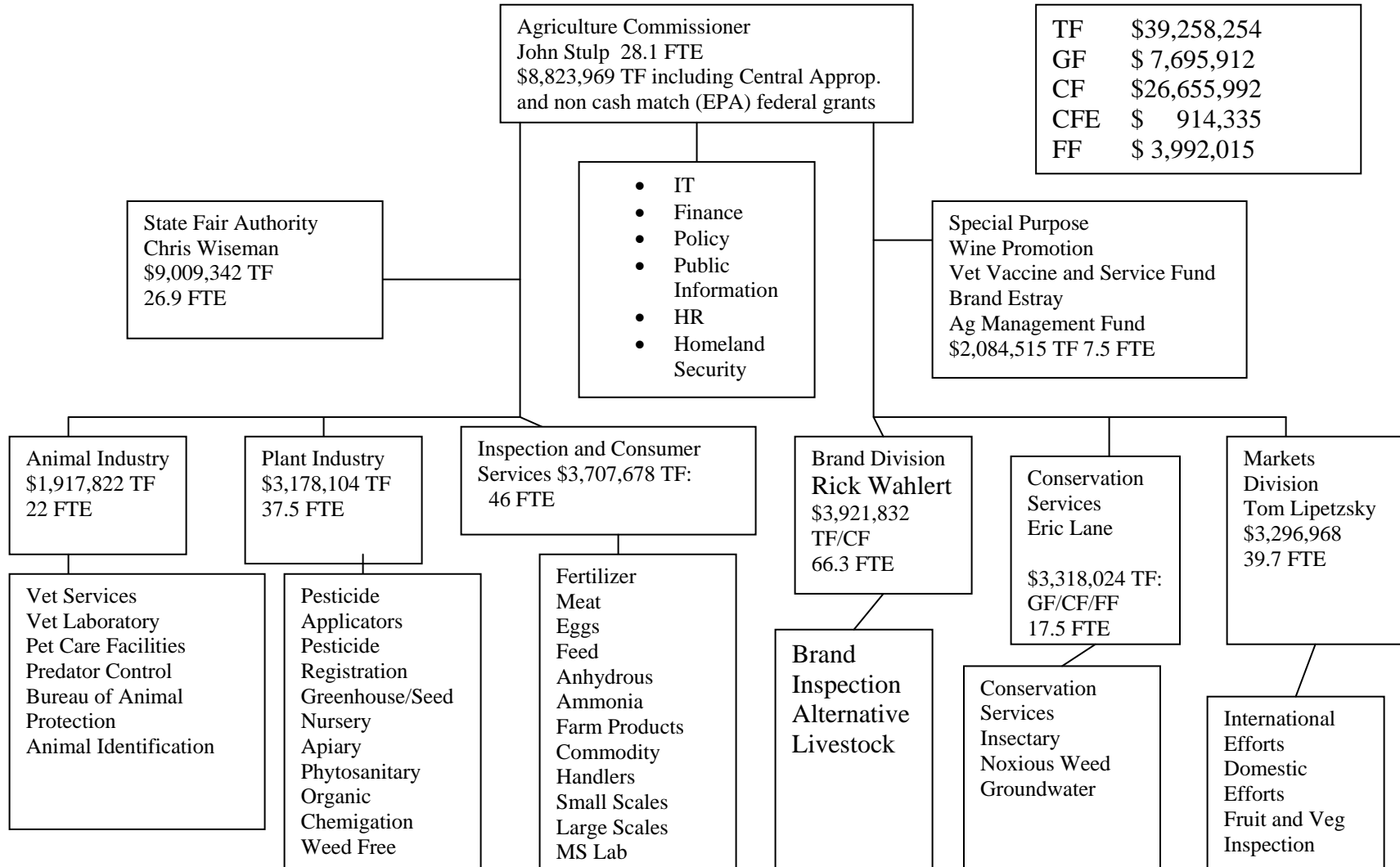


**Department Description
FY 2009-10 Budget Request**

**291.9 FTE and TF 39,258,254 operating budget FY 2008-09
June 2008**



Department Description FY 2009-10 Budget Request

Background Information:

Colorado agriculture contributes \$16 billion to the state's economy each year. Under the direction of Commissioner John Stulp, the department services the industry and the state through the following Divisions:

The **Animal Industry Division** provides livestock disease prevention and control, as well as lab services; rodent and predator control services; pet animal facility inspection and licensing; licenses all of the state's aquaculture facilities and animal cruelty investigations.

