

Director: Sheldon R. Jones

JLBC Analyst: Paul Shannon

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
<b>PROGRAM BUDGET</b>			
Administrative Services		1,349,200	1,355,600
	2,069,200		
Agricultural Employment Relations			
Board SLI	11,100	23,300	23,300
<i>Program Subtotal - Administrative Services</i>	2,080,300	1,372,500	1,378,900
Agricultural Consultation and Training	177,200	145,000	147,100
Animal Disease, Ownership and Welfare Protection	2,606,000	2,624,700	2,489,300
Animal Damage Control SLI	65,000	65,000	65,000
<i>Program Subtotal - Animal Disease, Ownership and Welfare Protection</i>	2,671,000	2,689,700	2,554,300
Commodity Development and Promotion	304,700	255,000	156,300
Food Safety and Quality Assurance	2,234,800	2,728,500	3,089,100
Native Plant and Cultural Resources Protection	205,100	240,200	240,300
Non-Food Product Quality Assurance	627,500	692,200	691,300
Pest Exclusion and Management	3,576,700	4,008,900	4,037,000
Red Imported Fire Ant SLI	333,000	148,600	23,200
<i>Program Subtotal - Pest Exclusion and Management</i>	3,909,700	4,157,500	4,060,200
Pesticide Compliance and Worker Safety	502,000	592,400	641,900
State Agricultural Laboratory	1,586,000	1,705,500	1,711,100
Lump Sum Reduction	0	0	(375,700) <sup>1/</sup>
<b>TOTAL APPROPRIATIONS</b>	<b>14,298,300</b>	<b>14,578,500</b>	<b>14,294,800</b>
<b>OPERATING BUDGET</b>			
Full Time Equivalent Positions	303.6	308.6	297.2 <sup>2/</sup>
Personal Services	8,454,500	8,605,100	8,708,600
Employee Related Expenditures	1,900,600	2,148,500	2,262,400
Professional and Outside Services	204,500	234,700	234,700
Travel - In State	910,100	1,071,000	1,071,000
Travel - Out of State	99,000	56,000	56,000
Other Operating Expenditures	1,899,900	1,770,300	1,770,300
Equipment	420,600	456,000	456,000
Lump Sum Reduction	0	0	(375,700)
<i>Operating Subtotal</i>	13,889,200	14,341,600	14,559,000
Special Line Items (SLI)	409,100	236,900	111,500
<b>TOTAL APPROPRIATIONS</b>	<b>14,298,300</b>	<b>14,578,500</b>	<b>14,294,800</b> <sup>3/</sup>

<sup>1/</sup> The Department of Agriculture shall not further reduce the level of appropriations to the Animal Disease, Ownership and Welfare Protection, Food Safety and the Agricultural Consultation and Training Programs to meet its targeted reductions. (General Appropriation Act footnote)

<sup>2/</sup> Includes 11 FTE Positions funded from Special Line Items in FY 2003.

<sup>3/</sup> General Appropriation Act (Laws 2002, Chapter 327) funds are appropriated as a Lump Sum by Agency with Special Line Items.

	FY 2001 Actual	FY 2002 Estimate	FY 2003 Approved
<b>FUND SOURCES</b>			
General Fund	12,261,300	12,023,700	11,633,600
<u>Other Appropriated Funds</u>			
Consulting and Training Fund	61,500	61,800	64,900
Egg Inspection Fund	259,300	468,400	485,100
Livestock Custody Fund	48,300	79,400	79,400
Ratite Control Fund	1,400	0	0
Aquaculture Fund	3,900	9,200	9,200
Citrus, Fruit and Vegetable Revolving Fund	810,800	932,200	995,700
Commercial Feed Fund	175,200	199,600	206,200
Pesticide Fund	216,000	235,200	241,000
Seed Law Fund	48,800	50,900	52,500
Fertilizer Materials Fund	187,500	258,000	259,900
Dangerous Plants, Pests and Diseases Fund	19,200	21,400	21,400
Arizona Protected Native Plant Fund	205,100	238,700	245,900
<i>Subtotal - Other Appropriated Funds</i>	<u>2,037,000</u>	<u>2,554,800</u>	<u>2,661,200</u>
<b>TOTAL APPROPRIATIONS</b>	<b>14,298,300</b>	<b>14,578,500</b>	<b>14,294,800</b>

**AGENCY DESCRIPTION** — *The Arizona Department of Agriculture administers and enforces agriculture-related statutes, which regulate, protect, and promote Arizona's agricultural industries. The department regulates certain phases of food production (such as milking, butchering, and harvesting) to protect public health and to ensure product quality. The department administers programs to protect livestock and crops from diseases and to protect farm-workers who handle agricultural chemicals. It also tests certain non-food agricultural products to ensure product quality and content, and provides administrative support to several product-promotion groups.*

<b>PERFORMANCE MEASURES</b>	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Est./Actual	Estimate
• % of industry stakeholders rating the department's quality of communication excellent or good	NA/60	75/87	90/NA	92/95
• Meat and poultry product tests in compliance with bacteria, drug and chemical residue requirements	NA/98	98/100	100/NA	100
• % of industry satisfied that the level of inspection ensures that only quality produce reaches the market	NA/78	80/92	95/NA	95/98
• Number of retailers actively participating in the "Arizona Grown" program	NA/121	131/131	146/NA	150
• Overall customer satisfaction rating for laboratory services (percent)	NA/94	95/92	95/NA	95/98
• % of agency staff turnover	NA/17.7	NA/11.6	11.0/NA	10.5
• Administration as a % of total cost	15.4/NA	13.3/NA	12.6/NA	13.7

**Unfunded FTE Positions** — The approved amount includes a General Fund decrease of (11) FTE Positions below FY 2002 due to the statewide elimination of unfunded FTE Positions. For details on the methodology used to calculate the reduction, please see the *General Provisions* section at the front of the *Appropriations Report*.

