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## FISCAL IMPACT REPORT

SPONSOR Zamora/Rehm ORIGINAL DATE  
LAST UPDATED 1/28/22 HJM 1

SHORT TITLE Consider Drought in Federal AG Policy SB \_\_\_\_\_

ANALYST J. Torres

### **ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (DOA)

Office of the State Engineer (OSE)

### SUMMARY

#### Synopsis of Joint Memorial

House Joint Memorial 1 (HJM1) urges New Mexico's United States congressional delegation to consider the impact of drought when setting federal agricultural policy, including the United States farm bill, which governs programs related to farming, food, nutrition and rural communities.

There is no effective date of this joint memorial. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### FISCAL IMPLICATIONS

HJM1 does not impact the state budget.

### SIGNIFICANT ISSUES

DOA notes: "[t]he farm bill is comprehensive, multi-year legislation that sets federal agricultural and food policy. The current farm bill was enacted in 2018 and expires in 2023. It incorporates programs that help farmers and ranchers recover from natural disasters such as extreme drought, as well as programs that help them become more resilient to natural disasters.

According to the latest drought monitor from January 20, 2022, more than 97 percent of New Mexico is in moderate to extreme drought.

Water levels in reservoirs critical to the irrigation of New Mexico farms are well below average. Examples include Navajo Lake, which measured at 918 thousand acre-feet in December 2021, compared to its average of 1,351 million acre-feet; Elephant Butte Lake, which measured at 159 thousand acre-feet in December 2021, compared to its average of 466 thousand acre-feet; and Heron Lake, which measured at 40 thousand acre-feet in December 2021, compared to its average of 240 thousand acre-feet.

The leap-ahead analysis conducted as part of the interstate stream commission’s 50 water plan cites multiple studies that suggest ‘near-certainty of warmer temperatures, and the high likelihood of drier overall conditions and deeper droughts, for the state of New Mexico and all of the southwestern U.S. over the next 50 years.’ ”

## **PERFORMANCE IMPLICATIONS**

DOA states: “[f]ederal agricultural policy that further considers the impact of drought could increase the amount of financial and technical assistance that New Mexico farmers and ranchers can access via United States Department of Agriculture assistance programs. (USDA’s natural resources conservation service offers financial and technical assistance programs to make producers more resilient, including programs to promote soil health and to install water-delivery infrastructure. USDA’s farm services agency offers financial assistance programs to help producers recover from natural disasters, including drought.)

These federal programs complement – thus could further the impact through additional funding – state programs such as the New Mexico Department of Agriculture’s healthy soil program, through which farmers, ranchers and other land managers can improve their soil's resilience to drought.”

JT/acv