The **Brands Division** inspects and verifies ownership on more than 3.8 million livestock; investigates livestock theft; records more than 35,000 livestock brands and licenses livestock sale barns, packing plants and alternative livestock farms.

The **Colorado State Fair** highlights agriculture, crops, livestock, canning, baking, needlework, flowers, art, science, and education. The highlight of the fairgrounds is the 11-day fair but is also open year-around for many activities.

The **Commissioner's Office** oversees all CDA divisions. It includes the Commissioner's staff, Administrative Services, Homeland Security, Human Resources and Information Technology.

The **Conservation Services Division** provides administrative and financial assistance to Colorado's 77 conservation districts. It also coordinates various programs with state and federal agencies on natural resource issues; provides guidance on stream bank erosion and riparian concerns and assists districts on various water and energy programs; noxious weed management, groundwater protection regulation and biological pest control.

The **Inspection & Consumer Services Division** provides inspection of animal feed, fertilizer, anhydrous ammonia tanks, eggs, grain warehouses, agricultural commodity handlers and dealers, custom meat and wild game processors, door to door food sales companies, weighing and measuring devices, and packages for correct weight and pricing. It also provides metrology and other regulatory laboratory services, such as feed, fertilizer, groundwater and pesticide testing.

The **Markets Division** assists Colorado food and agricultural companies to sell their products in local (Colorado Proud), regional, national and international markets. It collects livestock and produce market news from around the state, oversees nine market orders, grades and inspects fruits and vegetables and helps promote Colorado wines through the Colorado Wine Board.

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The **Plant Industry Division** provides organic certification, nursery stock inspection, produce, plant and seed export certificates, seed inspection and certification, weed free forage certification, bee inspection and investigations, chemigation (backflow prevention equipment permits and inspections), commercial & private pesticide applicator testing, licensing and investigations, pesticide product record inspections and label registration

Fund Source	TF	GF	CF	RF	FF
FY 2008-09					
Appropriation	\$ 39,258,254	\$ 7,695,912	\$ 26,655,992	\$ 914,335	\$ 3,992,015

The \$7.7M in GF the department utilizes provides the support to an array of department programs with a general public benefit. Programs funded with GF include: the Animal’s Division, the Market’s Division, various Conservation Services efforts, and various services within the Inspection and Consumer Services Division.

The department utilizes 31 cash funds to accommodate specific regulatory and service efforts. A few of the more significant cash funds include:

- Mandatory Fruit and Vegetable Inspection: \$2M annually;
- Brand Inspection Fund: \$4M annually;
- Inspection and Consumer Services Fund; \$2.6M annually;
- State Fair Fund: \$8M annually;
- Pesticide Fund: \$1.5M annually.

The department, through HB 08-1399, had a new cash fund established to support Commissioner prioritized department efforts. This cash fund is projected to expend roughly \$2M annually in FY 2009-10 and out years.

The department receives numerous project oriented federal grants. With the exception of the department’s responsibilities for pesticide efforts that are partly funded through Environmental Protection Agency grant and the Pesticide Cash Fund, which are on going, most grants are project oriented. The department’s primary source of federal grants is through the United States Department of Agriculture for Animal disease efforts, conservation efforts, consumer protection and marketing efforts.

