

- Total funding is increased by 0.7% in FY 2004 and 1.0% in FY 2005.
- Plant Industry Fee changes for nursery stock licenses will result in an additional \$262,000 per fiscal year

# Agriculture, Department of

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## ROLE

Ohio's Department of Agriculture (AGR) is primarily a regulatory agency responsible for the quality of the state's food supply. The agency's other priorities include promoting Ohio's agricultural products in domestic and international markets, controlling livestock diseases, and inspecting food supplies both at the producer level and at retail establishments. The Department administers these activities through 11 separate program areas.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
487**	\$41.4 million	\$41.8 million	\$20.9 million	\$21.0 million	Am. Sub. H.B. 95

\*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

\*\*59 are seasonal or part-time employees.

## OVERVIEW

Departmental appropriations for FY 2004 total \$41,367,251, which is a 0.7% increase over actual FY 2003 disbursements. Appropriations for FY 2005 total \$41,788,167. This represents a 1.0% increase over FY 2004 levels. GRF appropriations receive a 4.4% increase for FY 2004 from actual FY 2003 spending levels and a 0.2% increase for FY 2005 over FY 2004 appropriations.

General Revenue Fund funding accounts for 50% of the total appropriations for the biennium. The State Special Revenue Fund represents 25% of total funding, while the Federal Special Revenue Fund is approximately 24% of total funding. General Revenue Fund funding represented approximately 52% of total funding for the previous biennium.

Notable GRF funding increases for the FY 2004-2005 biennium occur in the appropriation item 700-405, Animal Damage Control, which is increased by 107.3% from FY 2003 actual levels. This increase is due to a \$50,000 earmark in each fiscal year for coyote and black vulture indemnification. The FY 2005 appropriation is the same as FY 2004 at \$94,954.

In GRF appropriation item 700-411, International Trade and Market Development, \$100,000 is earmarked in FY 2004 for the Ohio-Israel Agricultural Initiative. This line item is increased by 12.9% in FY 2004 and decreased by 16.7% in FY 2005.

## **BUDGET ISSUES**

### ***FARM SERVICE ELECTRONIC FILING***

The Farm Service Electronic Filing Fund (Fund 5Y7) was created within the Department of Agriculture with a one-time cash transfer of \$60,000 from Fund 382, Cooperative Contracts. The fund will consist of moneys appropriated to it as well as reimbursements from the Farm Service Agency within the U.S. Department of Agriculture. The purpose of the fund is to pay the Secretary of State's Office for fees charged in advance for the electronic filing by the Farm Service Agency of financing statements related to loans administered by the Farm Service Agency. Fund 5Y7 was appropriated \$60,000 in each fiscal year. In Am. Sub. H.B. 95 of the 125th General Assembly, Fund 5Y7 is listed as a Holding Account. However, for purposes of accounting, OBM will treat the fund as a State Special Revenue account.

### ***GYPSY MOTH PROGRAM AND LANDOWNER FEES***

The gypsy moth is an insect that is highly destructive to forests, trees, and landscapes throughout the nation. It also decreases timber value, lowers the quality of life for people living in infected areas, affects water quality, and damages wildlife habitats. It is an introduced pest and as such has few natural enemies. Currently, the pest has invaded 43 of Ohio's 88 counties. The Department has two programs aimed at controlling the gypsy moth. The first program is the Suppression Program. This program prevents tree mortality through the use of aerial treatments of control products. The Slow-The-Spread Program monitors and eradicates the pest. Its objectives are to slow the advance of the pest to its natural movement of less than seven miles per year.

The Department of Agriculture is establishing a voluntary program whereby a landowner may request that the Department spray to suppress gypsy moths on his or her property. The landowner would pay an amount not to exceed 50% of the costs. The Department anticipates that this cost will range between \$5 and \$6 per acre of sprayed land. The increase in revenue will be used to offset the costs of the program, as well as to treat additional areas. The amount of the increase is unknown at this time due to many variables such as the number of landowners interested as well as factors affecting the gypsy moth advancement such as weather.

