

Arizona Department of Agriculture

	FY 2014 ACTUAL	FY 2015 ESTIMATE	FY 2016 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	162.9	162.9	161.0
Personal Services	3,968,100	4,153,900	4,153,900
Employee Related Expenditures	1,849,500	1,979,100	1,979,100
Professional and Outside Services	227,700	117,000	117,000
Travel - In State	543,300	572,600	572,600
Travel - Out of State	17,100	12,100	12,100
Other Operating Expenditures	1,230,200	1,042,900	1,042,900
Equipment	41,600	7,000	7,000
OPERATING SUBTOTAL	7,877,500	7,884,600	7,884,600
SPECIAL LINE ITEMS			
Agricultural Consulting and Training	128,500	128,500	128,500
Agricultural Employment Relations Board	23,300	23,300	23,300
Animal Damage Control	65,000	65,000	65,000
Nuclear Emergency Management Fund	198,400	198,400	0
Red Imported Fire Ant	23,200	23,200	23,200
AGENCY TOTAL	8,315,900	8,323,000	8,124,600
FUND SOURCES			
General Fund	8,315,900	8,323,000	8,124,600
SUBTOTAL - Appropriated Funds	8,315,900	8,323,000	8,124,600
Other Non-Appropriated Funds	10,038,500	11,608,700	11,603,900
Federal Funds	5,119,300	4,539,100	4,539,100
TOTAL - ALL SOURCES	23,473,700	24,470,800	24,267,600

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

Operating Budget

The Baseline includes \$7,884,600 and 161 FTE Positions from the General Fund in FY 2016 for the operating budget. These amounts are unchanged from FY 2015.

Agricultural Consulting and Training

The Baseline includes \$128,500 from the General Fund in FY 2016 for the Agricultural Consulting and Training line item. This amount is unchanged from FY 2015.

This line item funds on-site visits to establishments for consultation, interpreting, and applying alternative methods of complying with statutes, rules, regulations, and standards relating to compliance.

Agricultural Employment Relations Board

The Baseline includes \$23,300 from the General Fund in FY 2016 for the Agricultural Employment Relations Board line item. This amount is unchanged from FY 2015.

This line item funds accounting and budgeting support for the Agricultural Employment Relations Board. The board receives and investigates complaints and conducts farm labor union elections.

Animal Damage Control

The Baseline includes \$65,000 from the General Fund in FY 2016 for the Animal Damage Control line item. This amount is unchanged from FY 2015.

This line item funds agreements with the U.S. Department of Agriculture to control, dispatch, or relocate predatory animals and noxious rodents, which are injurious to livestock, poultry, agriculture, other industries, or the public health.

Nuclear Emergency Management Fund

The Baseline includes no funding from the General Fund in FY 2016 for the Nuclear Emergency Management Fund (NEMF). FY 2016 adjustments would be as follows:

	FY 2016
NEMF Decrease	GF \$(198,400)

The Baseline includes a decrease of \$(198,400) and (1.9) FTE Positions from the General Fund in FY 2016 for the elimination of NEMF funding. Laws 2013, Chapter 13 appropriated \$198,400 and 1.9 FTE Positions from the General Fund in both FY 2014 and FY 2015 for off-site nuclear emergency response plans. The Department of Agriculture, Radiation Regulatory Agency, and Department of Emergency and Military Affairs received monies from this bill. The FY 2016 allocation will be made through a bill separate from the General Appropriation Act, the amount of which will be determined at a later date. *(Please see the Radiation Regulatory Agency and Department of Emergency and Military Affairs narrative for more information.)*

The Legislature is required to biennially assess a fee against each group of public service and municipal corporations operating the Palo Verde Nuclear Generating Station. The fee is set at a level to offset the General Fund appropriation to the NEMF.

Monies in the NEMF are used for the development and maintenance of a state plan for off-site responses to an emergency caused by an accident at a commercial nuclear generating station. NEMF monies are also used to provide for the equipment, personnel, facilities, training, and testing necessary to comply with federally prescribed criteria.

Department representatives assist in the planning for off-site responses to an emergency at the Palo Verde Nuclear Generating Station and participate in the annual response exercises, mainly the Ingestion Pathway Zone exercises. They are responsible for controlling embargoes of food, water, and milk in the event that there is an emergency that would contaminate those items produced in the areas around the plant.

Monies appropriated to the NEMF are exempt from the provisions of A.R.S. § 35-190, relating to the lapsing of appropriations, except that monies left unexpended or unencumbered at the end of the fiscal year shall be used to offset the next year's assessment and appropriation.

Red Imported Fire Ant

The Baseline includes \$23,200 from the General Fund in FY 2016 for the Red Imported Fire Ant line item. This amount is unchanged from FY 2015.

