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FISCAL IMPACT REPORT

SPONSOR:	Duran	DATE TYPED:	01/21/00	HB	
SHORT TITLE:	Market NM Agricultural Products			SB	93
				ANALYST:	Pacheco-Perez

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 200.0			Rec	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB108

SOURCES OF INFORMATION

New Mexico Department of Agriculture (NMDA)

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

This bill appropriates \$200.0 from the general fund to the Board of Regents of the New Mexico State University for the purpose of the NMDA to accomplish the following: conduct trade and retail assistance programs and consumer awareness campaigns; develop E-commerce for rural agriculture manufacturers, processors, and growers; develop the New Mexico country store project to promote marketing and development of New Mexico grown agricultural products; and to promote economic development.

FISCAL IMPLICATIONS

The appropriation of \$205.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY01 shall revert to the general fund.

The EDD notes a potential increase to agricultural revenues.

DUPLICATION

This bill duplicates House Bill 108.

OTHER SUBSTANTIVE ISSUES

The following programs provide technical assistance to small-scale, rural agricultural manufacturers, processors, and growers and require a 50/50 match from private sector.

1) Trade Show Assistance Program - provides matching/supplemental funding for New Mexico food companies to attend in-state and national trade shows. Participation allows New Mexico companies to promote and establish new markets, find distributors to targeted markets, establish new markets and maintain existing market share, and increase sales.

2) Retail Assistance Program - provides matching monies up to \$900 per retail store to promote New Mexico food products. This serves as an incentive for New Mexico retailers to stock, promote, and sell New Mexico food products.

3) Advertising and Promotion - helps to create interest and generate sales. Advertising in key trade publications and newspapers is needed. It is important to provide timely exposure and promotion of New Mexico products to generate sales.

4) New Mexico Country Store - at the New Mexico State Fair was originally created to showcase New Mexico food products. It has since evolved into a successful testing ground for New Mexico products as well as an alternative sales outlet for food processors. Processors can receive direct feedback on new products by sampling to the public.

5) Commodity Promotions - assistance has been requested from the onion, chile, and apple industries. Assistance has been requested for mass promotion including print and radio advertising bill boards, point-of-purchase materials, and implementation of seasonal promotion and sales campaigns.

APP/njw