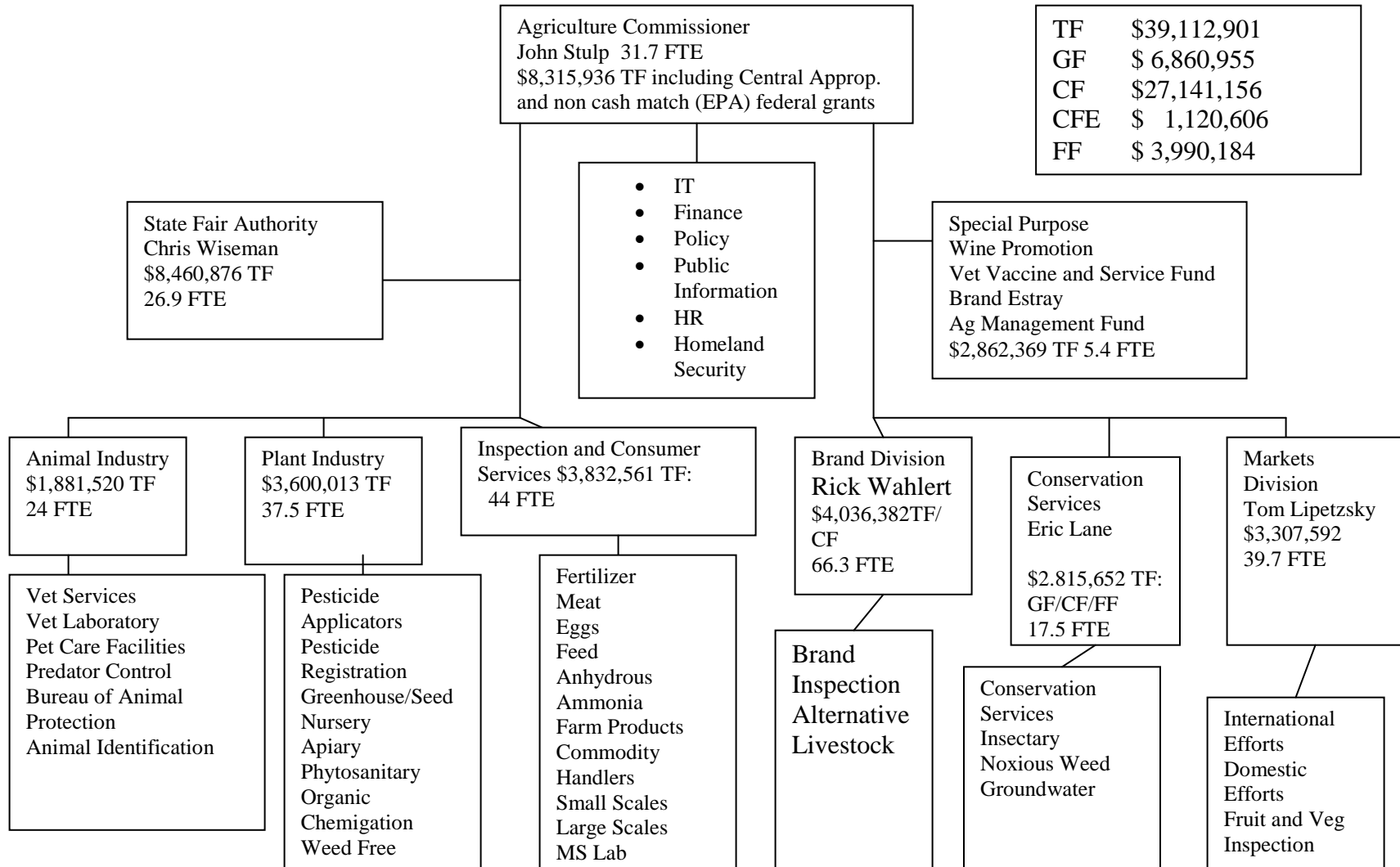


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**293 FTE and TF 39,112,901 operating budget FY 2009-10  
June 2009**



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#### **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 and alternative livestock farms.

The **Colorado State Fair** highlights and provides a showcase for the Colorado agriculture industry through the annual 11 day fair. Colorado youth enrolled in the 4-H and FFA programs are highlighted and recognized for their efforts in livestock, crops, and general project areas such as rocketry, leather crafts and leadership training. In addition to the strong youth education the State Fair provides for competition in a number of general entry categories such as commercial livestock, art, baking, canning, flowers and needlework. The State Fair accommodates a year round schedule for a variety of exhibitions and commercial activities with the private sector and local educational institutions.

