

Arizona Department of Agriculture

JLBC: Paul Shannon
 OSPB: Keith Fallstrom

Subcommittee: Assets

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004	
			OSPB	JLBC
PROGRAM BUDGET				
Agriculture	13,674,600	14,183,300	14,092,800	13,222,500
Agricultural Employment Relations Board SLI	10,500	23,300	23,300	23,300
Animal Damage Control SLI	65,000	65,000	65,000	65,000
Red Imported Fire Ant SLI	140,000	23,200	67,300	0
<i>Program Subtotal - Agriculture</i>	13,890,100	14,294,800	14,248,400	13,310,800
6th SS Lump Sum Reduction SLI	0	(1,329,300)	0	(1,329,300)
AGENCY TOTAL	13,890,100	12,965,500	14,248,400	11,981,500

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	308.6	272.2	252.0	250.2
Personal Services	8,219,500	8,495,900	7,638,500	8,087,500
Employee Related Expenditures	2,150,800	2,672,000	2,116,400	2,178,300
Professional and Outside Services	67,100	193,700	2,703,800	193,700
Travel - In State	803,400	776,900	803,400	776,900
Travel - Out of State	46,300	38,100	38,100	38,100
Other Operating Expenditures	1,867,200	1,568,400	799,900	1,515,100
Equipment	520,300	438,300	148,300	432,900
OPERATING SUBTOTAL	13,674,600	14,183,300	14,248,400	13,222,500
Special Line Items (SLI)	215,500	(1,217,800)	0	(1,241,000)
AGENCY TOTAL	13,890,100	12,965,500	14,248,400	11,981,500

FUND SOURCES

General Fund	11,751,800	10,304,300	2,952,900	9,405,400
<u>Other Appropriated Funds</u>				
Agricultural Commercial Truck Fee Fund	0	0	5,799,900	0
Agriculture Administrative Services Fund	0	0	1,421,500	0
Aquaculture Fund	4,300	9,200	10,300	9,200
Arizona Protected Native Plant Fund	187,700	245,900	267,400	235,500
Citrus, Fruit and Vegetable Revolving Fund	676,000	995,700	1,091,700	967,700
Commercial Feed Fund	192,300	206,200	300,700	198,700
Consulting and Training Fund	61,800	64,900	69,800	61,600
Dangerous Plants, Pests and Diseases Fund	14,100	21,400	24,100	21,400
Egg Inspection Fund	334,300	485,100	535,300	473,500
Fertilizer Materials Fund	252,200	259,900	386,700	249,400
Livestock Custody Fund	70,700	79,400	89,300	79,400
Livestock Inspection Fund	0	0	773,900	0
Pesticide Fund	228,300	241,000	328,000	230,200
Ratite Control Fund	92,900	0	0	0
Seed Law Fund	23,700	52,500	196,900	49,500
SUBTOTAL - Other Appropriated Funds	2,138,300	2,661,200	11,295,500	2,576,100
SUBTOTAL - Appropriated Funds	13,890,100	12,965,500	14,248,400	11,981,500
Other Non-Appropriated Funds	5,894,700	8,615,600	NA	8,493,700
Federal Funds	3,856,300	2,425,100	NA	2,436,600
TOTAL - ALL SOURCES	23,641,100	24,006,200	NA	22,911,800

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC	
	\$ Change	% Change
General Fund	(898,900)	(8.7%)
Other Appropriated Funds	(85,100)	(3.2%)
Total Appropriated Funds	(984,000)	(7.6%)

the implemented plan and the Council's recommendation, and the justifications for those differences.

The JLBC recommends amending statute to allow for the collection of fees to support the Agricultural Consultation and Training program. (See "Fee for Service for Agricultural Consultation and Training" policy issue for more information.)

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends amending statute to allow for the collection of fees to support the Dairy Inspection program. (See "Fee for Service for Dairy Inspections" policy issue for more information.)

