

Ag Taskforce Mtg

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Group: Supply Chain Expansion

Discussion Leader/Recorder: Pamela Blackwell

NMSU Rep.: David K.

PB management notes:

- Notes section in back of pwrpt for participants to take notes for lunch dialogue.
- Fed govt. suggestions ok, but most if possible should focus on what is most feasible in the state and industry.

Intros: Name, city/town, organization,

Dissucssion

Gene Baca GB– Bueno Foods, ranching and farming generations back, 65-year-old company. Make chile viable. Most chile processed in in Mexico, NM verified chile. Certify and verify chile as grown in NM, certify to the crop. Specific logo for this.

David Krenzel DK– NMSU, had a roadside stand, and retail business. Take knowledge have and help people. Supply chain expansion, thinks we should prioritize them, all support expansion.

Jeremiah Baumgartel JB– Vine and Wine Society, president. Making wine and growing grapes in NM, promoting amateur and professional, Expanding markets in brand interests.

Denise Miller DM– Director of NM Farmers Market Association. Expanding membership to farmers with mission to support farmers and healthier communities. Support market managers and driving demand. Program for SNAP participants to double money to buy local food. This program has allowed retail to bring into this. Lowe’s about to include this, contracts for farmer. Already at Las Mananitas. Marketing is also important.

Pam Roy PR – Exec Direc for Farm to Table and _?. Does a lot of work on school farm to table programs as well. Looking at supply chain for mostly fruits and vegetables and market opportunities especially for institutions, esp. schools. Would like to make providing local fresh fruit and veg. a requirement for institutions in NM. Also wants to connect public and private sector efforts. Mostly working with schools did a report on procurement for other institutions and where the price points and market access points exist. Connecting plate to what is grown locally and tie it to literacy programs w/ experiential learning. Also supports certification of of NM local growers.

Allen Oliver AO – Thornburg – how to support local farmers, and on ranching. From funder viewpoint, he sees a lot of gaps in infrastructure. NM is only getting the farm production dollar. How do we get the rest. He references dollar chart on p.27 of the report.

Supply Chain Expansion – Topics areas for discussion

- **Expanding aggregation and processing sectors**
- **Expanding markets and improving market access**
- **Expand and improve cattle processing facilities**
- **Organic production and markets**

- **New Mexico brand interest and local production**
- **Food and seed sovereignty**

Which of the issues in your sections can potentially be addressed through policy or industry changes?

DM – Education of both lawmakers and the public

GB – Education costs money and policy change is a way to garner funds for that education

PR – policy allows for infrastructure and programmatic change. E.g. Human Services Dept. donated foods, get fresh fruits and veg to schools, but stopped because funding not continued. Policy helped it happen, but it was a public private partnership. Policy as a way to “turn the light on” to allow this and other partnerships to happen. Infrastructure is policy driven.

GB – Expand markets and market access – just shipping products in and out of stat is hard bc NM is a big state geographically with a, small population. Not sure how to overcome this.

JB – NM wine industry promotes through a hosting wine festivals model, whereas Colorado has a small tax on all wine not made in Colorado and sold in Colorado used to support the local wine industry. This is an example of turning the lights on. State monies collected are then rededicated to wine industry. This approach would help to expand the market in NM.

GB – NM Brand issue. Ex. Tourism dept. decided to expand NM True to NM grown produce program. State program is funding through taxpayer dollars. However, the NM Chile Advertising Act requires that if chile is sold in it has to be fr. NM, but this verification is not enforced. So there are regulations in place but there is no verification, accountability. This is the right idea but not implemented. Also the state fully funded program competed with their privately funded industry led program and caused the privately led program to close rather than use state funds and give to pvt. Sector.

PR – NM Business Certification Act addresses verification. Idea is to look at programs that need verification and how to implement verification for chile, organic, wine, all NM products.

GB – Industry led program is better, but need a source of funds. Industry could include “all” industry producers.

GB – Business climate is policy. Processing. If ag sector and chile industry leaves and the business climate isn’t right, what processing is available in NM will exit as well.

DM – Policy for organic produce, organic program, it is a question on where state government it wants to put money.

PR – Schools want verification too.

NOTED AREA where this group needs more expertise: “Expanding and improve cattle processing” facilities. Beverly was not present for this meeting.

PR – When state lost its verification program, processing facilities/businesses must have a USDA person on site. Whether a plant survives is determined whether there is a USDA person on site. Taos economic

development corporation has had a hard time maintaining a USDA person with their mobile unit. So could process a cow but producer could not sell it. Another policy area. Huge issue.

DM – Same goes for exotic animals like buffalo that have to be shipped out of state for processing.

AO – Food mapping, for where supply chain elements are to help local producers find their own way. He shared an example of how mapping helped producers find their way to others in the supply chain. Basically mapping helps with connectivity of the supply chain. There is a business opportunity in there for a start-up or existing business to make those connections, centralizations. Is this needed in NM also? It's similar to a "food hub." Vermont has done this.