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 76 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** helps to develop and expand marketing, trade and new business opportunities supporting the growth of Colorado's agriculture industry. Through new initiatives like Colorado Market Maker, the Division assists in connecting the state's Department of Agriculture

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agricultural and food suppliers with buyers around the globe. It also administers grant programs aimed at helping Colorado's agriculture industry to participate in the development of Colorado's new energy economy, promote Colorado's specialty crops, and conduct feasibility studies and marketing projects.

The Division also oversees nine market order programs, reports livestock market news, provides size and grade inspection for fruits and vegetables, helps promote Colorado wines through the Colorado Wine Industry Development Board and promotes local products through the Colorado Proud program.

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 2009-10					
Appropriation	\$ 39,112,901	\$ 6,860,955	\$ 27,141,156	\$1,120,606	\$ 3,990,184

The \$6.9M 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 20 cash funds to accommodate specific regulatory and service efforts. A few of the more significant cash funds include:

- Agricultural Products Inspection Fund: \$2M annually;
- Brand Inspection Fund: \$4M annually;
- Inspection and Consumer Services Fund; \$2.8M annually;
- State Fair Fund: \$8M annually;
- Agriculture Management Fund: \$2.1M annually;
- Plant Health, Pest Control and Environmental Protection Fund: \$3.6 annually.

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The department, through HB 08-1399, had a new cash fund established to support Commissioner prioritized department efforts. The Agriculture Management Fund is projected to expend roughly \$2.1M 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 (now within Plant Health, Pest Control, and Environment Protection 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.

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:

<b>Occupant/Division</b>	<b>Address</b>	<b>Use</b>	<b>Area Square Feet</b>	<b>Leased/Owned</b>
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 <sup>st</sup> 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

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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

**Prior Year Legislation**

HB 09-1249 “Consolidation of Certain Cash Funds (Pommer/White) this bill collapses 10 independent cash funds into one new fund, “Plant Health, Pest Control, and Environmental Protection Fund” and combined two existing agriculture product funds into one fund, “Agricultural Products Inspection Fund”.

SB 09-154 “Funding Personnel for the Livestock Health Act” (Hodge/Curry) allows the Veterinary Vaccine and Service Fund to pay personal service costs associated with 1.0 FTE.

SB 09-151 “Regulation of Slaughterers of Livestock”(Isgar/Curry) eliminates the requirement for the Brand Board to license slaughterer’s of livestock, while maintaining the brand inspection requirement of this act to ensure livestock being slaughtered are being done so by the rightful owners.

SB 09-118 “Pet Animal Care Facility Regulation” (Gibbs/Fischer) continues the authority of the department to regulate Pet Animal Care Facilities and provides an additional FTE to the program and associated costs.

SB 09-124 “Funding for Agriculture Energy Related Projects” (Isgar/Roberts) continues funding to promote energy-related projects beneficial to Colorado's agriculture industry through FY 2011-12 through the allocation of severance tax dollars to the department for this use.

**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

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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 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

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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 combining 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.

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

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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, confidentially, 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:**

<b>Division</b>	<b>Measure</b>	<b>FY 08 Actual</b>	<b>FY 09 Actual</b>	<b>FY 10 Est</b>	<b>FY 11 Est</b>
State Vets Office	Number of Grade A Dairies	159	139	120	125
State Vets Office	Colo. Livestock Exported	2,005,299	2,456,001	2,750,000	3,000,000
State Vets Office	Cattle Inspected at Market	605,147	569,024	550,000	575,000
State Vets Office	Sheep Inspected at Market	88,551	96,174	98,000	99,000
State Vets Office	Swine Inspected at Market	10,846	10,880	10,800	12,000
State Vets Office	Horses Inspected at Market	7,496	7,418	7,500	7,200
State Vets Office	No. of Rendering Plants	22	21	21	20
State Vets Office	Lab Samples Received	126,182	116,070	110,000	105,000
State Vets Office	Lab Tests Performed	149,359	143,758	140,000	135,000
State Vets Office	Lab Packages Shipped	1,182	1,230	1,300	1,350
State Vets Office	Number of investigations of neglect, mistreatment or abandonment	11,571	9,400	9,400	10,500
Brands	Head of livestock inspected (paid inspections, in-inspections, fee waiver inspections, alternative	4,312,131	4,183,804	4,200,000	4,200,000



