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# F I S C A L  I M P A C T  R E P O R T

**SPONSOR** Griego **ORIGINAL DATE** 01/30/13 **LAST UPDATED** 03/07/13 **HB**

**SHORT TITLE** Encourage Farms that Produce Chile **SJM** 13/aSCONC

**ANALYST** Hartzler-Toon

## APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---|---|---|---|
| **FY13** | **FY14** | | |
| | NFI | | |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicate to HJM 20, Assistance to Farms that Grow Chile

**SOURCES OF INFORMATION**
LFC Files

Responses Received From
New Mexico Department of Agriculture (NMDA)
Tourism Department (TD)
Economic Development Department (EDD)

**SUMMARY**

Synopsis of SCONC Amendment

The Senate Conservation Committee amendment to Senate Joint Memorial 13 recognizes that New Mexico's rural chile industry has existed in both the Rio Grande and Pecos valleys for centuries.

Synopsis of Original Bill

Senate Joint Memorial 13 (SJM 13) requests

(1) The NMDA, TD, EDD and the New Mexico State University collaborate to provide assistance to encourage the development of farms and companies that grow, process, sell, and serve New Mexico chile peppers and chile pepper products and

(2) that this group provides a report to the appropriate interim legislative committee on the future viability of the New Mexico chile industry and make recommendations in support of the industry.

## FISCAL IMPLICATIONS

There are no direct fiscal implications in SJM 13.

## SIGNIFICANT ISSUES

The NMDA offered a list of current activities in support of New Mexico's chile industry:

- Provides staff support and expertise to wholesalers and retailers (including growers, packer/shippers, processors, grocery stores, food service suppliers, and restaurants) of New Mexico chile to conduct promotional campaigns.
- Offers the NEW MEXICO--Grown with Tradition® and NEW MEXICO--Taste the Tradition® brand to be used on product packaging, promotional materials, and advertisements.
- Administers and enforces the New Mexico Chile Advertising Act.
- Provides support to the New Mexico chile commission as mandated by the Commodity Commission Act.
- Other chile projects funded through the NMDA include:
    - Exploring new strategies in green chile market development and promotion,
    - Protecting and maintaining part of New Mexico's heritage through preserving landrace chile varieties,
    - Promoting New Mexico processors and growers of chile and chile products to the food and beverage industry,
    - Supporting industry participation in international produce tradeshow, and
    - Evaluating and developing a chile certification program.

The TD noted the importance of the chile industry to New Mexico and offered its support to work with the other agencies in keeping with the TD's strategic plan.

## ADMINISTRATIVE IMPLICATIONS

The TD requested further specificity and direction in the type of assistance described in the memorial. The NMDA notes that the memorial provides an additional opportunity to collaborate with other agencies and all parties to assess the future viability of the state's chile industry.

## DUPLICATION

SJM 13 duplicates HJM 20.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Agencies will work to promote this industry in their own ways and without a formal mechanism to report to the Legislature on recommendations for the industry.

THT/blm:svb