international trade shows.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that this request was not on the list of priority projects submitted by NMSU to the New Mexico Higher Education Department (NMHED) for review and was not included in the Department's funding recommendation for FY09.

SIGNIFICANT ISSUES

NMDA states that:

- The New Mexico department of agriculture enjoys an excellent relationship with growers, shippers, and processors and has successfully participated in five major trade shows. However, the success has generated more interest and demand; thus funding is needed to maintain services.
- Trade show participation generates approximately \$10 million in new or additional sales each year.
- The New Mexico department of agriculture has established NEW MEXICO—taste the tradition pavilions at three domestic and international shows which have proven successful in showcasing New Mexico agriculture.
- This funding would be used to cost share trade show expenses such as booth space, graphics, exhibits, freight, and drayage with participants on a minimum 50/50 basis.
- Major trade shows targeted include:
 - Produce marketing association (PMA-Fresh Fruit Summit)
 - Food marketing institute – Chicago, IL
 - All things organic – Chicago, IL
 - United produce show – Las Vegas, NV
 - PMA food service show – Monterrey, CA
- Companies participating in the produce trade shows represent the following percentage of specific crops grown in New Mexico.
 - -- Onions 40%
 - -- Fresh green chile 85%
 - -- Dry red chile pods 50%
 - -- Pinto beans 80%
 - -- Potatoes 80%
 - -- Pumpkins 60%
 - -- Watermelons 40%
 - -- Potted Flowers 60%
 - -- Pecans 15%

Participation in these trade shows showcases the majority of the agricultural production in New Mexico.

According to the HED, this proposal develops a trade alliance, strengthens New Mexico exports with Latin America and surrounding countries, and builds cooperation with trading partners. Some of the New Mexico agricultural products include beef, cheese, beans, apples, sheep, and wheat products. The goals of this program are to assist producers to market, promote New Mexico products, and assist members with production; direct producers, NMDA, and the U.S. Department of Agriculture to work cooperatively; and to develop and maintain quality information for its members. Currently, trading relations exist between NMDA, Cuba, and Chile.