### ***PLANT INDUSTRY FEE CHANGES***

Under Am. Sub. H.B. 95 of the 125th General Assembly, the Department may conduct inspections of agricultural products that are required by other states, the U.S. Department of Agriculture, other federal agencies, or foreign countries to determine whether certain products are infested. If fees are charged for these services, the fees shall be set as follows:

- Phyto Sanitary Certificates - \$25;
- Compliance Agreements - \$20;
- Solid Wood Packing Certificates - \$20;
- Agricultural Products and their Conveyances Inspections - \$65.

Also, under the bill, the following fees for nursery inspections and annual licenses are increased:

- Nursery Stock Collector or Dealer Annual Fee - increased from \$50 to \$75;
- Nurseryperson Annual Inspection Fee - increased from \$50 to \$65;
- Fee for Growing Nursery Stock in Intensive Production Areas - increased from \$4 per acre to \$4.50 per acre;
- Fee for Growing Nursery Stock in Nonintensive Production Areas - increased from \$2 per acre to \$3.50;
- Nonwoody Plant Inspection Fee - increased from \$30 to \$65;
- Fee for Growing Nonwoody Plants in Intensive and Nonintensive Production Areas - increased from \$4 per acre to \$4.50 per acre.

The additional revenue collected will be approximately \$262,000 per fiscal year. This will be used to administer the Nursery Stock and Plant Pests Law, as well as hiring additional inspectors for agricultural products and nursery stock.

### ***DEPARTMENT CUTS AND/OR ADJUSTMENTS***

According to the Department, adjustments to current program levels will be needed for FY 2005. This is due to additional costs for health care, a one-time 2% ratification payment for bargaining unit employees, and a 2% one-time payment for exempt employees. These costs will require the agency to reorganize and possibly reduce personnel levels. At this time, the Department is still evaluating these findings and is unsure where adjustments will be made. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

**Line Item Detail by Agency**

**FY 2001:      FY 2002:      FY 2003:      FY 2004 Appropriations:      % Change 2003 to 2004:      FY 2005 Appropriations:      % Change 2004 to 2005:**