This 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.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

STATUTORY CHANGES

The Baseline would, as session law, permit the Director, upon recommendation from the Agricultural Advisory Council, to continue to allow special fee authority in FY 2016. The Baseline would also include legislative intent that the fees would not generate more than \$218,000 to the General Fund, \$113,000 to the Pesticide Trust Fund, and \$26,000 to the Dangerous Plants, Pests, and Diseases Trust Fund, which was also included in last year's bill.

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Administrative Support Fund (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	25,500	38,900
Year-End Fund Balance	53,200	54,600

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Agricultural Consulting and Training Trust Fund (AHA1239/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: Legislative appropriations.		
Purpose of Fund: To fund the Agricultural Consulting and Training Program established by A.R.S. § 3-109.01. Expenditures are not displayed to avoid double counting of the General Fund.		
Funds Expended	1,300	1,700
Year-End Fund Balance	31,700	30,000
Agricultural Products Marketing (AHA2368/A.R.S. § 3-419)		Non-Appropriated
Source of Revenue: Assessments on the Arizona Leafy Green Products Shipper Marketing Agreement commodities.		
Purpose of Fund: To fund the Arizona Leafy Green Products Shipper Marketing Committee and to ensure compliance with the accepted food safety practices through mandatory government audits.		
Funds Expended	620,800	557,500
Year-End Fund Balance	533,600	322,900
Agricultural Protection Fund (AHA2381/A.R.S. § 3-3304)		Non-Appropriated
Source of Revenue: Gifts, grants, or donations.		
Purpose of Fund: To award grants to state agencies, political subdivisions, and non-profit conservation groups for the establishment of agricultural easements.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Aquaculture Trust Fund (AHA2297/A.R.S. § 3-2913)		Non-Appropriated
Source of Revenue: Fees resulting from the regulation of aquaculture. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
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	0	6,200
Year-End Fund Balance	17,800	17,800
Beef Council (Livestock Board Collection and Administration) Fund (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	292,100	292,000
Year-End Fund Balance	1,500	0
Citrus, Fruit and Vegetable Trust Fund (AHA2260/A.R.S. § 3-447)		Non-Appropriated
Source of Revenue: Assessments, fees, and civil penalties relating to the standardization of citrus, other fruits, and vegetables. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
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 the state.		
Funds Expended	300,800	351,600
Year-End Fund Balance	123,600	117,500
Citrus Trust Fund (AHA2299/A.R.S. § 3-468.04, 3-468.06)		Non-Appropriated
Source of Revenue: An assessment on citrus produced in the state, 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	23,300	64,500
Year-End Fund Balance	63,100	29,200

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Commercial Feed Trust Fund (AHA2012/A.R.S. § 3-2607)		Non-Appropriated
Source of Revenue: Licensing fees and fees collected for the inspection of animal and bird feeds. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To regulate animal and bird feeds.		
Funds Expended	276,700	302,200
Year-End Fund Balance	183,600	125,100
Commodity Promotion Fund (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 sales of merchandise with the Arizona Grown trademark. A Certificate of Free Sale is a document authenticating 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 their borders and markets.		
Purpose of Fund: To provide for programs to promote the production and consumption of Arizona agricultural products domestically and abroad.		
Funds Expended	7,900	8,000
Year-End Fund Balance	3,300	2,300
Cotton Research and Protection Council Fund (AHA2013/A.R.S. § 3-1085)		Non-Appropriated
Source of Revenue: Assessments on each bale of 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 and to provide a program to refund collected fees as an incentive for boll weevil control.		
Funds Expended	2,239,500	3,038,000
Year-End Fund Balance	3,011,200	2,730,700
Dangerous Plants, Pests and Diseases Trust Fund (AHA2054/A.R.S § 3-214.01)		Non-Appropriated
Source of Revenue: Certification fees on and reimbursements for the destruction of dangerous plants, pests, and diseases. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To prevent the introduction and propagation of, and to control and destroy, dangerous plants, pests, and diseases.		
Funds Expended	61,800	50,000
Year-End Fund Balance	58,700	72,000
Designated Fund (AHA3011/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Fees for laboratory services and phytosanitary certifications (certifying produce that is sent overseas), industry contributions for the Arizona Grown Program, 5% of Beef Council surcharges, a 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	550,800	577,700
Year-End Fund Balance	652,500	651,600
Egg Inspection Trust Fund (AHA2022/A.R.S. § 3-717)		Non-Appropriated
Source of Revenue: Fees resulting from the regulation of eggs and egg products. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To administer the Egg Inspection Program.		
Funds Expended	1,123,700	1,273,500
Year-End Fund Balance	607,600	580,800