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The Department of Agriculture has presence throughout Colorado with offices located in 8 counties. The majority of the administrative functions occur in the Denver metropolitan area with field offices and the Insectary located in outlying Colorado counties. The following is a breakdown of the various locations, occupants, use, ownership, and area summary of each:

Occupant/Division	Address	Use	Area Square Feet	Leased/Owned
Comm. Office, Markets, Plants, Conservation	700 Kipling #4000 Lakewood, CO	Offices	13,131	State Owned
Animal Industry	710 Kipling Lakewood, CO	Offices	2,856	Leased
Brand Board	4701 Marion St. Denver, CO	Offices	2,175	Leased
ICS, Animal Lab	2331 W. 31 st St. Denver, CO	Offices, Lab	16,500	State Owned
ICS	3125 Wyandot Denver, CO	Offices, Lab	3,996	State Owned
Animal Industry, Plants	5041 Lafayette Denver, CO	Warehouse, Storage	6,935	State Owned
Insectary	Palisade, CO	Offices, Lab	13,383	State Owned
Fruit and Vegetable	Monte Vista, CO	Offices	1,033	Leased
Fruit and Vegetable	Greeley, CO	Offices	800	Leased
Brand Board	LaJunta, CO	Offices	442	Leased
Brand Board	Brush, CO	Offices	330	Leased
Brand Board	Ft. Collins, CO	Offices	100	Leased
State Fair Authority	Pueblo, CO	Fairgrounds	700,000	State Owned

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Prior Year Legislation

Senate Bill 08-178 “Horse Authority Specialty License Plates” (Isgar/Looper) was supported by the Colorado Horse Council and creates a special license plate honoring the contributions the horse industry makes to the economy and culture of the Centennial State.

SB 08-201 “Livestock Confinement Standards” (Isgar/Curry) phases out over 10 years confining crates for veal calves and pregnant hogs. Supported by both the livestock industry and the animal protection community,

HB 08-1399 “Ag Unclaimed Property Trust Fund”(Isgar/Buescher) directs interest revenue from the Unclaimed Property Fund to agriculture-related needs, including the Colorado State Fair, agri-tourism promotion, fighting invasive weeds, and developing alternative energy from agricultural commodities.

HB 08-1231 “Fertilizer Regulation” (Hodge/Brophy) This bill instills a facility registration requirement for Colorado compost manufacturers. Composting facilities that are permitted by the Colorado Department of Public Health and Environment are exempt by rule of the Commissioner from this registration requirement. The registration fee would be set by the Colorado Agricultural Commission.

CDA estimates that there are approximately 250 compost manufacturing facilities that will be subject to the registration requirement.

This bill also provides a definition of compost that includes “minimum standards specified by rule.” These standards would address compost quality and safety (pathogens and heavy metals) issues.

SB 08-97 “Anhydrous Ammonia Regulations” (Tochtrop/Sonnenberg) This bill updates the state’s Anhydrous Ammonia law to reflect current ammonia storage equipment and to allow the department to take action directly in the event of a safety violation.

HB 08-1236 “Ag Dept Livestock Information Security Act” (Curry/Isgar) This bill creates the Livestock Information Security Act, and requires that the operation details of livestock operations maintained by the department be considered confidential data.

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Hot Issues:

Transportation:

The department will be increasing the amount of attention devoted to monitoring the needs of agriculture and rural communities related to transportation issues. Chief among agriculture's concerns is the need for road improvements. Farm to market roads are of primary concern, however much of the produce moves by truck on the interstate system. The rail system is important in moving bulk commodities into and out of the state. Nearly 80 percent of Colorado's wheat crop moves to the overseas market, requiring a dependable supply of rail cars, which are currently in very short supply. The state's growing ethanol industry relies primarily on corn grown in the Midwest and shipped into the state.

Water:

The lingering potential for long-term drought is taxing Colorado's irrigation supplies. Irrigated agriculture claims 86 percent of the state's consumptive use of both surface and groundwater sources. The department will continue to work with drinking water suppliers, water providers, and state agencies to minimize the negative effects of the dry-up of farms for urban uses.