**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**AGR Agriculture, Department of**

GRF	700-321	Operating Expenses	\$ 3,283,459	\$ 2,950,680	\$2,871,033	\$ 2,737,665	-4.65%	\$ 2,771,628	1.24%
GRF	700-401	Animal Disease Control	\$ 4,041,578	\$ 4,051,687	\$3,696,187	\$ 4,121,815	11.52%	\$ 4,121,815	0.00%
GRF	700-402	Amusement Ride Safety	\$ 316,924	\$ 212,508	\$204,682	\$ 278,767	36.20%	\$ 275,943	-1.01%
GRF	700-403	Dairy Division	\$ 1,659,076	\$ 1,513,088	\$1,451,132	\$ 1,494,597	3.00%	\$ 1,494,153	-0.03%
GRF	700-404	Ohio Proud	\$ 245,461	\$ 239,012	\$237,213	\$ 197,727	-16.65%	\$ 197,229	-0.25%
GRF	700-405	Animal Damage Control	\$ 94,390	\$ 66,351	\$45,802	\$ 94,954	107.31%	\$ 94,954	0.00%
GRF	700-406	Consumer Analytical Lab	\$ 747,682	\$ 875,623	\$771,745	\$ 819,281	6.16%	\$ 872,241	6.46%
GRF	700-407	Food Safety	\$ 1,556,979	\$ 1,320,209	\$1,023,631	\$ 999,042	-2.40%	\$ 999,042	0.00%
GRF	700-409	Farmland Preservation	\$ 207,728	\$ 122,019	\$238,601	\$ 256,993	7.71%	\$ 256,993	0.00%
GRF	700-410	Plant Industry	\$ 1,551,322	\$ 1,556,472	\$1,156,738	\$ 1,109,867	-4.05%	\$ 1,107,677	-0.20%
GRF	700-411	International Trade and Market Develop	\$ 1,111,185	\$ 876,708	\$550,322	\$ 621,049	12.85%	\$ 517,524	-16.67%
GRF	700-412	Weights and Measures	\$ 1,097,178	\$ 932,575	\$886,728	\$ 914,137	3.09%	\$ 909,120	-0.55%
GRF	700-413	Gypsy Moth Prevention	\$ 307,097	\$ 644,377	\$365,347	\$ 546,118	49.48%	\$ 576,299	5.53%
GRF	700-414	Concentrated Animal Feeding Facilities	----	\$ 13,960	\$2,073	\$ 16,521	696.96%	\$ 16,086	-2.63%
GRF	700-415	Poultry Inspection	\$ 311,137	\$ 315,324	\$294,981	\$ 270,645	-8.25%	\$ 267,743	-1.07%
GRF	700-418	Livestock Regulation Program	\$ 582,421	\$ 1,251,096	\$1,300,773	\$ 1,306,911	0.47%	\$ 1,306,911	0.00%
GRF	700-424	Livestock Testing & Inspections	\$ 157,524	\$ 166,050	\$91,332	\$ 123,347	35.05%	\$ 123,347	0.00%
GRF	700-499	Meat Inspection Program - State Share	\$ 4,541,297	\$ 4,468,968	\$4,467,842	\$ 4,651,611	4.11%	\$ 4,696,889	0.97%
GRF	700-501	County Agricultural Societies	\$ 466,842	\$ 431,548	\$390,863	\$ 381,091	-2.50%	\$ 381,091	0.00%
GRF	700-503	Swine & Cattle Breeder Awards	\$ 122,918	\$ 68,921	\$10,283	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 22,402,196</b>	<b>\$ 22,077,175</b>	<b>\$ 20,057,308</b>	<b>\$ 20,942,138</b>	<b>4.41%</b>	<b>\$ 20,986,685</b>	<b>0.21%</b>
382	700-601	Cooperative Contracts	\$ 904,650	\$ 1,654,918	\$1,834,134	\$ 2,400,000	30.85%	\$ 2,500,000	4.17%
3J4	700-607	Indirect Cost	\$ 927,153	\$ 803,980	\$978,495	\$ 938,785	-4.06%	\$ 949,877	1.18%
3R2	700-614	Federal Plant Industry	\$ 1,052,451	\$ 1,473,734	\$1,336,907	\$ 1,400,000	4.72%	\$ 1,425,000	1.79%
336	700-617	Ohio Farm Loan Revolving Fund	\$ 190,263	\$ 159,731	\$176,533	\$ 181,774	2.97%	\$ 181,774	0.00%
326	700-618	Meat Inspection Service- Federal Shar	\$ 4,043,318	\$ 4,317,795	\$4,424,749	\$ 4,876,904	10.22%	\$ 4,951,291	1.53%
3X6	700-639	Federal Grants	----	----	\$496,603	\$ 0	-100.00%	\$ 0	N/A
3X7	700-640	Specialty Crops Support	----	----	\$274,258	\$ 0	-100.00%	\$ 0	N/A
3AB	700-641	Agricultural Easement	----	----	\$1,612,800	----	N/A	----	N/A