JB – Wine industry is trying to do mapping but they haven't been able to do this.

DK – Using technology to make that connection.

PR – Mapping is very valuable.

DM – SHARE knows people who are mapping layers of the food chain.

AO - Community Data Collaborative – has mapped some of the ag pieces, with legislative districts, poverty level, production, take a snapshot and share with a legislature. Not sure that this mapping effort is being utilized for a policy purpose. "Mayor Domo Software" SP?

Seed sovereignty? (NOTE: Need additional comments and information on this issue.)

PR – Resolution at federal level on this to provide a way to not use GMO. Tesuque Pueblo has been working on this and they have a seed bank. Also part of having culturally significant foods in meal programs. Big policy issue.

JB – Referenced Seed Savers Exchange as also working on this

AO – Branding for NM. Suggests having a NM branding conversation so there are not so many brands, bc so many causes confusion. Presents a Public-private efficiency opportunity. Right now funds spent.

GB – Federal policy items

1. Implementation for small companies FISMA through FDA will present a lot of challenges to NM companies bc most NM companies are small. It would be good for the state to stake some ground and be treated fairly in this process for small producers. (DM – on this they are doing food safety training w/ NMSU.)
2. Also with FISMA want FDA to create regulations so they have guidance. Right now regulating by enforcement, and using the general statute to do this. Want them to do rule making.
3. FDA using state Environment Dept. to oversee and enforce, and state is going beyond act, should not go beyond FISMA. Needs to be science and risk based.
4. Immigration Reform – really impacts labor costs. Ave age of person picking chile is mid-60 years old. So no younger labor. Immigration reform to help provide a labor force for now and future.

GB- Give a break on the GRT for plant equipment for plant and food processing.

State loan forgiveness for farmers

“Funding stream” to support verification efforts to verify certification and also to consolidate branding efforts and also food mapping technology development. processes

JB – Workers comp for farm workers went through at federal supreme court case. Struck down including farm workers under workers comp.

What are a few potential changes that could make a difference?

- Industry led verification program for NM grown, produced and processed food and products. Find funding and income streams, public and private.
 - Could also look at steward of the land, labor practices as well and use for marketing purposes.
 - Barriers – Funds to enforce current program. Development of criteria.
- Tax on non-NM grown wine sold in NM, revenue to be used for local wine industry.
 - Legislation and the will to champion it. Opposition from others in industry, policymakers. Need more information on how it works in other states (ie. Colorado, Vermont?)
- Branding and Industry Verification – NM chile logo for example. Need ONE NM brand – Unify and/or consolidating branding efforts so there are fewer brands, making it clearer and more recognizable. Policy and industry. Pull all together, led by an outside marketing agency.
 - Barriers – Turf for one NM brand. Funds to effectively develop and promote the brand. Determining source of funding and no place on how to commonly fund it. Anti-donation clause is a barrier.
- (Ties to finding capital for processing also) Food Atlas, Food Mapping for NM to connect producers and all in the supply chain. Efforts ongoing. Could be useful for industry and educating policymakers. Mapping to include also where there are surpluses and shortages.
 - Barriers – Coordination is difficult. Ability to have a map that is inclusive of everyone. How to demonstrate a benefit to the producer of filling out a survey. Funding for a survey. Who owns and who should own the survey? Confidentiality and used for the greater good concerns. Used and useful or not used and viewed as a waste of time. High cost, high risk. Coordinating existing networks. Barrier to entry is have to have a lot of people in for it to work. Can be done, but lots of labor to get greater than 50% survey submission. Moving from low trust information to higher trust information needed like price points difficult to get to. Outreach needed to really know what is needed. Continually person to person outreach. Building trust and connecting them. Needs to also include infrastructure and transportation, not only producers. People need to see the benefit.
- Policy to increase local procurement to a certain percentage level.
 - Barriers – Legislative process. Access to data. How do you define percentage, 10% of what, and what is other impact. There is a lot of subjectivity currently in this area. Legislation required a lot of steps and verification that is a barrier for producers to participate. How is “local” defined? Alternative to a percentage mandates is a 5% preference, but not sure if this works for agriculture.
- Increase infrastructure for cold storage for farmers and infrastructure for transport of cold products. Seems to be mostly industry, policy maybe. Link to public refrigeration in public buildings and linked to private as well.
 - Barriers – Transportation costs, distance geography, access to affordable transportation, access to. Coordination of existing transportation resources including trucks. Currently,

if use a public truck have to transport it to public institutions, not private. Ensure that there is enough storage, that storage is used. Create incentive for a public or private entity to build more cold storage. Tax breaks for allowing people to use cold storage. Albuquerque needs cold storage. Partnerships might be able to occur so could share storage. Need capital infrastructure investment.

