

# DEPARTMENT OF AGRICULTURE

## FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	FY 2008 REQUEST	GOVERNOR RECOMMENDS FY 2008
Office of the Director	\$ 8,974,774	\$ 16,293,025	\$ 51,870,927	\$ 51,400,790
Information Technology	711,612	0	0	0
Facility Services	0	372,217	0	0
Agriculture Business Development	2,589,681	4,848,060	4,680,541	4,378,775
Division of Animal Health	3,738,038	4,941,432	5,414,158	5,234,728
Division of Grain Inspection and Warehousing	1,939,710	2,958,459	2,793,910	2,836,871
Division of Plant Industries	2,303,437	3,290,776	3,429,956	4,092,294
Division of Weights and Measures	2,682,005	3,551,231	3,748,156	3,742,924
Missouri State Fair	4,336,737	4,855,119	4,891,529	4,944,734
State Milk Board	1,311,822	1,581,486	1,596,406	1,592,237
<b>DEPARTMENTAL TOTAL</b>	<b>\$ 28,587,816</b>	<b>\$ 42,691,805 *</b>	<b>\$ 78,425,583</b>	<b>\$ 78,223,353</b>
General Revenue Fund	16,252,834	22,832,655	59,595,317	59,286,714
Federal Funds	1,864,911	4,933,906	4,724,278	4,742,270
State Fair Fees Fund	3,865,063	4,682,337	4,390,080	4,427,236
Milk Inspection Fees Fund	1,222,070	1,450,737	1,481,698	1,482,578
Grain Inspection Fees Fund	1,162,338	2,047,589	1,893,699	1,924,395
Petroleum Inspection Fund	1,621,024	2,211,763	2,206,931	2,210,868
Petroleum Violation Escrow Fund	165,409	0	0	0
Marketing Development Fund	1,155,443	1,670,401	832,411	832,101
Other Funds	1,278,724	2,862,417	3,301,169	3,317,191
<b>Full-time equivalent employees</b>	<b>351.09</b>	<b>413.30</b>	<b>411.80</b>	<b>402.30</b>

\* Does not include \$8,443,709 recommended in the Fiscal Year 2007 Supplemental Appropriations, including \$5,288,505 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Agriculture supplemental appropriations.

## DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2008 budget provides a total of \$78.2 million for the Department of Agriculture. The department provides services for Missouri's farmers, ranchers, and agricultural processors. The core functions provided by the Department of Agriculture include:

- Promoting Missouri agriculture, both at home and abroad.
- Assisting start-up value-added agriculture businesses.
- Protecting Missouri's livestock and domestic animals, and the businesses and citizens who rely on them.
- Inspecting Missouri's fresh fruits, vegetables, milk, feed, seed, and forest products.
- Regulation, control, and inspection of measuring devices and petroleum products.

## **DEPARTMENT OF AGRICULTURE**

### **OFFICE OF THE DIRECTOR**

The Office of the Director makes policy decisions on agricultural issues, sets the department's goals and priorities, and coordinates activities of the various divisions to achieve those goals. The Office of the Director includes administrative functions such as fiscal services, human resources, and public information. The Director's Office also administers the Ethanol Producer Incentive Program and the Biodiesel Producer Incentive Program.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$28,500,000 for incentives for biodiesel plants.
- \$6,407,200 for incentives for ethanol plants.
- \$331,213 federal and other funds for vehicle replacements.
- \$154,269 and two staff to audit for compliance with statutory and regulatory financial aid requirements.
- \$25,083 for pay plan, including \$18,919 general revenue.
- (\$310,000) federal and other funds core reduction for one-time expenditures.

### **FACILITY SERVICES**

Responsibility for management of facility related services has been transferred to the Office of Administration. The Facilities Management, Design and Construction Division will be the central point for these services.

#### **Fiscal Year 2008 Governor's Recommendations**

- (\$335,807) State Fair Fees Fund transferred to the Office of Administration for the statewide consolidation of fuel and utility purchases and facility related service contracts.
- (\$36,410) State Fair Fees Fund reallocated to the Missouri State Fair.

### **DIVISION OF AGRICULTURE BUSINESS DEVELOPMENT**

The Agriculture Business Development Division (ABD) increases the profitability of Missouri's farmers and agribusinesses by increasing international and domestic sales of agricultural products that are produced or processed in Missouri. The division provides six specific services: (1) business counseling, (2) domestic marketing assistance, (3) international marketing assistance, (4) industry facilitation, (5) product promotion, and (6) financial programs. The first five of these services are administered through the Business Services Program of ABD. Financial programs are administered through the Missouri Agriculture and Small Business Development Authority (MASBDA), which is governed by an independent board. MASBDA administers loans, loan guarantees, grants, and tax credits aimed at increasing the profitability of Missouri's farmers.

