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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/07  
 LAST UPDATED 01/31/07     HB \_\_\_\_\_

SPONSOR Papen

SHORT TITLE Services for Small Farmers     SB 235

ANALYST Hanika Ortiz

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### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$200.0	recurring	general fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Response Received From

Higher Education Department (HED)  
 NMSU/College of Agriculture and Home Economics

### SUMMARY

#### Synopsis of Bill

Senate Bill 235 and the NMSU Small Farm Initiative (SFI) seeks an appropriation of \$200 thousand directed to NMSU's Cooperative Extension Service for the development of an integrated teaching, research and extension facility on the NMSU campus to support small and limited-resource farms and ranches, and sustainable agriculture teaching, research and extension activities in New Mexico.

### FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in the bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

This request was not on the list of priority projects submitted by NMSU to the HED for review and was not included in the Department's funding recommendation for FY08.

## **SIGNIFICANT ISSUES**

NMSU reports that the SFI will help carry out teaching, research, and extension activities that focus on the needs of small farmers and ranchers. Particular emphasis will be placed on increased profitability through improved business management practices, the development of new markets for small growers, and field research in sustainable agriculture practice and technologies. The Institute will be located in Las Cruces, but its mission is statewide.

NMSU reports the bill will provide funding for a small greenhouse, cold storage, small scale agricultural equipment and implements, and multipurpose rooms for lab, teaching and outreach. Many of the small farmers and ranchers lack the skills of farm business management practices and record keeping due to their traditional custom of barter and lack of focused educational programs in past years.

Native American communities have the highest high school drop out rate in the country and also lead the nation in juvenile suicide rates and substance abuse. The same is true in traditional Hispanic communities where families have been displaced from the farms and ranches. Rio Arriba County leads the nation in heroin addiction and deaths attributed to overdose. The custom and culture of the Native American and Hispanic People is very much tied to the land and agriculture in general. If agriculture is lost in these rural communities; custom, culture, tradition and their language may also be lost in the next few generations.

## **PERFORMANCE IMPLICATIONS**

This proposal does not indicate how the Small Farm Institute will determine measures for successful outcomes.

## **ADMINISTRATIVE IMPLICATIONS**

NMSU will administer the funds.

## **OTHER SUBSTANTIVE ISSUES**

NMSU has the following comments;

Today, there are nineteen Indian Pueblos, two Apache Nations and the Navajo Nation that are located in New Mexico, with about 4000 small-scale farmers and ranchers. Most of these Native American farmers and ranchers have not had access to USDA programs and have been severely undercounted by USDA in the past Agricultural Census including the 2002 Census which claimed that there were only 403 Native American farmers and ranchers in New Mexico. USDA also claims there are 4,499 farms and ranches owned and operated by Hispanic small-scale producers; as many as 8,000 have already been identified in Northern New Mexico through other programs. Over 50% of these Hispanic and Native American farmers and ranchers have never participated in any USDA programs due to a lack of effective USDA outreach efforts. Agriculture is the core of culture, custom, tradition and language of New Mexico farmer and ranchers and continues to be a vital economic component to the state.

Individual Native American farmers and ranchers living on their reservations, until the 1990 Farm Bill, were not eligible for USDA programs due to each Indian Reservation, regardless of

size, was counted as only one farm by USDA. Outreach efforts, past and present by USDA have not been effective due to a lack of technical and educational support at the community level. Basic agriculture educational programming is non-existent due to the loss of Bureau of Indian Affairs (BIA) extension contracts over twenty years ago. Local county extension agents do not have the resource or manpower to cover the large land base within their counties, which include several of these Pueblos.

### **ALTERNATIVES**

Seek federal grants or private or public funds elsewhere to fund this initiative.

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

Small sustainable agriculture farmers may be adversely impacted and economic benefits to the state may be lost.

AHO/nt:mt