- Connectivity
 - Barrier – Need to have a platform, awareness, personal connection to effort. Use existing networks. Very siloed sector. Those in industry generally stay within their lane. Broadband can be an issue. Need active leadership to knock down silos. Need a catalyst. Ag economy is struggling so now might be the time. Maybe need an “enterprise development institute.” Scarcity mentality. Turf, protectionism.
- FISMA
 - FDA should issue regulations to provide guidance on how to comply, allow for public comment. Participate in creating these regulations.
 - NM should ensure that small producers like most producers in NM are fairly treated. Memorial from NM on this.
 - Work with state environmental department and state dept. of agriculture to fairly oversee and prevent over compliance with FISMA. Needs to be science and risk based.
 - Barriers – Legislative process, federal is difficult to change or influence. Willingness to get industry input and getting industry to participate and develop process for them to participate. Siloed organizations need guidance and a process to participate. Unified advocacy.
- Immigration Reform – really impacts labor costs. Ave age of person picking chile is mid-60 years old. So no younger labor. Immigration reform to help provide a labor force for now and future.
 - Barriers – State memorial to address this at the federal level.
- Give a break on the GRT for plant equipment for food processing. Tax abatement for capital expenditures.
 - Barriers – funding, state revenue, state fiscal climate makes it very difficult. Also a movement toward a less complex tax code.
- Allow for wine and spirits to be sampled at farmer’s markets.
 - Barrier – Current laws and regulations, coordinated effort. Maybe local ordinances. Don’t know what the rules are right now.
- Required economic impact of laws and regulations on the agriculture. (GB)
 - Barrier – Like an FIR but better. Find resources and will for NMSU to do this work again. Should it be required. If so, how does that get required. Decide on time period for economic impact to be analyzed beyond establishment of law or regulation. (eg. Every 3 years do an economic impact analysis.)
- Collect and analyze data on production and sales of local fruits and vegetables by all producing fruits and vegetables. Right now has to be volunteer and is incomplete. Public agency collects information.

- Policy that addresses workers' comp for farm workers.
 - Barriers – Pending legislation, what it entails.
- Incubators for 2nd stage, Business development support for existing producers with an entrepreneurial grow your
 - Barriers – Connectivity,
- Ideas to help further expand processing – group needs more of these ideas for this?
- Take advantage of federal grants available.
- Using networks that are existing (eg. Trucking, commissions, co-op extension, health councils)

Ideas MOST excited about: See *highlighted* above for details.

- **Branding and wine sales, industry verification of locally grown, produced.**
- **FISMA and Immigration**
- **Create incentives to get more capital for processing, bang for the buck, identifying producers and infrastructure, mapping, know what we have**

Follow-up on: Need more information on these areas as those present did not have expertise in these areas.

- Expand and improve cattle processing facilities
- Seed sovereignty, tribal in particular

LUNCH

Any new ideas to previous questions from lunch? These were incorporated into the above.

What are the biggest barriers to advances the changes you've identified so far?

- Workers comp is a big threat to industry.
- Siloing of efforts (e.g. branding)
- Connectivity
- Access to new markets and sales (e.g. there are more grapes in NM than wineries in NM can use so export, so on positive we are positioned to do this and expand production here) AO – where are producers to step into this gap.
 - Incubator, eg. Las Monanitas Value-Chain coordinator, grow businesses and make connections. Done through a federal grant.
 - Protein on truck has to be there.
- Lack of coordinated infrastructure
- Lack of statewide coordination
- Assist established, existing operations to expand in an entrepreneurial way
- Leaving value-added producer federal grants on the table with USDA Rural Development office.
- How to identify where there is a surplus (grapes) and where this is not enough (speciality crops)
- Fragmented systems.

- Commodities Commissions – promote industry and provide technical support. Right now it is voluntary. Not working well yet. A potential group or model with more emphasis that can do this.
- Understanding, more coordination of agencies in supporting agriculture. Govt. has huge demands contributing to agency work not being in line with plan. PED, one more layer that doesn't have priority. Look to ESSA for items that are a tie to this.
- NMSU could do more economic impact of policy on agriculture. Shortage of staff.

What information do we need to vet our preliminary ideas, identify additional ones and overcome barriers?

- Align the work with daily job and interests. Having alignment of areas so it is not a burden for those working on and implementing the plan.
- Analyze economic impact, bang for the buck analysis.
- Feasible politically and otherwise. What do we need to get to something specific.
- What are models that would benefit our very rural state.
- Mapping as part of the process.
- Need a market analysis, having a deeper understanding of the opportunities out there. Gets back to the bang for the buck.
- Apply a matrix to areas to help prioritize.
- Memorial to go before legislature. Rep. George Dodge is carrying it.

What are we MOST excited about from this conversation?

See **highlighted** areas in notes for these items.