Farm Labor:

Colorado agriculture is facing serious shortages of seasonal and year-round labor. Colorado's fruit and vegetable industry depends intensely on seasonal, migrant labor, while other segments of the Ag economy, such as dairy, greenhouse, sheep and ranching employers need year-round labor. The department will help employers utilize federal laws that permit the hiring of foreign agricultural workers, as well as work with the Colorado Department of Labor and Employment for domestic labor supplies. These responsibilities were defined in HB 08-1325 (Looper/Tapia).

Renewable energy:

Energy derived from renewable sources will have continuing positive impacts on Colorado agriculture. Demand for ethanol as a fuel additive is skyrocketing bringing much needed improvement in prices for corn and other grains. Development of wind energy brings landowners potential economic opportunities to lease surface space for wind turbines, adding to the farm or ranch income. With wind development comes the attendant need to develop the infrastructure to distribute electricity. New, high voltage power lines will require rights of way and other impacts on landowners in wind development corridors. The department will continue to work with the

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Colorado Energy Office, agricultural groups and private landowners to maximize the opportunities and minimize any possible negative effects.

Information Technology:

The department continues to invest in business delivery systems, utilizing current technology integration. Such integration has included mobile technology solutions in both hardware and software systems, geographical information systems (GIS), data warehousing, and the application of business intelligence tools. In support of the Governor's Office Cyber security initiatives, an Information Assurance Program has been developed, and is being architected to integrate into all business programs found within the Department. This program will further leverage security efforts with data dissemination both internally and externally.

Business Program Integration

The Department has begun a systems integration project, by combing practices found in the Animal Industry, National Animal Identification System, Brand Inspection Board, and the Rocky Mountain Regional Animal Health Laboratory. Other disciplines include the Information Assurance Program, GIS, Homeland Security, and mobile technology solutions. A goal with this integration project is to provide all-hazard responses which arise within our \$5.3B livestock industry.

Bovine Spongiform Encephalopathy:

BSE is a progressive neurological disease found in cattle that are typically over 30 months of age. The disease causes holes in brains of cattle and is always fatal. Eating BSE contaminated neural tissue, such as brain and spinal cord, can cause variant Creutzfeldt - Jakob disease in humans.

U.S. Secretary of Agriculture announced on December 23, 2003 a presumptive discovery of bovine spongiform encephalopathy, otherwise known as Mad Cow Disease, in a Washington State dairy cow, which was eventually confirmed. CDA has worked extensively with Colorado State University extension agency, brand inspectors, county sheriffs, and private sector veterinarians over the years to develop and enhance procedures used in response to contagious animal diseases.

All U.S. cattle are inspected by a USDA inspector or veterinarian prior to processing. Animals showing any signs of neurological disorder are tested for BSE, as are all cattle fitting other criteria in a specified profile.

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While these cases are unfortunate, systems have been built over the past fifteen years to prevent BSE from spreading and affecting either animal health or public health. The U.S. banned imports of cattle and bovine products from countries with BSE beginning in 1989.

It is also important to note that the only known way BSE spreads is through contaminated feed. A ruminant feed plan has been in place since 1997. According to a Harvard Center for Risk Analysis study, "...measures taken by the U.S. government and industry make the U.S. robust against the spread of BSE to animals or humans should it be introduced to this country." In direct support of BSE efforts, SB 07-207 provides the authority for the department to work with the industry to conduct on-farm feed inspections to help better ensure appropriate feed handling on feed for animals raised for human consumption.

To accommodate the threat from infectious diseases such as BSE or Foot and Mouth, the Department of Agriculture continues to collect information related to its regulatory programs. With this effort, comes an increased need to secure, protect, ensure, and deliver information services and technologies, related to the agricultural industry. Therefore, the Department is developing an Information Assurance Program to communicate its efforts towards providing information security, privacy, confidentiality, and data release.

An underlying feature specific to all Division components includes that of information technology. An enterprise IT system should exist which provides for the collection, analysis, and reporting to meet a variety of needs in supporting the Division. This system would integrate the disparate information resources which now exist, share this information department-wide, and upon approval, deliver information to the key stakeholders of the Agency. Moreover, effective analysis could be conducted in a "just-in-time" environment needed to support the dynamics within the Division.

