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FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/11

SPONSOR Wallace LAST UPDATED _____ HB 41

SHORT TITLE Promote and Develop Farmers' Markets SB _____

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$85.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 41 appropriates \$85 thousand from the General Fund (GF) to New Mexico State University in FY12 for the New Mexico Department of Agriculture program to promote and develop New Mexico farmers' markets for economic development. Any unexpended or unencumbered balance remaining at the end of FY12 would revert to the General Fund.

FISCAL IMPLICATIONS

The appropriation of \$85 thousand contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY12 shall revert to the GF.

Many small farmers have reported that retail sales through state and federal nutrition assistance programs help them stay in business. Further expansion of New Mexico farmers' markets may increase the economic impact to markets and local growers.

New Mexico expenditures related to obesity alone are estimated to be close to 5% of the state's total health care costs (DOH 2003 data).

SIGNIFICANT ISSUES

As of January 2010, 17.1% of the population in New Mexico received Supplemental Nutrition Assistance Program (SNAP) benefits or EBT (electronic benefits transfer). This number does not reflect how many more residents may actually be in need or qualify. Food security continues to be a significant problem in the state. In New Mexico, SNAP is run by the NM Human Services Department. To shop at a farmers' market with an Electronic Benefit Transfer (EBT) card, one swipes the card at a kiosk in exchange for \$1 wooden tokens. The food stamp tokens can then be used for the purchase of any food items at that market.

Many farmers' markets participate in the Women, Infant & Children (WIC) Farmers' Market Nutrition Program. Under this federally funded program, low-income women and their young children receive checks to spend on fresh produce at farmers' markets in the state. WIC clients brought in nearly \$195,000 to markets around the state in the 2009 market season.

In 2007, New Mexico began funding a farmers' market nutrition program directed to low-income seniors. Beginning in the summer of 2008, New Mexico began receiving federal funds as well, expanding the program statewide. Eligible Participants are individuals who qualify and are enrolled in the state's Commodity Supplemental Food Program (CSFP). More than 90% of those registered for CSFP were seniors 60 years or older. The federally funded CSFP is administered by DOH, and delivers food to people at 130% or less of the poverty level. In the 2010 season, checks were distributed to approximately 13,000 seniors in various counties across the state

PERFORMANCE IMPLICATIONS

HB 41 was introduced on behalf of the Water and Natural Resources Committee.

ADMINISTRATIVE IMPLICATIONS

DOH nutrition assistance programs currently support 49 farmers' markets statewide including 1,595 farmers in New Mexico.

OTHER SUBSTANTIVE ISSUES

DOH provided the following data:

- Among youth, for the first time the New Mexico rate of obesity is higher than the United States rate.
- American Indian youth have the highest rate of obesity.
- All populations in New Mexico show an increase in obesity from 2007.
- Males have higher rates of being overweight than do females for both the United States and New Mexico.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB41 is not enacted, funding would not be available through HB 41 to promote and further develop New Mexico's farmers' markets.