

October 7, 2026

The Honorable Michelle Lujan Grisham
490 Old Santa Fe Trail, Rm 400
Santa Fe, NM 87501

RE: Red-Dyed Diesel Relief

Dear Governor Lujan Grisham,

The undersigned organizations represent New Mexico's agricultural industry, including our specialty crops farms, dairies, major commodity farms & ranches, processors, and other agricultural businesses that contribute significantly to the state's economy and rural communities. New Mexico produces more than **20 different crop categories**, which including both major commodities and specialty crops.

New Mexico agriculture is diverse and plays an essential role in feeding our state, our nation, and international markets. From Chile and pecans to dairy, beef, onions, cotton, hay, and numerous other commodities, our producers work year-round to provide food and agricultural products while supporting thousands of jobs and businesses throughout New Mexico.

However, New Mexico's agricultural industry is facing significant economic pressures. Producers are dealing with rising input costs, water challenges, labor expenses, equipment costs, and increasing regulatory burdens. These challenges continue to place substantial pressure on the viability of agricultural operations, particularly for producers operating on narrow margins.

We are asking for your assistance in providing immediate relief to New Mexico's agricultural industry. Specifically, we respectfully request that you issue an executive order to temporarily allow red-dyed diesel fuel to be used on-highway by the agricultural industry through the end of the year to transport product and equipment from farm to farm and commodities from the field to point of processing.

Fuel is a significant operating expense for New Mexico producers. Agricultural operations rely heavily on diesel-powered equipment and vehicles to plant, harvest, transport, process, and deliver agricultural products. Producers also absorb additional transportation costs and diesel surcharges from businesses and service providers supporting agricultural operations.

Other agricultural states have recognized the extraordinary cost pressures facing their producers and have taken steps to provide relief related to diesel fuel and agricultural transportation. Alabama, Arkansas, Georgia, Indiana, Louisiana, Nebraska, South Dakota, and Texas have acted already. New Mexico producers are asking that our state consider similar measures to help address the challenges facing agriculture today.

Also, we respectfully ask that the State of New Mexico explore opportunities to provide further relief from state fuel taxes associated with agricultural operations. Specifically, with federal action to remove the restriction for federal excise taxes. A corresponding reduction in state excise taxes would provide meaningful relief to our industry, which as described above is in the midst of a perfect storm of cost increases that is making it hard to remain viable.

New Mexico agriculture is the cornerstone of our state's economy and rural communities. Supporting our producers today helps protect food production, agricultural jobs, local businesses, and the long-term sustainability of an industry that is vital to the state.

We appreciate your consideration of this request and would welcome the opportunity to work with your administration to identify practical, immediate solutions that can provide relief to the New Mexico agricultural industry.

We respectfully request that you issue an executive order as described above at your earliest convenience.

Sincerely,

- N.M. Chile Assn
Edward Ogaz
- N.M. Pecan Growers Assn
Buddy Achen
- N.M. Cotton Growers Assn
Patrick Sullivan
- N.M. Cattle Growers Assn
Tom Paterson
- Dairy Producers of New Mexico
Beverly Idsinga
- N.M. Onion Assn
Dale Gillis
- Western Growers Association
Robert Medler
- N.M. Farm and Livestock Bureau
Josh Wood