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

<i>Line Item Detail by Agency</i>			<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
<b>AGR Agriculture, Department of</b>									
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 7,117,834</b>	<b>\$ 8,410,158</b>	<b>\$ 11,134,479</b>	<b>\$ 9,797,463</b>	<b>-12.01%</b>	<b>\$ 10,007,942</b>	<b>2.15%</b>
4V0	700-602	License Fees	\$ 32,324	---	\$0	\$ 0	N/A	\$ 0	N/A
493	700-603	Fruits and Vegetables	\$ 197,701	\$ 23,987	\$0	\$ 0	N/A	\$ 0	N/A
5L8	700-604	Livestock Management Program	---	---	\$0	\$ 250,000	N/A	\$ 250,000	0.00%
4C9	700-605	Feed, Fertilizer, & Lime Inspection	\$ 836,855	\$ 870,329	\$1,013,741	\$ 986,765	-2.66%	\$ 1,008,541	2.21%
4E4	700-606	Utility Radiological Safety	\$ 96,964	\$ 45,129	\$45,926	\$ 73,059	59.08%	\$ 73,059	0.00%
5H2	700-608	Metrology Lab	\$ 45,559	\$ 70,911	\$67,003	\$ 105,879	58.02%	\$ 108,849	2.81%
4D2	700-609	Auction Education	---	\$ 25,280	\$27,573	\$ 30,476	10.53%	\$ 30,476	0.00%
4P7	700-610	Food Safety Inspection	\$ 280,129	\$ 367,648	\$534,440	\$ 575,797	7.74%	\$ 582,711	1.20%
4T6	700-611	Poultry and Meat Inspection	\$ 42,976	\$ 62,862	\$46,371	\$ 46,162	-0.45%	\$ 47,294	2.45%
494	700-612	Agricultural Commodity Marketing Prog	\$ 170,077	\$ 169,038	\$185,645	\$ 170,077	-8.39%	\$ 170,220	0.08%
4T7	700-613	International Trade and Market Develop	\$ 41,190	\$ 40,037	\$76,112	\$ 41,238	-45.82%	\$ 42,000	1.85%
4V5	700-615	Animal Industry Lab Fees	\$ 368,663	\$ 488,838	\$854,239	\$ 711,944	-16.66%	\$ 711,944	0.00%
578	700-620	Ride Inspection Fees	\$ 415,555	\$ 483,213	\$385,269	\$ 497,000	29.00%	\$ 497,000	0.00%
490	700-623	Agro Ohio Fund	---	---	\$9,823	\$ 0	-100.00%	\$ 0	N/A
5U1	700-624	Auction Recovery Fund	---	---	\$500,000	---	N/A	---	N/A
496	700-626	Ohio Grape Industries	\$ 641,706	\$ 631,843	\$780,188	\$ 1,071,099	37.29%	\$ 1,071,099	0.00%
497	700-627	Commodity Handlers Regulatory Progr	\$ 627,151	\$ 551,228	\$539,209	\$ 664,118	23.17%	\$ 664,118	0.00%
498	700-628	Commodity Indemnity Fund	\$ 470,684	\$ 747,794	\$407,386	\$ 250,000	-38.63%	\$ 250,000	0.00%
5B8	700-629	Auctioneers	---	---	\$237,015	\$ 291,672	23.06%	\$ 365,390	25.27%
579	700-630	Scale Certification	\$ 188,982	\$ 266,779	\$226,965	\$ 168,785	-25.63%	\$ 171,677	1.71%
652	700-634	Laboratory Services	\$ 1,240,002	\$ 1,040,171	\$1,108,654	\$ 1,043,444	-5.88%	\$ 1,074,447	2.97%
669	700-635	Pesticide Program	\$ 1,530,122	\$ 1,604,605	\$1,642,258	\$ 2,243,232	36.59%	\$ 2,243,232	0.00%
4R0	700-636	Ohio Proud Marketing	\$ 70,493	\$ 34,328	\$3,384	\$ 40,300	1,090.90%	\$ 38,300	-4.96%
4R2	700-637	Dairy Inspection Fund	\$ 980,477	\$ 1,149,030	\$1,093,988	\$ 1,157,603	5.81%	\$ 1,184,183	2.30%
5Y7	700-638	Farm Service Electronic Filing	---	---	---	\$ 60,000	N/A	\$ 60,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 8,277,609</b>	<b>\$ 8,673,049</b>	<b>\$ 9,785,189</b>	<b>\$ 10,478,650</b>	<b>7.09%</b>	<b>\$ 10,644,540</b>	<b>1.58%</b>
057	700-632	Clean Ohio Agricultural Easement	---	\$ 39,912	\$93,099	\$ 149,000	60.04%	\$ 149,000	0.00%
<b>Clean Ohio Fund Total</b>			<b>---</b>	<b>\$ 39,912</b>	<b>\$ 93,099</b>	<b>\$ 149,000</b>	<b>60.04%</b>	<b>\$ 149,000</b>	<b>0.00%</b>

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

<i>Line Item Detail by Agency</i>	<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
<b>AGR Agriculture, Department of</b>							
<i>Agriculture, Department of Total</i>	\$ 37,797,639	\$ 39,200,295	\$ 41,070,075	\$ 41,367,251	0.72%	\$ 41,788,167	1.02%