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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Stapleton LAST UPDATED _____ HB 289

SHORT TITLE Enhance Marketing Of NM Agricultural Products SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$750.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 83.

SOURCES OF INFORMATION

LFC Files

Responses Received From
Higher Education Department (HED)
New Mexico Department of Agriculture (NMDA)

SUMMARY

Synopsis of Bill

House Bill 289 appropriates \$750.0 from the general fund to the Board of Regents of New Mexico State University for the New Mexico Department of Agriculture to enhance international marketing of New Mexico agricultural products.

FISCAL IMPLICATIONS

The appropriation of \$750.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

The HED states that this request was not on the list of priority projects submitted by NMSU to the New Mexico Higher Education Department (NMHED) for review and was not included in the Department's funding recommendation for FY09.

SIGNIFICANT ISSUES

NMDA states that:

- NMDA has established a successful international trade program with focus on the Pacific Rim, Mexico, China, and the Middle East.
- NMDA worked with the pecan industry to develop a long-term market for in-shell pecans in china. In 2006/07, 3.5 million pounds of pecans valued at over \$7 million were exported. In 2007/08 sales have already exceeded \$4.5 million and are projected to reach \$15 million.
- NMDA continues to serve as the clearing house for agricultural and livestock exports to Mexico.
- NMDA Staff are experienced and established with buyers from Mexico.
- NMDA is a member of the western United States agricultural trade association and the United States livestock genetics export association. These are international trade organizations with focus on exporting agricultural products and livestock worldwide.

The HED states that this proposal develops a trade alliance, strengthens New Mexico exports, 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 this program are to assist producers to market, promote New Mexico products, and assist members with production; and to develop and maintain quality information for its members.

RELATIONSHIP

House Bill 83 focuses on marketing New Mexico fruits, vegetables and food products at domestic and international trade shows.

GH/jp