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FISCAL IMPACT REPORT

ORIGINAL DATE 02/11/09

SPONSOR Keller LAST UPDATED HB

SHORT TITLE State Fairgrounds Year-Round Farmers Market SJM 27

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
\$0.1 Indeterminate	\$0.1 Indeterminate	\$0.1 Indeterminate	Recurring	Other State Funds (State Fair Fund)

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	\$0.1 Indeterminate	\$0.1 Indeterminate	\$0.1 Indeterminate	\$0.1 Indeterminate	Recurring	Other State Funds (State Fair Fund)

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State Fair Commission (SFC)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 27 requests the State Fair Commission to consider supporting a permanent year round farmers' market on a portion of the state fairgrounds.

FISCAL IMPLICATIONS

The fiscal impact of this is indeterminable. The State Fair Commission is an enterprise agency and must generate its own revenue to cover its operating expenses. The only general fund money appropriated to SFC is for the operation of the African American Performing Arts Center. SFC master planning committee has met with proponents of the farmers' market concept on the fairgrounds and has agreed to proceed with exploring the possibility.

SIGNIFICANT ISSUES

The memorial resolves the following:

- A farmers' market is a public market at which primarily farmers, producers and other vendors from a local area sell fresh produce, meats and other agricultural products directly to consumers;
- promotes environmentally friendly practices and reduces the transportation required to deliver essential goods, thus reducing carbon emissions;
- needs a large and open public area where farmers producers and ranchers who have grown, gathered or raised their fresh foods can sell their products to the public;
- the state fairgrounds can provide a large open area with easy access in a central location surrounded by other diverse businesses and attractions;
- a farmers' market at the state fairgrounds can stimulate economic growth and revitalize and restore the route 66 tradition of tourism in the surrounding area;
- a farmers' market at the state fairgrounds will provide local fresh produce, meats and other agricultural products with great nutritional benefits at a lower cost to consumers;
- the Albuquerque area receives hundreds of thousands of dollars per year from federal public assistance programs to provide nutrition, and these funds can be used by consumers at a farmers' market at the state fairgrounds;
- retention of federal money in the local foodshed area of New Mexico has an economic multiplier of two for every dollar retained;
- it is in the best interest of all interested parties, including the New Mexico farmers' marketing association, to plan, discuss and create a sustainable plan that takes into consideration the many aspects of managing successful farmers' markets.

ADMINISTRATIVE IMPLICATIONS

Infrastructure for the farmers' market will need to be developed. As preliminary discussions regarding the farmers' market have taken place; it has not been determined what the necessary capital commitment would be to establish a viable market on the fairgrounds. Significant capital commitment may be necessary in establishing a defined area for the market to operate. Since SFC does receive state funding for capital improvements, it may be able to fund the improvements with future capital outlay appropriations.

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SFC revenues of administering a farmers' market need to be weighed against the costs of operation. The farmers' market and SFC will need to develop a comprehensive business plan that ensures the market is at worst a break even proposition for SFC.

Statutorily SFC has the power and authority to provide an annual state fair. Traditionally the state fair is held 17 days in September. SFC reports during the state fair the entire grounds are utilized for this event. During this time the market would have to be scaled down or possibly not operate. However, SFC will continue to explore and work with the farmers' market on the requirements of SJM 27.

JL/svb