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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/06

SPONSOR Altamirano LAST UPDATED _____ HB _____

SHORT TITLE Establish Agricultural Producer Cooperatives SB 241

ANALYST Earp

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates House Bill 468

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

Senate Bill 241 appropriates \$150,000 from the general fund to the Board of Regents of New Mexico State University (NMSU) for the New Mexico Department of Agriculture (NMDA) to assist agricultural producers in the establishment of cooperatives.

FISCAL IMPLICATIONS

The appropriation of \$150,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

This proposal was not included among the special program funding requests submitted by the NMSU to the Higher Education Department (HED) for review. Consequently, this proposal has

not been included in the HED fiscal year 2007 funding recommendations to the Legislature.

ADMINISTRATIVE IMPLICATIONS

NMSU would be responsible for administration of the proposed appropriation.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 468 and Senate Bill 241 are duplicate measures.

OTHER SUBSTANTIVE ISSUES

HED reports that agricultural cooperatives have a long history of helping farmers achieve their goals. For generations, they have enabled United States farmers to address recurring concerns:

- low crop and livestock prices,
- the high cost of farm production supplies, and
- the need to expand markets to absorb surplus production.

Historically, individual farmers have had to contend with these dynamics while competing in a marketplace with much larger, sometimes global firms.

DKE/nt