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## FISCAL IMPACT REPORT

SPONSOR Gomez/Townsend ORIGINAL DATE 1/25/18  
LAST UPDATED \_\_\_\_\_ HB 184  
SHORT TITLE Pecan Weevil Eradication SB \_\_\_\_\_  
ANALYST Amacher

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 160

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Agriculture (NMDA)

### SUMMARY

#### Synopsis of Bill

House Bill 184 appropriates \$250 thousand from the general fund for expenditure in FY 19 and subsequent fiscal years for the Department of Agriculture to undertake activities directed at pecan weevil detection, eradication and mitigation. Any unexpended or unencumbered balance remaining at the end of the fiscal year shall not revert. If enacted, the effective date of this bill is May 16, 2018.

### FISCAL IMPLICATIONS

The appropriation of \$250 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY19 shall revert to the general fund.

New Mexico is responsible for approximately 30 percent of the pecans produced in the United States. Excluding ancillary economic contributions, cash receipts for production was estimated at \$213 million dollars for 2017. New Mexico was the second highest pecan producing state; Georgia was the first. Economic contributions to the state are from both commercial and residential pecan trees.

NMDA notes the during the 2017 growing season, expenditures by the pecan industry to address pecan weevil in eastern New Mexico were estimated in excess of \$150 thousand dollars. A similar service and funding contributions by NMDA was estimated to be in excess of \$100 thousand dollars.

### **SIGNIFICANT ISSUES**

NMDA states the pecan weevil is considered the most significant pest by pecan growers. Although established in historic southern pecan growing areas of the country, New Mexico pecan growers have been vigilant in ensuring the pecan weevil was not introduced into the state with nursery trees and in-shell nuts imported from infested areas. Over the past 40 years there have been five occasions the pecan weevil has been found within the New Mexico state line. Agency and industry resources have been sufficient to eradicate previous isolated populations. Under optimum conditions, eradication of just a small population of pecan weevils may take up to six years.

The funding outlined in this bill will be used by NMDA for enhancement of infrastructure; funding for pest control contactors; supplies and outreach efforts.

### **DUPLICATION**

HB 184 is a duplicate of SB 160.

### **OTHER SUBSTANTIVE ISSUES**

The pecan weevil is a beetle that thrives on the nuts of hickory and pecan trees. Significant damage comes from the developing red headed larvae, from eggs deposited inside the nut, which feed on the nut meat rendering the nuts unfit for consumption. The life cycle is approximately two to three years per generation.

Effective on November 20, 2017, NMDA issued an emergency quarantine for Curry, Chavez, Eddy and Lea counties for in-shell pecans as a means to prevent the spread of the pecan weevil. This quarantine is in place for 180 days and requires additional record keeping requirements; treatment of infested materials; enclosed vehicles for transportation of materials and in-shell nuts; increased crop, vehicle, and record inspections. Mitigating efforts are required by both commercial and residential owners of pecan trees.

An infestation of pecan weevil can significantly impact the costs in production and transportation, pesticide usage (approximately 5 to 6 times more pesticide application per year), and nut quality with the potential of crop loss.

NMDA is currently soliciting information from the pecan industry for consideration in a permanent quarantine.

JMA/al