Workload Indicators:

Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
State Vets Office	Number of Grade A Dairies	150	159	160	160
State Vets Office	Colo. Livestock Exported	2,425,000	2,005,299	2,200,000	2,200,000
State Vets Office	Cattle Inspected at Market	650,000	605,147	650,000	650,000
State Vets Office	Sheep Inspected at Market	93,711	88,551	90,000	90,000
State Vets Office	Swine Inspected at Market	12,474	10,846	12,000	12,000
State Vets Office	Horses Inspected at Market	8,828	7,496	8,000	8,000
State Vets Office	No. of Rendering Plants	26	22	22	22
State Vets Office	Lab Samples Received	128,446	126,182	125,000	125,000

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
State Vets Office	Lab Tests Performed	155,035	149,359	150,000	150,000
State Vets Office	Lab Packages Shipped	1,317	1,182	1,300	1,300
State Vets Office	Number of investigations of neglect, mistreatment or abandonment	9,100	11,571	11,600	11,600
Brands	Head of livestock inspected (paid inspections, in-inspections, fee waiver inspections, alternative livestock) (June-May inspections-fees deposited July-June)	4,460,966	4,312,131	4,300,000	4,300,000
Brands	Horse permits issued	5,785	5,956	5,900	5,900
Brands	Lost or stolen (number of head)	272	411	175	175
Brands	# of animals returned to proper owner	80,419	70,506	75,000	75,000
Brands	Public livestock market licenses issued	39	42	40	40
Brands	Alternative livestock licenses issued	90	80	80	80
Brands	Butcher/slaughter facility licenses issued	59	63	60	60
Brands	Total brands recorded	37,089	37,314	38,000	36,500
Brands	New brands issued/New Brand Applications Received	572	551	400	400
Brands	Brands transferred	1,108	1,209	600	500
Conservation Services	% of all populations of List A species that meet annual elimination standards	64%	66%	100%	100%

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
Conservation Services	% of List B species with developed statewide noxious weed management plans adopted as rule	25%	41%	40%	55%
Conservation Services	% of available biological control agents released in areas designated for containment and suppression in completed state noxious weed management plans	80%	85%	95%	95%
Conservation Services	% of all pesticide/fertilizer containment and loading facilities inspected once every three years	18%	20%	45%	35%
Conservation Services	% of Conservation Districts meeting or exceeding statutory requirements within established timeframes	75%	84%	100%	100%
Conservation Services	% of Conservation Districts active and responsive in at least 2 local conservation partnerships that meet identified concerns from locally derived long range programs	60%	88%	100%	100%
Conservation Services	Tons of salt saved through the Basin States Salinity Control Program	N/A	15,745	17,250	17,250
Conservation Services	Groundwater Samples Taken	350	736	350	350
Conservation Services	Analytical Determinations	4,489	24,862	24,000	24,000
Conservation Services	Inspections Performed	102	123	150	149
Conservation Services	Number of Pesticide Exceedences	0	0	0	0
Conservation Services	Number of Facilities in Compliance	93%	100%	> 92%	> 95%

