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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/17/2007  
LAST UPDATED 2/20/2007 HB \_\_\_\_\_

SPONSOR Campos

SHORT TITLE Marketing of New Mexico Agricultural Products SB 1040

ANALYST McOlash

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$675.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB 426.

Relates to HB 437 and SB 876.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

New Mexico Higher Education Department (NMHED)

### SUMMARY

#### Synopsis of Bill

Senate Bill 1040 appropriates \$675,000 from the General Fund to the NMSU Regents for expenditure in FY 2008 for the NMDA to enhance international marketing of New Mexico agricultural products.

### FISCAL IMPLICATIONS

The appropriation of \$675,000 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY 2008 shall revert to the General Fund.

**SIGNIFICANT ISSUES**

According to HED, this proposal develops a trade alliance, strengthens New Mexico exports with Latin America and surrounding countries, and builds cooperation with trading partners.

Some of the New Mexico agricultural products include beef, cheese, beans, apples, sheep, and wheat products. The goals of the program are to assist producers to market; to promote New Mexico products and to assist members with production; to direct producers, NMDA and USDA to work cooperatively; and to develop and maintain quality information for its members. Currently, trading relations exist between NMDA, Cuba, and Chile.

NMDA is a member of the Western United States Agricultural Trade Association and is actively involved in the international trade arena. NMDA indicates experiencing tremendous success in exporting New Mexico agricultural products and livestock to Mexico, the Pacific Rim, and other international markets.

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

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB 1040 and HB 426 are duplicates.

HB 437 appropriates \$675,000 to NMSU to market NM-grown wheat internationally and domestically.

SB 876 appropriates \$4.0 million to the Tourism Department tourism through marketing and advertising.

**POSSIBLE QUESTIONS**

1. Does New Mexico work to coordinate all marketing, advertising, and promotional activities?
2. Does the \$675,000 in SB 1040/HB 426 duplicate the \$675,000 in HB 437?

BM/nt