



Value-Added

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Dean

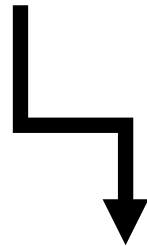
Economic and Rural Development
Legislative Committee

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**Value-added
agriculture is an
avenue for the
economic development
of New Mexico**

Value-added

- Change in the physical state
- Product value enhancement :
 - physical segregation
 - through transformation and processing



- Consumer base for commodity or product is expanded
- Greater portion of revenue to the producer

Source: Agricultural Marketing Resource Center / USDA Rural Business Development

Bacon
1 Pound



Retail: \$2.79
Farmer: \$0.38
13.6%

Bread
1 Pound



Retail: \$2.99
Farmer: \$0.10
3.3%

Fresh Carrots
2 Pound



Retail: \$2.99
Farmer: \$0.74
24.7%

Cheddar Cheese
1 Pound



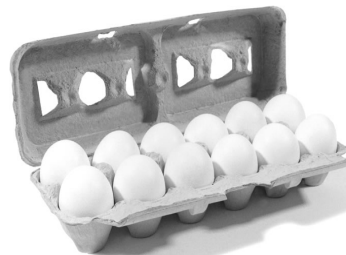
Retail: \$4.49
Farmer: \$1.30
30.0%

Cereal
18 Ounce Box



Retail: \$3.99
Farmer: \$0.07
1.8%

Eggs
1 Dozen



Retail: \$1.99
Farmer: \$0.80
40.2%

Milk
1 Gallon, Fat Free



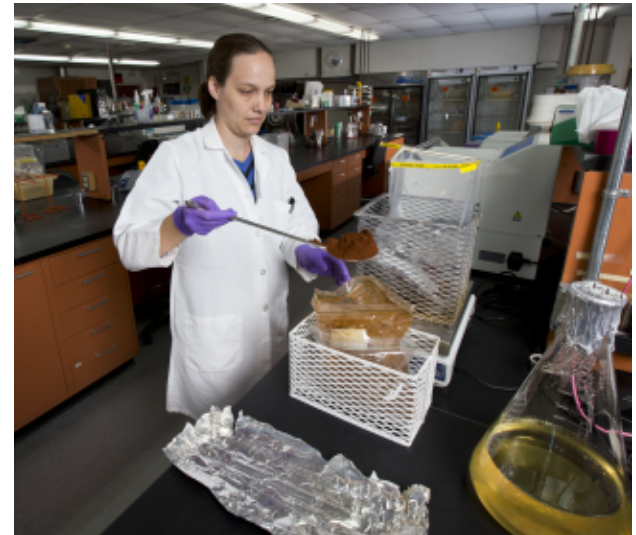
Retail: \$2.99
Farmer: \$1.02
34.1%

Farmer's share derived from USDA, NASS "Agricultural Prices," 2009.
Retail based on Safeway (SE) brand except where noted.



NMSU value-added research

- Pecan oil / flour
- High antioxidant pecans
- Barley malting
- Drought tolerant alfalfa varieties
- Glandless cotton seed
- Branded natural beef
- Natural dyes
- Grown in New Mexico certification (chile)



Source: NMSU ACES Promo Photos
http://aces.nmsu.edu/promophotos/photo.php?photo_id=1397&context=tag&tag_id=107

Status of V-A Ag in New Mexico

New Mexico has lower levels of value-added agricultural products compared to some other states

Minnesota - Agricultural Utilization Research Institute

- Funded by the legislature

- Four facilities usually located near a state university where research is conducted on developing valued-added agricultural products

Proposal

Creating value-added agricultural products should be identified as priority in New Mexico because it will:

- Increase job opportunities in NM
- Increase income for NM
- Strengthen and foster agriculture in NM

Action Plan

It is needed to develop an initiative for strengthening agriculture through value-added initiatives:

i.e. NM Value-Added Agricultural Institute

We need

- Marketing
- Research
- Investment
- Implementation



We need

- Strengthen the marketing research capabilities for the development of value-added products
- Create an incentive program that creates applied research and entrepreneur opportunities
- Attract value-added operators of medium to large size and facilitate in-state entrepreneurship

In ACES at NMSU

Develop a NM Value-added Agricultural Institute that includes:

- Agricultural Economics and Agricultural Business
- Animal and Range Science
- Center for Animal Health and Food Safety
- Food Science and Technology
- Hotel, Tourism and Restaurant Management
- Plant and Environmental Sciences
- Other



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