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Equine Inspection Fund (AHA2489/A.R.S. § 3-1345.01)		Non-Appropriated
Source of Revenue: Inspection fees for processing ownership and transportation of horses.		
Purpose of Fund: To fund the issuance of horse ownership and transportation certificates.		
Funds Expended	300	300
Year-End Fund Balance	400	600
Federal Funds (AHA2000/A.R.S. § 35-142)		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), agricultural 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	5,093,900	4,436,900
Year-End Fund Balance	621,400	313,500
Federal - State Inspection Fund (AHA2113/A.R.S. § 3-499)		Non-Appropriated
Source of Revenue: Fees for inspection of domestic produce imported from Mexico pursuant to a cooperative agreement with the U.S. Department of Agriculture.		
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	3,028,900	2,823,000
Year-End Fund Balance	1,469,100	1,516,400
Fertilizer Materials Trust Fund (AHA2081/A.R.S. § 3-269)		Non-Appropriated
Source of Revenue: A portion of the fertilizer manufacturer's license fee and fees collected for the inspection of materials. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To regulate fertilizers.		
Funds Expended	297,100	314,900
Year-End Fund Balance	251,600	274,800
Grain Trust Fund (AHA2201/A.R.S. § 3-590)		Non-Appropriated
Source of Revenue: An assessment on commercial grain sales.		
Purpose of Fund: To support the Grain Research and Promotion 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, researching and designing new or improved harvesting and handling equipment, and similar programs.		
Funds Expended	118,400	132,100
Year-End Fund Balance	112,800	111,700
Iceberg Lettuce Trust Fund (AHA2259/A.R.S. § 3-526.06)		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 activities deemed appropriate.		
Funds Expended	88,200	100,000
Year-End Fund Balance	72,700	72,700
IGA & ISA Fund (AHA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Monies received through an interagency agreement with the Office of Pest Management.		
Purpose of Fund: To provide administrative services to the Office of Pest Management, including acting director, accounting, information technology, human resources, and legal services.		
Funds Expended	104,100	104,100
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Indirect Cost Recovery Fund (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	25,400	102,200
Year-End Fund Balance	463,300	463,100
Livestock and Crop Conservation Fund (AHA2378/A.R.S. § 41-511.23)		Non-Appropriated
Source of Revenue: \$2 million annually from the Land Conservation Fund through FY 2011, as established by A.R.S. § 41-511.23.		
Purpose of Fund: Continuously appropriated for grants to landowners, as well as to grazing and agricultural lessees of state or federal land, who implement conservation measures.		
Funds Expended	439,400	898,100
Year-End Fund Balance	1,973,100	1,090,100
Livestock Custody Trust Fund (AHA2065/A.R.S. § 3-1377)		Non-Appropriated
Source of Revenue: Fines assessed for and proceeds resulting from the sale of mistreated or stray livestock. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To enforce any of the provisions of Title 3, relating to agriculture and dairying.		
Funds Expended	43,500	122,500
Year-End Fund Balance	177,600	122,700
Nuclear Emergency Management Fund (AHA2138/A.R.S. § 26-306.02)		Non-Appropriated
Source of Revenue: An assessment levied against a consortium of corporations that operate the Palo Verde Nuclear Generating Station. Laws 2013, Chapter 13 appropriated \$198,434 to the Arizona Department of Agriculture in both FY 2014 and FY 2015.		
Purpose of Fund: To administer and enforce the state plan for off-site response to an emergency caused by an accident at a commercial nuclear generating station. Expenditures from this fund are not displayed to avoid double counting of appropriated funds.		
Funds Expended	0	0
Year-End Fund Balance	11,900	0
Pesticide Trust Fund (AHA2051/A.R.S. § 3-350)		Non-Appropriated
Source of Revenue: A portion of pesticide registration fees. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: To regulate pesticides.		
Funds Expended	272,900	415,300
Year-End Fund Balance	191,800	241,000
Protected Native Plant Trust Fund (AHA2298/A.R.S. § 3-913)		Non-Appropriated
Source of Revenue: Fees from permits issued for the removal or salvage of protected native plants. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.		
Purpose of Fund: For the protection of native plants.		
Funds Expended	70,600	83,100
Year-End Fund Balance	43,000	41,600

SUMMARY OF FUNDS	FY 2014 Actual	FY 2015 Estimate
Seed Law Trust Fund (AHA2064/A.R.S. § 3-234)		Non-Appropriated
<p>Source of Revenue: Seed dealers' and labelers' license fees and penalties. Laws 2011, Chapter 281 converted this appropriated fund into a non-appropriated trust fund on the bill's effective date (July 20, 2011) through December 30, 2012. Subsequently, Laws 2012, Chapter 248 permanently made this fund a non-appropriated trust fund.</p> <p>Purpose of Fund: To regulate seeds, including all agricultural, vegetable, and ornamental plant seed, transported or offered for sale in this state.</p>		
Funds Expended	50,900	53,500
Year-End Fund Balance	101,000	132,000