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
ICS	Number of warehouses licensed	42	38	39	39
ICS	Number of commodity handlers licensed	234	206	250	250
ICS	Number of grain warehouse exams	30*	39	42	42
ICS	Number of Farm Products dealers licensed	556	492	500	500
ICS	Anhydrous Ammonia Tanks Inspected	1,333*	1,773	1,700	1,700
ICS	Egg Inspections	2,838	2,027	2,000	2,000
ICS	Doz. Inspected	210,939	198,219	220,000	220,000
ICS	Meat inspections	264	256	250	250
ICS	Feed samples analyzed	1,047	940	1,100	1,100
ICS	Feed determinations	4,432	4,431	4,500	4,800
ICS	Fertilizer samples analyzed	409	415	450	475
ICS	Fertilizer determinations	1,504	1,300	1,500	1,550
ICS	Pesticide residue/formulation samples analyzed	116	223	240	250
ICS	Pesticide determinations	254	363	400	400
ICS	Groundwater samples analyzed	266	600	650	675
ICS	Groundwater determinations	4,489	24,862	67,600	70,200
ICS	PDP (water) samples analyzed	720	856	1,430	1,450
ICS	PDP (pesticides) determinations	45,840	66,840	21,450	21,750
ICS	MDP (produce) samples analyzed	488	565	600	650
ICS	MDP (bacteria) determinations	1,406	2,924	3,000	3,100
ICS	Mass Standards Tested	1552*	4,751*	6,000	6,000
ICS	Other Standards Tested	64*	44*	250	250
ICS	Tuning Forks Tested	2,466	4,071	2,300	2,300
ICS	Laser Speed Guns Tested	427	526	350	350
ICS	Small Devices Tested	18,923	16,345	18,000	18,000
ICS	Large Devices Tested	3,416	3,641	4,000	4,000

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
ICS	Grain Moisture Meters Tested	168	150	200	200
ICS	Packaged Items Tested	34,691	25,484	35,000	35,000
ICS	Scanned Items Tested	47,169	44,369	50,000	50,000
Markets	# of Companies participating in Colorado Proud	774	971	1,100	1,175
Markets	Amount of market order assessments (\$1,000's) under fiduciary oversight as prescribed in CRS 35-28.	2,250	3,425	3,475	3,500
Markets	Number of companies participating in export development programs	399	416	450	470
Markets	Number of new grant projects initiated in accordance with Colorado Revised Statutes and Federal Regulations	18	19	32	36
Fruit and Veg	Potato Inspections (CWT)	17,011,752	14,259,797	17,500,000	17,500,000
Fruit and Veg	Other fruit & vegetable (CWT)	2,132,439	3,258,067	2,500,000	2,500,000
Fruit and Veg	Number of certificates	26,275	25,000	27,500	27,500
Plants/Apiary	Inspections Performed	1	1	1	1
Plants/Apiary	Colonies Inspected	3	3	10	10
Plants/Apiary	Import Permits Issued	1	1	1	1
Plants/Apiary	Bee Diseases Found	0	0	0	0
Plants/Chemigation	Number of permits issued	3,955	3,982	3,800	3,800
Plants/Chemigation	Number of inspections	1,842	1,468	1,900	1,900
Plants/Chemigation	Number of work repair orders issued Number of cease and desist orders issued	177	157	100	100

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
Plants/Chemigation	Number of systems properly installed and maintained	1,665	1,311	1,800	1,800
Plants/Nursery	Number of Nursery Registrations issued (includes landscape contractors).	1,736	1,698	1,775	1,775
Plants/Nursery	Number of Inspections Performed	861	861	900	900
Plants/Nursery	Volume of Nursery Stock Inspected	690,456	647,477	650,000	650,000
Plants/Nursery	Number of Stop-Sales issued	20,103	9,075	12,000	12,000
Plants/Nursery	Percentage of Stop-Sales.	2.9	1.4	2	2
Plants/Nursery	Number of Complaints received and resolved.	2 of 2	0	2 of 2	2 of 2
Plants/Organic	Number of Licenses	160	185	195	205
Plants/Organic	Number of Inspections	160	155	195	205
Plants/Organic	Number of Residue Samples	3	2	10	10
Plants/Organic	Number of Legal Actions	2	1	1	1
Plants/Phyto	Field Inspected	65	60	50	50
Plants/Phyto	Acres Inspected	1,171	984	1,200	1,200
Plants/Phyto	Storage Inspections	93	88	150	150
Plants/Phyto	Export Phytosanitary Certificates Issued	3,286	3,324	2,200	2,200
Plants/Seed:Greenhouse	Seed Registrations	1,098	1,096	1,050	1,050
Plants/Seed:Greenhouse	Seed Inspections	750	602	750	750
Plants/Seed:Greenhouse	Seed Samples	301	302	370	370
Plants/Seed:Greenhouse	Number of lbs. of seed sampled	1,608,799	1,844,389	3,500,000	3,500,000
Plants/Seed:Greenhouse	Number of sampled Seed Cease and Desist orders	41	35	41	41

