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## FISCAL IMPACT REPORT

<b>SPONSOR</b>	<u>McSorley</u>	<b>ORIGINAL DATE</b>	<u>3/4/09</u>	<b>HB</b>	<u></u>
		<b>LAST UPDATED</b>	<u></u>		
<b>SHORT TITLE</b>	<u>Study Genetically Engineered Seed Crop Issues</u>	<b>SM</b>	<u>58</u>		
		<b>ANALYST</b>	<u>Haug</u>		

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Higher Education Department (HED)

Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

Senate Memorial 58 requests that the NMDA investigate the issues associated with genetically engineered seed crops and the legal exposure of farmers to liability for cross-pollination and contamination of non-genetically engineered crops to genetically engineered seed manufacturers and the potential consequences on the New Mexico agricultural economy and report its findings and recommendations to the appropriate interim legislative committee by December 1, 2009.

### FISCAL IMPLICATIONS

The NMDA notes SM58 does not appropriate funds for NMDA to undertake the analysis of issues related to genetically engineered seed crops and the legal issues surrounding potential liability of farmers not using genetically engineered seed crops from cross contamination of said with non-genetically engineered seed crops. NMDA does not have a staff attorney; legal work would require contracting with an outside attorney to evaluate and establish the potential legal implications and liability to farmers in the state not using genetically engineered seed crops. NMDA may need to hire other contractors to conduct this study to evaluate the consequences to the state's agricultural economy. Furthermore, current and future budget cuts will constrain NMDA in terms of the availability of staff to dedicate time to the requirements of SM58.

### SIGNIFICANT ISSUES

For thousands of years, growers have developed, collected and saved regional seeds, thereby selectively breeding farm crops suited to the local microclimate.

For generations, New Mexicans have been stewards of the land.

Since its founding in 1888, New Mexico state university has developed exceptional plant varieties through the proven techniques of crossbreeding using natural procedures that are well documented and successful.

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Today, many local farmers grow these special varieties, which are profitable and well known internationally.

Contamination from genetically engineered seeds can eliminate markets for New Mexico's specialty food products, such as chile and blue corn, and commodity crops, such as beef and certified organic products, negating the many years spent on developing these valuable markets and establishing New Mexico's reputation.

Currently, seed contracts with manufacturers of genetically engineered seeds require farmers to waive their rights to a transparent process of contract compliance, and farmers sign away their federal Privacy Act rights and grant the seed manufacturers full access to inspections of farm records, fields and crops.

This "full access" continues even if the farmer has stopped growing the manufacturers' seeds.

Senate Bill 560, introduced during the 2009 legislature session, would have changed the current system that the seed manufacturers have created and exchange it for a system with transparency, eliminating farmer liability for genetically engineered seed contamination of crops.

Manufacturers of genetically engineered seeds have historically sued farmers whose crops are unknowingly contaminated by the manufacturers' seeds.

Senate Bill 560 would have protected farmers growing non-genetically engineered crops from being sued by a seed manufacturer and would have addressed instances of unintended crosses with non-genetically engineered crops of a neighboring farmer.

### **RELATIONSHIP**

Senate Memorial 58 is related to Senate Bill 560 which would enact the Farmer Protection Act.

### **ALTERNATIVES**

NMDA suggests the New Mexico State University College Of Agriculture be named in the legislation to conduct the evaluation since it possesses scientists with expertise in the areas of plant genetics and agricultural economics who would be better prepared to study the issues outlined in SM58; the college may also require outside legal counsel to evaluate the issues related to liability exposure of farmers.

GH/mc