**Administrative Services Program** — This program provides general administrative support to the agency including accounting, payroll, budgeting, human resources, information technology, procurement, facilities, legislative

services, legal services, rules development, strategic planning, and public information. The approved appropriation is funded from the General Fund.

**Agricultural Employment Relations Board Special Line Item** — This Special Line Item funds accounting and budgeting support to the Agricultural Employment Relations Board. The board receives and investigates complaints and conducts farm labor union elections. The approved appropriation is funded from the General Fund.

**Agricultural Consultation and Training Program** — This program provides detailed recommendations to the agricultural community on how to comply with state statutes, regulations, policies, and federal mandates. The program also provides advice to the horse and dog racing industries on agricultural issues. The approved appropriation is funded with a combination of monies from the General Fund and the Consulting and Training Fund.

**Animal Disease, Ownership, and Welfare Protection Program** — This program monitors livestock ownership and movement, investigates cases of alleged livestock abuse and theft, and assists in containing livestock that endanger the public safety. The program also regulates the importation of livestock, ratites (e.g., ostriches), and live fish into the state. The approved appropriation is funded with a combination of monies from the General Fund, the Livestock Custody Fund, and the Aquaculture Fund.

The approved amount includes a General Fund decrease of \$(246,200) below FY 2002 due to annualized reductions in funding for livestock inspections.

**Animal Damage Control Special Line Item** — This Special Line Item funds agreements with the U.S. Department of Agriculture (USDA) to control, dispatch or relocate predatory animals and noxious rodents which are injurious to livestock, poultry, agriculture, other industries, or the public health. The approved appropriation is funded from the General Fund.

**Commodity Development and Promotion Program** — This program promotes economic growth through marketing activities that stimulate domestic and international export sales of Arizona farm and food products. The program's marketing activities include the promotion of the "Arizona Grown" brand identification. The program also provides overhead to various commodity councils. The approved appropriation is funded from the General Fund.

The approved amount includes a General Fund decrease of \$(100,000) below FY 2002 for reductions in the Commodity Development and Promotion Program.

**Food Safety and Quality Assurance Program** — This program conducts inspections on animal and plant products. The program also cooperates with the federal United States Department of Agriculture in inspections and grading of animal and plant products for domestic and international consumption. The approved appropriation is funded with monies from the General Fund and from industry fee-for-service assessments, which are appropriated from the Egg Inspection Fund, and, the Citrus, Fruit and Vegetable Revolving Fund. This program was additionally funded with the Ratite Control Fund and the Organic Food Certification Fund, but these funds were eliminated in Laws 2001, 2<sup>nd</sup> Special Session, Chapter 2.

**Native Plant and Cultural Resources Protection Program** — This program regulates the harvesting, transporting, and sale of native plants and assists in protecting archaeological and paleontological sites, caves and caverns. The program also investigates and prosecutes unlawful natural resource theft and destruction. The approved appropriation is funded with monies from the Arizona Protected Native Plant Fund.

**Non-Food Product Quality Assurance Program** — This program assures the quality of feed, fertilizer, seed products and pesticides, including crop protection agents, swimming pool chemicals, pet pest treatments, and household cleaners. The program registers pesticides and fertilizers and issues licenses to feed, fertilizer, forage and seed dealers and labelers. Inspectors from the program confirm product registrations and dealer licenses, sample covered products to ensure label accuracy, and investigate consumer complaints. The approved amount includes monies from the Commercial Feed Fund, the Pesticide Fund, the Fertilizer Materials Fund, and the Seed Law Fund.

**Pest Exclusion and Management Program** — This program conducts pest detection, management and eradication efforts through inspections at state ports-of-entry. The program also conducts systematic surveys of pests throughout the state and quarantines potential pest infested commodities such as nursery plants. The program also regulates cotton pests and noxious weeds. The approved appropriation is funded with monies from the General Fund and from the Arizona Protected Native Plant Fund.

**Red Imported Fire Ant Special Line Item** — This Special Line Item funds ongoing pest exclusion efforts aimed at preventing the introduction of the red imported fire ant. The state has successfully suppressed isolated infestations of red imported fire ants and continues to be federally certified as free from this pest. The approved appropriation is funded with monies from the General Fund.

The approved amount includes a General Fund decrease of \$(116,800) below FY 2002 due to the annualized reductions in the Red Imported Fire Ant Special Line Item.

**Pesticide Compliance and Worker Safety Program** — This program monitors the proper use and application of crop protection products through inspections of agricultural producers and with education programs leading to the certification of private and commercial pesticide applicators. This program is funded with monies from the General Fund.

**State Agricultural Laboratory Program** — This program provides scientific analyses of regulatory samples of meat and dairy products, fruits, vegetables, feeds, fertilizers, pesticides, insects, and plant diseases. The

approved appropriation is funded with monies from the General Fund, the Commercial Feed Fund, the Pesticide Fund, and the Fertilizer Materials Fund.

**Additional Legislation: Omnibus Budget Reconciliation: Public Finances (Chapter 328)** — This legislation makes the equine inspection program voluntary, creates an Equine Inspection Fund which is continuously appropriated and removes the \$5.00 cap on ownership, hauling certificate and transfer fees. The director is given authority to establish new fees by rule. Finally, the legislation allows a bill of sale to the documents that can be used to transfer livestock.

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