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## FISCAL IMPACT REPORT

SPONSOR Wallace DATE TYPED 1/23/03 HB 118

SHORT TITLE Promote & Develop Farmers' Markets SB \_\_\_\_\_

ANALYST Wilson

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$50.0				Recurring	GF

Duplicates Senate Bill 13

### SOURCES OF INFORMATION

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

House Bill 118 appropriates \$50.0 from the General Fund to the New Mexico Department of Agriculture for the purpose of promoting and developing New Mexico farmers' markets.

#### Significant Issues

The New Mexico Department of Agriculture fiscally supports the New Mexico Farmers' Market Association. The New Mexico Farmers' Market Association is a vital link to the promotion and development of the Farmers' Market Nutrition Program (FMNP).

The FMNP helps farmers earn enough income to continue farming, helps to create a stronger client base for the 30 sanctioned Farmer's Markets throughout the state, and helps to provide access to high quality, fresh fruits and vegetables to economically disadvantaged families. The FMNP helps low-income women and children purchase locally grown, fresh fruit and vegetables to help improve their diet. Improved diet is highly correlated with lower incidence of obesity and chronic disease.

DOH claims improved health can be directly correlated to reduced dollars spent on health care. For the short term, FMNPs significantly increases food security for low-income people by providing them with the best, safest and most nutritious food.

The promotion and development of farming in New Mexico is unique as it combines the need to build markets for local farmer's to sell their produce as well as provides a local source of high quality New Mexican grown food. Farming directly bolsters rural local economies and helps keep land arable.

DOH states independently managed farms using environmentally sound agriculture practices are far more productive and efficient in the use of scarce land than corporate farms. A 1992 US Agriculture Census shows small farms produce over ten times more dollar output per acre than do the largest farms. Small farming creates greater biodiversity and does less environmental damage than monoculture crops. Localized food production means more nutritious food, more jobs, major energy savings, and a healthier population. From the agriculture or land use prospective increased farming means an increase in fertile, arable land.

### **FISCAL IMPLICATIONS**

The appropriation of \$50.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2005 shall revert to the General Fund.

### **ADMINISTRATIVE IMPLICATIONS**

The requirements of this bill are already part of the Department of Agriculture's responsibilities.

### **OTHER SUBSTANTIVE ISSUES**

The Farmer's Market Nutrition Program (FMNP) serves a portion of the Women, Infants and Children Nutrition Program (WIC) by providing some fruits and vegetables during the growing season at 30 Farmer's Markets around New Mexico, representing 700 small independent fruit and vegetable farmers, not processors or retailers. Many small farmers have reported that retail sales, through the WIC Farmer's Market checks, help the markets profit and stay in business.

**DW/yr**