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**State Auditor Tim Keller Releases Report on Out-of-State Spending for Food Services**  
*Panel of local food experts and governmental agencies discuss keeping public dollars in-state to grow New Mexico economy*

ALBUQUERQUE, NM – Today, State Auditor Tim Keller released a report on state and local governmental food contracting. The report was released at a panel discussion hosted by the South Valley Economic Development Center and co-presented by Three Sisters Kitchen, a culinary incubator. The report from the Office of the State Auditor (OSA) finds that the food industry has a high proportion of out-of-state contracting compared to other industries. State and local agencies such as school districts and correctional facilities had over \$132 million in large food contracts in the last two years. Only twelve percent of those dollars went directly to New Mexico-based vendors.

“When governments purchase from New Mexico businesses, money flows directly into the local economy, helping to build tax revenue, create jobs, and invest in the community,” stated State Auditor Tim Keller. “Our report found some very sensible ways to support the local economy by working to shift more spending to in-state companies. Even just purchasing coffee and baked goods locally would create 100 permanent jobs, more than the Facebook plant.”

The report found the following:

- Small changes to in-state spending can make a big difference, while helping agencies and local food vendors to scale up together. Shifting just one-half of one percent of school district food contracting to local vendors would mean an increase of over \$4 million dollars back into the local economy. That is a greater fiscal impact than increasing bean production by 50%, doubling peanut production, or quadrupling honey production.
- In contrast to other sectors, food contracts were predominately awarded through a competitive process and did not rely heavily on procurement code exceptions and loopholes.
- Sustained support for innovative practices by local food growers such as “food hubs” and pilot programs by government agencies can overcome the challenges that have made it difficult for local food vendors to compete for government contracts.

The panelists included governmental representatives Anna Martinez from the New Mexico Corrections Department and Lori O’Rourke from Cooperative Educational Services. Local food industry experts also participated, including Josue Olivares with the South Valley Economic Development Center, Pamela Roy with Farm to Table New Mexico and the New Mexico Food and Agriculture Policy Council, and Henry Rael with the McCune Foundation. The

discussion was moderated by Sarita Nair, OSA's Chief Government Accountability Officer and General Counsel.

“As part of the local food industry, I’m grateful for the State Auditor’s work to shine a light on this data for the first time,” stated Anzia Bennett, Director of Three Sisters Kitchen. “It proves what we’ve long suspected, that we could see exponential growth in the local economy by shifting more public dollars to in-state food providers. Local food producers stand ready to work with state and local governments to meet their needs.”

“When we spend hundreds of millions of tax dollars on out-of-state food contracts, even small steps matter,” continued Keller.

The full report includes best practices in government contracting and is available here:  
[https://www.saonm.org/media/uploads/Food Transparency Report FY15-16 Final.pdf](https://www.saonm.org/media/uploads/Food_Transparency_Report_FY15-16_Final.pdf)

*The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.*

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