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FISCAL IMPACT REPORT

SPONSOR Armstrong, G **ORIGINAL DATE** 02/08/21
LAST UPDATED 02/19/21 **HB** 243/aHWAC
SHORT TITLE Farmers' Market Double Up Program **SB** _____
ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY21	FY22		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to:
 HB132, HB133, HB170, SB101, and HB207

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Agriculture (NMDA)

Human Services Department (HSD)

Department of Health (DOH)

SUMMARY

Synopsis of HAWC Amendment

The House Agriculture and Water Resources Committee amendment to House Bill 243 adds language to the first section to clarify the double up food bucks program is available at farmers' markets in addition to farm stands, grocery stores, and mobile markets and through community-supported agriculture subscriptions.

Synopsis of Original Bill

House Bill 243 appropriates \$500 thousand from the general fund to NMDA in FY22 to enhance the buying power of supplemental nutrition assistance program (SNAP) participants through the double-up food bucks program to buy fresh fruits and vegetables at farmers' markets.

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

FISCAL IMPLICATIONS

The double-up food bucks program doubles the value Supplemental Nutrition Assistance Program (SNAP) benefits spent on New Mexico-grown food at participating farmers' markets and grocery stores. In New Mexico, the double-up program has been funded through a \$400 thousand recurring state appropriation to NMDA, which, along with private funding, helped meet the required 100 percent match for a \$2.1 million, four-year grant from USDA.

In May 2021, NMDA and its partner, the New Mexico Farmers Marketing Association, will apply for another four-year grant for the double-up program. HB243 would add \$500 thousand recurring to the existing \$400 thousand available state match through NMDA. The USDA grant, The Gus Schumacher Nutrition Incentive Program, formerly known as the Food Insecurity Nutrition Incentives program, requires matching funds be documented for all years of the proposed project at the time the application is submitted.

The appropriation of \$500 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 shall revert to the general fund. Although HB243 does not specify future appropriations, establishing a new grant program could create an expectation that the program will continue in future fiscal years. Therefore this cost is scored as recurring.

There is a chance the NMDA would apply for, but not be rewarded the USDA grant. In that case, the \$500 thousand appropriation contained in HB243 would still be available for NMDA "to enhance the buying power of supplemental nutrition assistance program participants through the double-up food bucks program to buy fresh fruits and vegetables at farmers' markets," but without the leveraged federal dollars.

SIGNIFICANT ISSUES

The double-up food bucks program is a U.S. Department of Agriculture partnership program which doubles the value of Supplemental Nutrition Assistance Program (SNAP) benefits—also known as food stamps—when used for New Mexico-grown foods at 90 farmers markets and grocery stores in New Mexico. Grocery stores include 21 statewide locations of Lowe's.

Several agencies reported on the need for and positive benefits of the existing double-up food bucks program. NMDA noted that one in five New Mexico residents are enrolled in SNAP and that approximately 1,000 farmers, mainly of small and mid-scale operations, are currently participating in the SNAP double-up food bucks program. HSD noted that the benefits of the double-up program are three-fold: "low-income consumers eat more healthy food, local farmers gain new customers and make more money, and more food dollars stay in the local economy."

DOH notes that the double-up food bucks program aligns with two of the department's strategic goals: to improve the health of New Mexicans and to expand access to services. Further, the department noted that New Mexico has a high percentage of the population living in food deserts and that funding the double-up food bucks program would improve accessibility and the ability of low-income families to purchase locally grown fresh produce. Specifically, DOH reported that "numerous meta-analysis studies have determined it would cost \$2,200 per year for a family of four to afford the healthier diet options" provided by the double-up program.

Finally, NMDA cited a growing need for SNAP benefits because of the pandemic-related

economic downturn (77 percent increase over the next four years), but also that work by the department has supported farmers in getting more food to stores and markets where potential SNAP shoppers can use their double-up benefits.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB243 relates to several bills either seeking to grow institutional markets for locally-grown food, combat food insecurity, or generally support New Mexico farmers. Those bills include HB132 appropriating \$5 million to food banks for Covid-19 recovery, HB133 appropriating \$100 thousand higher education pilot program reduce college hunger, HB170 appropriating \$100 thousand for to provide New Mexico grown produce in child care centers, SB101 appropriating \$100 thousand for agriculture workforce development, and HB207 appropriating \$750 thousand for a state food council.

TECHNICAL ISSUES

SNAP double-up recipients can currently increase their purchasing power of New Mexico-grown fruits and vegetables at approximately 90 locations, including farmers' markets, farm stands, mobile markets, community-supported agriculture (CSA)s, and grocery stores across the state. However, HB243 solely mentions farmers' markets.

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