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Administrative Support (AHA2436/A.R.S. § 3-108)		Non-Appropriated
Source of Revenue: Monies are collected from each commodity council based on annually negotiated interagency agreements.		
Purpose of Fund: For costs incurred by the department in providing administrative support.		
Funds Expended	29,300	46,900
Year-End Fund Balance	10,800	7,800
Agricultural Consulting and Training (AHA1239/A.R.S. § 5-113)		Appropriated
Source of Revenue: One percent of the funds resulting from permittees, permits and licenses resulting from horse and dog racing and from the proceeds resulting from unclaimed property in the custody of the state, as defined by A.R.S. § 44-303.		
Purpose of Fund: To fund the agricultural consulting and training program established by A.R.S. § 3-109.01		
Funds Expended	61,800	64,900
Year-End Fund Balance *	(362,900)	(427,800)
Aquaculture (AHA2297/A.R.S. § 3-2913)		Appropriated
Source of Revenue: Fees and fines resulting from the regulation of aquaculture.		
Purpose of Fund: To administer and enforce the provisions of A.R.S. Title 3, Chapter 16, relating to aquaculture. Aquaculture is the controlled growth and harvest of aquatic plants and animals such as fish, shellfish, and algae.		
Funds Expended	4,300	9,200
Year-End Fund Balance	33,500	33,800
Beef Council (Livestock Board Collection and Administration) (AHA2083/A.R.S. § 3-1236)		Non-Appropriated
Source of Revenue: \$1 per head surcharge collected on behalf of the Arizona Beef Council when animals are inspected by the department for sale. The department retains 5 cents per dollar, while 95 cents per dollar is forwarded to this fund.		
Purpose of Fund: For collection and administration costs.		
Funds Expended	690,800	548,300
Year-End Fund Balance	4,000	4,000
Citrus, Fruit and Vegetable Revolving (AHA2260/A.R.S. § 3-447)		Appropriated
Source of Revenue: Assessments, fees and civil penalties relating to the standardization of citrus, other fruits and vegetables.		
Purpose of Fund: To enable producers and shippers to develop uniform grades and standards for citrus, fresh fruit and vegetables and to allow field and shed inspections of commodities produced in Arizona.		
Funds Expended	676,600	995,700
Year-End Fund Balance *	106,500	(63,800)
Citrus Research Council (AHA2299/A.R.S. § 3-468)		Non-Appropriated
Source of Revenue: An assessment on citrus produced in Arizona, as well as fines, other charges, and interest.		
Purpose of Fund: To support research development and survey programs concerning varietal development, eradication of citrus pests, and other programs deemed appropriate to production, harvesting, handling and hauling from field to market.		
Funds Expended	123,400	123,300
Year-End Fund Balance	213,700	166,200

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Commercial Feed (AHA2012/A.R.S. § 3-2607)		Appropriated
Source of Revenue: Licensing fees and fines associated with the regulation of animal and bird feeds.		
Purpose of Fund: To regulate animal and bird feeds.		
Funds Expended	198,700	206,200
Year-End Fund Balance	808,600	786,400
Commodity Promotion (AHA2458/A.R.S. § 3-109.02)		Non-Appropriated
Source of Revenue: Proceeds of a fee collected for a Certificate of Free Sale and any excess monies donated to the Arizona Grown program. A certificate of free sale is a document that authenticates that a commodity is generally and freely sold in domestic channels of trade. Many countries require this documentation before allowing a shipment of consumable products to enter its borders and its markets.		
Purpose of Fund: To foster the promotion and consumption of Arizona agricultural products domestically and abroad.		
Funds Expended	4,100	10,000
Year-End Fund Balance	8,400	13,400
Cotton Research and Protection Council Abatement (AHA2013/A.R.S. § 3-1085)		Non-Appropriated
Source of Revenue: Assessments on cotton produced in the state, as well as fines and interest earnings.		
Purpose of Fund: To support research programs related to cotton production or protection, including programs and research for cotton pest eradication; and to provide an incentive program for voluntary boll weevil control.		
Funds Expended	1,495,300	1,476,000
Year-End Fund Balance	1,235,000	822,000
Dangerous Plants, Pests and Diseases (AHA2054/A.R.S. § 3-214.01)		Appropriated
Source of Revenue: License fees on and reimbursements for the destruction of dangerous plants, pests and diseases.		
Purpose of Fund: To prevent the introduction and propagation of, and to control and destroy, dangerous plants, pests and diseases.		
Funds Expended	14,100	21,400
Year-End Fund Balance	27,200	18,600
Designated (AHA3011/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Fees for laboratory services, phytosanitary certifications (certifying produce that is sent overseas), industry contributions for the Arizona Grown Program, 5% of Beef Council surcharges, Risk Management grant from the Arizona Department of Administration, and other grants and contributions.		
Purpose of Fund: To administer the purpose for which the fee, grant, or contribution is intended.		
Funds Expended	928,800	1,349,300
Year-End Fund Balance	803,600	398,600
Egg Inspection (AHA2022/A.R.S. § 3-717)		Appropriated
Source of Revenue: Fees resulting from the regulation of eggs and egg products.		
Purpose of Fund: To administer the egg inspection program.		
Funds Expended	337,800	485,100
Year-End Fund Balance	325,500	227,000
Equine Inspection (AHA9500/2489/A.R.S. § 3-1345.01)		Non-Appropriated
Source of Revenue: Equine inspection and transfer fees.		
Purpose of Fund: To fund the issuance of equine ownership and hauling certificates.		
Funds Expended	0	68,900
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Arizona Federal-State Inspection (AHA2113/A.R.S. § 3-499)		Non-Appropriated
Source of Revenue: Fees for inspection of produce imported from Mexico and interest.		
Purpose of Fund: As determined by a cooperative agreement with the U.S. Department of Agriculture. On July 1, 1996, the Arizona Department of Agriculture became the fiduciary of this program, which monitors produce being imported from Mexico at the Nogales Port of Entry.		
Funds Expended	2,223,300	2,544,700
Year-End Fund Balance	1,606,700	1,457,000
Federal (AHA2000/A.R.S. § 3-103)		Non-Appropriated
Source of Revenue: Federal grants.		
Purpose of Fund: As determined by federal law with regard to exotic pest control (e.g., fire ant, gypsy moth, medfly), agriculture chemicals regulation, farm mediation, endangered species, and meat, poultry and egg inspection. (The meat and poultry inspection amounts are a reimbursement to the General Fund and, therefore, pass through this fund without a net impact on expenditures shown here.)		
Funds Expended	3,856,300	2,425,100
Year-End Fund Balance	1,670,900	145,800
Fertilizer Materials (AHA2081/A.R.S. § 3-269)		Appropriated
Source of Revenue: A portion of the fertilizer manufacturer's license fee, fees collected for the inspection of materials and the proceeds from the sale of seized, non-complying materials.		
Purpose of Fund: To regulate fertilizers.		
Funds Expended	292,200	259,900
Year-End Fund Balance	509,400	449,900
Grain Research and Promotion Council (AHA2201/A.R.S. § 3-588)		Non-Appropriated
Source of Revenue: An assessment on commercial grain sales.		
Purpose of Fund: To support the council's promotion and research activities with public or private organizations. Such activities relate to reducing fresh water consumption, developing new varieties, improving production and handling methods, research and design of new or improved harvesting and handling equipment, and similar activities.		
Funds Expended	88,900	113,400
Year-End Fund Balance	178,900	194,100
Hay Law (AHA2143/A.R.S. § 3-2712)		Non-Appropriated
Source of Revenue: Annual licensing fees for hay brokers and dealers.		
Purpose of Fund: To support hay regulatory activities, including ensuring that all hay brokers are licensed and bonded.		
Funds Expended	700	0
Year-End Fund Balance	0	0
Iceberg Lettuce Research Council (AHA2259/A.R.S. § 3-526)		Non-Appropriated
Source of Revenue: An assessment on iceberg lettuce prepared for market.		
Purpose of Fund: To support research, development and survey programs concerning varietal development, including programs for pest eradication, production harvesting, handling and hauling from field to market, and other programs deemed appropriate.		
Funds Expended	7,600	7,600
Year-End Fund Balance	342,100	536,600
Indirect Cost Recovery (AHA9000/A.R.S. § 3-107)		Non-Appropriated
Source of Revenue: Federal grants.		
Purpose of Fund: For indirect costs associated with administration of federal grants.		
Funds Expended	282,600	307,300
Year-End Fund Balance	294,600	186,000