ABD also administers the AgriMissouri branding initiative which promotes products that are produced or processed in Missouri through a variety of marketing channels, including retail, restaurants, schools, institutions, and direct-to-consumer marketing. Over 250 Missouri businesses are members of AgriMissouri. Members of the Commission on the Marketing of Missouri Agricultural Products serve as advisors to the department's AgriMissouri marketing efforts.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$58,622 and one staff to enhance and expand current efforts to foster a quality "brand" identity for Missouri agricultural products.
- \$42,093 for pay plan, including \$27,513 general revenue.
- (\$500,000) federal and other funds core reduction for one-time expenditures.
- (\$70,000) Agriculture Development Fund and (two) staff core reduction from the Fiscal Year 2007 appropriation level.

## **DEPARTMENT OF AGRICULTURE**

### **DIVISION OF ANIMAL HEALTH**

The Division of Animal Health implements programs to protect Missouri's livestock, poultry, and other domestic animals from dangerous, infectious, or contagious diseases. These responsibilities include the enforcement of animal health regulations as required under Section 267.230. Through control and elimination of diseases and diseased animals, the division enables Missouri's livestock and poultry to remain eligible for interstate and international export marketing. Diagnostic laboratories are maintained in Jefferson City and Springfield, and additional professional services are contracted through the University of Missouri-Columbia College of Veterinary Medicine. The division also works closely with USDA-Veterinary Services and receives significant federal funding as a result of this relationship.

The division's Meat and Poultry Inspection Program works with producers to promote, protect, and develop the agricultural interests of Missouri processed meat products. This program helps livestock and poultry producers add value to their operations and capture additional profits from their meat products. To ensure the health and well being of companion animals sold in Missouri, the division also licenses and inspects animal shelters, dog pounds, boarding kennels, commercial kennels, contract kennels, and pet shops.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$198,000 to track marketed livestock transactions by providing livestock markets with the radio frequency identification tags and scanners.
- \$108,100 and two staff to enhance the State Meat Inspection Program, including \$54,050 general revenue.
- \$10,000 for additional and unanticipated third-party audit costs necessary to maintain the Quality Systems Assessment Program.
- \$81,294 for pay plan, including \$49,956 general revenue.
- (\$104,098) federal and other funds and (4.5) staff core reduction from the Fiscal Year 2007 appropriation level.

### **DIVISION OF GRAIN INSPECTION AND WAREHOUSING**

The Division of Grain Inspection and Warehousing operates four programs to assist Missouri grain farmers and agribusinesses. The Grain Regulatory Services Program enforces the Grain Warehouse Law, Chapter 411, RSMo, and the Grain Dealers Law, Section 276.401-276.581, RSMo, to ensure grain producers that licensed grain warehouses and grain dealers are reputable businesses in sound financial condition.

The Grain Inspection Services Program performs official inspection and weighing of grain upon request to assist both grain farmers and grain businesses in the marketing of Missouri's corn, soybean, wheat, and other grain crops. All costs are paid from fees charged for services performed.

The division also administers the state's Certified Agricultural Mediation Program, which mediates disputes between Missouri farmers and USDA agencies, and the Commodity Merchandising Program, which provides centralized administration for the collection and distribution of fees for nine commodity check-off programs.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$65,947 for pay plan, including \$19,533 general revenue.
- (\$163,944) federal and other funds and (five) staff core reduction from the Fiscal Year 2007 appropriation level.
- (\$23,591) Grain Inspection Fees Fund transferred to the Office of Administration for the statewide consolidation of information technology services.

### **DIVISION OF PLANT INDUSTRIES**

The Division of Plant Industries operates six programs and two laboratories serving Missouri agriculture. The Feed and Seed Program performs sampling and laboratory analyses of planting seed and commercial feeds to ensure that they meet requirements for accurate labeling. Inspections are also conducted to ensure good manufacturing practices are followed and that prohibited mammalian protein is not formulated into feed rations to help prevent the dissemination of BSE (Mad Cow Disease).

The Pesticide Control Program promotes the safe use of pesticides by licensing private and commercial applications, conducting field inspections, conducting investigations of pesticide misuse, and ensuring the proper registration of pesticides. The Plant Pest Control Program conducts inspections of nurseries, greenhouses, and other plant products to prevent the introduction and dissemination of insect, disease, and noxious weed pests that could be detrimental to plants and crops. Phytosanitary certification inspections are also conducted for plant materials being exported to other states and countries.

