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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/19  
 SPONSOR Bandy/Small LAST UPDATED 2/06/19 HB 327  
 SHORT TITLE Develop Agricultural Marketing Opportunities SB \_\_\_\_\_  
 ANALYST Fischer

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

House Bill 327 appropriates \$250 thousand from the general fund to the New Mexico Department of Agriculture to develop and promote market opportunities for farmers, ranchers, and agribusinesses in New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. HB 327 contains annual reversion language, where unexpended balances from the appropriation revert to the general fund. Higher education institutions do not revert unexpended balances to the general fund.

### SIGNIFICANT ISSUES

NMDA is a research and public service project at New Mexico State University (NMSU) and the Agricultural Market Development Act of 1979 authorizes NMDA to engage in agricultural market development work. In FY19, the legislature appropriated \$11.2 million to NMDA, and

the FY20 LFC appropriation recommendation for the department is \$11.6 million—a \$231 thousand, or 2 percent increase.

NMDA states that with the additional \$250 thousand appropriation contained in HB327, the department would expand their market and economic development via the following activities:

- Additional food safety training for farmers and ranchers;
- Value chain coordination, linking farmers and ranchers to distributors, grocery stores, schools, restaurants, and other institutions;
- Enhanced retail engagement strategies for New Mexico agricultural products;
- Expanded public awareness of New Mexico grown products and their availability;
- Expanded marketing of the Double Up Food Bucks Program in New Mexico;
- Market and consumer awareness surveys.

### **PERFORMANCE IMPLICATIONS**

NMSU does not report on performance measures related to NMDA's market development work as a part of the Accountability in Government Act.

MF/sb