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Interagency Service Agreement (AHA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: From an agreement with the State Parks Board for the Conservation-Based Management Alternatives portion of the Growing Smarter initiative.		
Purpose of Fund: To award grants to individual land owners or grazing or agricultural lessees of state or federal land who contract with the Parks Board to implement conservation-based management alternatives using livestock or crop production practices, or reduce livestock or crop production, to provide wildlife habitat or other public benefits that preserve open space.		
Funds Expended	0	2,000,000
Year-End Fund Balance	0	0
Livestock Custody (AHA2065/A.R.S. § 3-1377)		Appropriated
Source of Revenue: Fines assessed for and proceeds resulting from mistreated livestock.		
Purpose of Fund: To enforce any of the provisions of Title 3, relating to agriculture and dairying.		
Funds Expended	70,100	79,400
Year-End Fund Balance	78,800	76,800
Pesticide (AHA2051/A.R.S. § 3-350)		Appropriated
Source of Revenue: A portion of pesticide registration fees and proceeds resulting from condemnation and sale of non-compliant equipment.		
Purpose of Fund: To regulate pesticides.		
Funds Expended	228,300	241,000
Year-End Fund Balance	583,400	597,500
Arizona Protected Native Plant (AHA2298/A.R.S. § 3-913)		Appropriated
Source of Revenue: Fees from permits issued for the removal or salvage of protected native plants.		
Purpose of Fund: For the protection of native plants.		
Funds Expended	187,700	245,900
Year-End Fund Balance	77,400	36,200
Seed Law (AHA2064/A.R.S. § 3-1483)		Appropriated
Source of Revenue: Seed dealers' and labelers' license fees and penalties and fees for the inspection and testing of seeds.		
Purpose of Fund: To regulate seeds, including all agricultural, vegetable, and ornamental plant seed, transported or offered for sale in this state.		
Funds Expended	23,700	52,500
Year-End Fund Balance	37,200	12,800
Arizona Wine Promotional (AHA2205/A.R.S. § 3-555 and § 42-3105)		Non-Appropriated
Source of Revenue: The first \$100,000 of proceeds from the tax on the sale of wine is deposited into the fund. In FY 1994, \$200,000 was appropriated from the Commerce and Economic Development (CEDC) Fund as "start-up" monies. Laws 1993, Chapter 40 requires that CEDC be repaid that amount. As of yet, only minimal repayment has occurred, leaving the Wine Promotional Fund with a liability reflected in the Year-End Fund Balance shown below.		
Purpose of Fund: To promote the Arizona wine industry through trade promotions, marketing or advertising, and to support Wine Commission staff and operating expenses. Also funds a research grant to the University of Arizona.		
Funds Expended	19,900	19,900
Year-End Fund Balance *	(289,700)	(308,700)

*As reported by the agency. Actual ending balance will not be negative.

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