## DEPARTMENT OF AGRICULTURE

### DIVISION OF PLANT INDUSTRIES (Continued)

The Integrated Pest Management Program (IPM) promotes effective alternative strategies to traditional pest control through the use of biological control agents, pest resistant varieties, and adoption of improved cultural practices. The IPM Program also administers the Boll Weevil Eradication Program. The Forest Resources and Weed Control Program inspects treated wood products to ensure that minimum preservation standards are met and assists county weed control boards in the control and eradication of Johnson grass, a noxious weed. The Fresh Fruit and Vegetable Inspection Program performs shipping point and terminal market inspections of fresh produce to facilitate the sale of Missouri grown produce and ensure the quality of produce sold to consumers.

#### Fiscal Year 2008 Governor's Recommendations

- \$710,909 to replace laboratory equipment and supplies.
- \$50,000 to support Gypsy Moth monitoring and control efforts.
- \$5,700 to secure a field-accessible seed information system replacement.
- \$59,590 for pay plan, including \$45,229 general revenue.
- (\$24,681) core reduction for one-time expenditures.
- (.5) staff core reduction from the Fiscal Year 2007 appropriation level.

### DIVISION OF WEIGHTS AND MEASURES

The Division of Weights and Measures operates four regulatory programs and two laboratories to fulfill its goal of protecting consumers. The Device and Commodity Program inspects livestock market, grain elevator, vehicle, and small retail scales and scanning devices to ensure their accuracy. In addition, milk sales practices are monitored and shell eggs are inspected for quality.

The Petroleum/Propane/Anhydrous Ammonia Program protects consumers against inaccurate and unsafe gasoline pumps and unsafe practices by the retailer. In addition, they approve propane gas delivery truck and dispenser meters to prevent overcharges on fuel bills and oversee anhydrous ammonia fertilizer installations for safety.

The Metrology Laboratory certifies volume and weight standards used by device service repair technicians, maintains all mass and volume standards used for calibrating industry standards, and certifies all weighing and measuring devices used by the division's inspectors. In addition, the Moisture Meter Program protects Missouri farmers against unjustified discounts on grain sales due to inaccurate moisture content values.

The Fuel Quality Program and laboratory collect samples and perform chemical analyses on gasoline, diesel fuel, heating oil, and other fuels to ensure that octane and other quality specifications are met.

#### Fiscal Year 2008 Governor's Recommendations

- \$286,563 to replace two large commodity scale inspection trucks.
- \$70,859 for pay plan, including \$28,881 general revenue.
- (\$165,729) core reduction for one-time expenditures.

## **DEPARTMENT OF AGRICULTURE**

### **MISSOURI STATE FAIR**

The Missouri State Fair is held annually in August on the state fairgrounds in Sedalia. The fair provides a showcase for livestock, agricultural products, commercial exhibits, and other displays. In addition, the fair offers a variety of entertainment and educational events. The fairgrounds are used during the rest of the year for more than 300 exhibits, sales, meetings, competitions, and entertainment events.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$53,205 for pay plan, including \$16,049 general revenue.
- \$36,410 State Fair Fees Fund reallocated from Facility Services.

### **STATE MILK BOARD**

The State Milk Board inspects, samples, and tests milk and milk products ensuring that they are wholesome and safe for consumption. The board operates both a Grade A Milk Inspection Program and a Manufacturing Grade Milk Inspection Program to ensure milk quality. An inspection fee of up to five cents per one hundred pounds of Grade A milk is assessed and deposited in the Milk Inspection Fees Fund to cover all costs of the Grade A Milk Inspection Program. The Manufacturing Grade Milk Inspection Program, which ensures sanitation and quality standards for milk used only for manufacturing dairy products (e.g. cheese, butter, and ice cream), is funded from general revenue because inspection fees have not been assessed on manufacturing grade milk producers. Approximately one-half of all Grade A milk is consumed as fluid milk with the remainder used for manufacturing purposes.

#### **Fiscal Year 2008 Governor's Recommendations**

- \$95,000 Milk Inspection Fees Fund to increase staff pay for additional duties performed under the consolidation of milk inspection and rating functions, pursuant to SB 1017 (2005).
- \$10,751 for pay plan, including \$3,076 general revenue.
- (\$95,000) Milk Inspection Fees Fund and (four) staff core reduction from the Fiscal Year 2007 appropriation level.