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FISCAL IMPACT REPORT

SPONSOR Gomez ORIGINAL DATE 1/25/17 HB 143
LAST UPDATED

SHORT TITLE Boll Weevil Monitoring SB _____

ANALYST Dulany

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
\$0.0	\$50.0	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 143 appropriates \$50 thousand from the general fund to NMDA to “monitor the boll weevil and pink bollworm situation in south central and southwest New Mexico.”

FISCAL IMPLICATIONS

The \$50 thousand appropriation contained in HB 143 is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY18 reverts to the general fund.

According to NMDA, the \$50 thousand appropriation proposed in this bill would help offset the loss of federal funds previously appropriated for the eradication and monitoring of boll weevil and pink bollworm in the southern part of the state. If approved, the appropriation in this bill would be administered through NMDA and distributed to establish private eradication committees and foundations in the state.

NMDA reports New Mexico’s annual cotton production is valued between \$10 million to \$18 million.

SIGNIFICANT ISSUES

The Cotton Boll Weevil Control Act (76-6A-1 NMSA 1978) was enacted in 1996, and the Pink Bollworm Control Act (76-6B-1 NMSA 1978) was enacted in 2001. Both acts charge the director of NMDA with determining whether critically infested or threatened agricultural areas in New Mexico exist and, if so, charge the director with providing technical support and advice in the formation of plans for monitoring, control, or eradication of the infestation.

According to NMDA, the previous establishment of boll weevil and pink bollworm in New Mexico cotton fields had significantly reduced the profitability and ultimately the viability of cotton production in the state. As part of a nationwide effort to eradicate the pests, New Mexico cotton producers established regional committees and have worked toward successful eradication of both species over a 14 year period, according to NMDA. Eradication and pest species monitoring efforts have been funded through grower fees and with federal funding, which has continued to decline in recent years. NMDA reports the reintroduction and establishment of either species may shift cotton production to other lower value crops, and if adequate funding for monitoring is not maintained, regional eradication committees may become insolvent, requiring NMDA to expend resources in excess of the proposed \$50 thousand appropriation to ensure monitoring programs are continued in accordance with federal guidelines.

According to the Mississippi Boll Weevil Management Corporation at Mississippi State University (MSU):

“In 1983 a full eradication program was started in North Carolina and South Carolina. Grower referenda were held in Georgia, Florida and Alabama in 1987. After referenda were approved eradication efforts began in these states. In August 1993 the eradication program moved into central and west Alabama. During this same period the [US Department of Agriculture] started a program in the far west, [southwestern] Arizona, southern California and part of [northwestern] New Mexico.”

ADMINISTRATIVE IMPLICATIONS

It is expected that NMDA conducts on-going monitoring of the activity levels of these insects as required under New Mexico statute and that the proposed appropriation would provide additional financial resources for additional and more extensive monitoring.

OTHER SUBSTANTIVE ISSUES

The boll weevil is a beetle that feeds on cotton buds and flowers, while pink bollworm larvae chew through cotton lint and feed on cotton seeds. The pest has been blamed for destruction of cotton crops throughout southern and southwestern states. According to researchers at MSU, the beetle entered the U.S. through Brownsville, TX around 1892. Since the boll weevil entered the U.S., according to MSU, estimates of cost to U.S. cotton producers total about \$13 billion, with current estimates of about \$300 million annually.