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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR M.J. Garcia LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE NMSU Vegetable & Fruit Distribution Center SB 332

ANALYST Haug

### APPROPRIATION (dollars in thousands)

| Appropriation |         | Recurring<br>or Non-Rec | Fund<br>Affected |
|---------------|---------|-------------------------|------------------|
| FY08          | FY09    |                         |                  |
|               | \$160.0 | Recurring               | General Fund     |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)  
New Mexico State University (NMSU)

### SUMMARY

#### Synopsis of Bill

Senate Bill 332 appropriates \$160.0 from the general fund to the Board of Regents of New Mexico State University for the New Mexico Department of Agriculture to fund a cooperative vegetable and fruit distribution center in Dona Ana County.

### FISCAL IMPLICATIONS

The appropriation of \$160.0 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.

This request was not submitted by NMSU to the New Mexico Higher Education Department for review and is not included in the Department's funding recommendation for FY09.

### SIGNIFICANT ISSUES

According to NMSU, marketing and distribution of locally grown fruits and vegetables is an important movement in agriculture. Fresh fruits and vegetables provide nutritional benefits.

Funding of the fruit and vegetable cooperative was not vetted through the Board of Regents of New Mexico State University budget process. NMDA does not have the technical staff expertise in establishing and managing agricultural cooperatives.

The HED notes that Cooperatives can make contributions to the rural economic, social, and political development of a region by assisting small and medium farmers in producing higher yields and providing a market for sale. This proposal aims to support a distribution center in Dona Ana County. According to the US Census Bureau, Dona Ana County shows the median household income at \$30,740 and 23% of the population are persons living below poverty.

GH/mt