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
Plants/Seed:Greenhouse	Number of lbs. of sampled seed under Cease and Desist Order	276,048	160,210	390,000	390,000
Plants/Seed:Greenhouse	Percent of Sampled Seed under Cease and Desist Order	17.25%	8.70%	8.80%	8.80%
Plants/Seed:Greenhouse	Total Seed Cease and Desist Orders	274	258	480	480
Plants/Seed:Greenhouse	Greenhouse Inspections	91	84	90	90
Plants/Seed:Greenhouse	Quarantines	3	3	3	3
Plants/Seed:Greenhouse	Quarantine Enforcement Actions	3	2	1	1
Plants/Weed Free	Number of Fields Inspected	576	613	600	600
Plants/Weed Free	Number of Acres Inspected	33,835	37,338	35,000	35,000
Plants/Pesticide Registration	New Applications for registration	1,460	1,459	1,400	1,400
Plants/Pesticide Registration	Products Renewed	9,330	9,982	9,000	9,000
Plants/Pesticide Registration	Total Products processed	10,790	11,441	10,400	10,400
Plants/Pesticide Registration	Pesticide retail/wholesale inspections	733	402	970	980
Plants/Pesticide Registration	Total number of pesticide product Cease and Desist Orders (CDO's) Issued	271	236	400	400
Plants/Pesticide Registration	Issued CDO's for unregistered pesticide products	195	177	200	200
Plants/Pesticide Registration	Registration applications resulting from CDO for "unregistered pesticide"	40	16	40	40
Plants/Pesticide Registration	New 24C requests approved	1/6/1900	4	5	5

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
Plants/Pesticide Registration	Section 18 petitions submitted to EPA	9	3	9	9
Plants/Pesticide Registration	Section 18 permits issued to users	50	9	50	50
Plants/Pesticide Registration	Section 18 permit fees inspected	34	24	25	25
Plants/Pesticide Registration	# of Restricted Use Pesticide dealers licensed	275	278	270	270
Plants/Pesticide Registration	RUP dealer records inspections	71	127	40	40
Plants/Pesticide Public Applicators	Applicators Examined	1279	2,794	1980	1990
Plants/Pesticide Public Applicators	Category Exams	3,709	5,392	4,400	4,410
Plants/Pesticide Public Applicators	Inspections/Contacts	1108	1,647	1000	1000
Plants/Pesticide Public Applicators	Pesticide Sensitive Registered	85	105	85	87
Plants/Pesticide Public Applicators	Cease and Desist Orders Issued	12	16	20	20
Plants/Pesticide Public Applicators	Violations Issued	64	52	65	65
Plants/Pesticide Public Applicators	Complaint Investigations	43	52	140	140
Plants/Pesticide Public Applicators	Commercial Applicators Licensed	1386	917	1400	1425
Plants/Pesticide Public Applicators	Limited Commercial Applicators Registered	53	27	60	65
Plants/Pesticide Public Applicators	Public Applicators Registered	178	90	180	185
Plants/Pesticide Public Applicators	Total Businesses/Agencies Licensed	1,036	1,034	1,050	1,050

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Division	Measure	FY 07 Actual	FY 08 Actual	FY 09 Est	FY 10 Est
Plants/Pesticide Public Applicators	Qualified Supervisors Licensed	2,338	2,388	2,350	2,375
Plants/Pesticide Public Applicators	Certified Operators Licensed	1,081	1,352	1,110	1,110
Plants/Pesticide Public Applicators	Private Applicators Licensed	11,394	9,388	10,500	9500
Plants/Pesticide Public Applicators	Total Individuals Licensed	14,813	12,918	13,950	12,985