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	livestock) (June-May inspections-fees deposited July-June)				
Brands	Horse permits issued	5,956	5,253	5,200	5,200
Brands	Lost or stolen (number of head)	411	527	175	175
Brands	# of animals returned to proper owner	70,506	80,902	75,000	75,000
Brands	Public livestock market licenses issued	42	34	34	34
Brands	Alternative livestock licenses issued	80	84	80	80
Brands	Butcher/slaughter facility licenses issued	63	64	NA	NA
Brands	Total brands recorded	37,314	37,963	38,000	36,500
Brands	New brands issued/New Brand Applications Received	551	513	400	400
Brands	Brands transferred	1,209	551	450	300
Conservation Services	% of all populations of List A species that meet annual elimination standards	66%	70%	100%	100%
Conservation Services	% of List B species with developed statewide noxious weed management plans adopted as rule	41%	51%	55%	55%
Conservation Services	% of available biological control agents released in areas designated for containment and suppression in completed state noxious weed management plans	85%	95%	95%	95%
Conservation Services	% of all pesticide/fertilizer containment and loading facilities inspected once every three years	20%	40%	30%	30%

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Conservation Services	% of Conservation Districts meeting or exceeding statutory requirements within established timeframes	84%	97%	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	88%	90%	100%	100%
Conservation Services	Tons of salt saved through the Basin States Salinity Control Program	15,745		17,250	17,250
Conservation Services	Groundwater Samples Taken	736	825	350	350
Conservation Services	Analytical Determinations	24,862	23,779	24,000	24,000
Conservation Services	Inspections Performed	123	167	150	149
Conservation Services	Number of Pesticide Exceedences	0	0	0	0
Conservation Services	Number of Facilities in Compliance	100%	100%	> 92%	> 95%
ICS	Number of warehouses licensed	38	39	39	39
ICS	Number of commodity handlers licensed	206	226	250	250
ICS	Number of grain warehouse exams	39	43	42	42
ICS	Number of Farm Products dealers licensed	492	559	500	500
ICS	Anhydrous Ammonia Tanks Inspected	1,773	1,404	1,700	1,700
ICS	Egg Inspections	2,027	1,838	2,000	2,000
ICS	Doz. Inspected	198,219	261,959	220,000	220,000
ICS	Meat inspections	256	244	250	250
ICS	Feed samples analyzed	951	955	1,000	1,100
ICS	Feed determinations	4,329	5,054	5,100	5,200
ICS	Fertilizer samples analyzed	441	398	475	490

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ICS	Fertilizer determinations	1,333	1,433	1,550	1,600
ICS	Pesticide residue/formulation samples analyzed	233	271	275	280
ICS	Pesticide determinations	356	438	450	460
ICS	Groundwater samples analyzed	768	612	350	375
ICS*	Groundwater determinations	23,760	27,874	1,750*	39,000
ICS	PDP (water) samples analyzed	677	1,328	1,450	1,500
ICS	PDP (pesticides) determinations	31,161	21,344	21,750	23,000
ICS	MDP (produce) samples analyzed	1,250	1,404	1,584	1,600
ICS	MDP (bacteria) determinations	5,298	4,207	4,464	4,500
ICS	Mass Standards Tested	4,570	6,540	6,800	7,000
ICS**	Other Standards Tested	48*	200	250	250
ICS	Tuning Forks Tested	2,560	2,575	2,400	2,400
ICS	Laser Speed Guns Tested	494	515	550	550
ICS***	Small Devices Tested	16,345	21,634	23,000	23,000
ICS	Large Devices Tested	3,641	3,989	4,000	4,000
ICS	Grain Moisture Meters Tested	150	215	200	200
ICS***	Packaged Items Tested	25,484	30,267	30,000	30,000
ICS***	Scanned Items Tested	44,369	86,358	65,000	65,000
Fruit and Veg	Potato inspections (CWT)	14,259,797	16,670,718	17,500,000	17,500,000
Fruit and Veg	Other fruit & vegetable inspections (CWT)	3,258,067	1,279,523	2,500,000	2,500,000
Fruit and Veg	Number of inspection certificates issued	25,000	22,675	27,500	27,500
Markets	# of companies licensed to participate in the Colorado Proud program	971	1,134	1,225	1,325
Markets	Number of market order programs under administrative oversight as prescribed in CRS 35-28.	9	9	9	9

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Markets	Number of companies participating in export development programs	355	365	380	400
Markets	Number of active grant contracts requiring oversight and management	28	59	70	60
Plants/Apiary	Inspections Performed	1	1	1	1
Plants/Apiary	Colonies Inspected	3	6	10	10
Plants/Apiary	Import Permits Issued	1	0	1	1
Plants/Apiary	Bee Diseases Found	0	0	0	0
Plants/Chemigation	Number of permits issued	3,982	4,059	3,800	3,800
Plants/Chemigation	Number of inspections	1,468	2,076	1,900	1,900
Plants/Chemigation	Number of work repair orders issued Number of cease and desist orders issued	157	195	175	175
Plants/Chemigation	Number of systems properly installed and maintained	1,311	1,881	1,800	1,800
Plants/Nursery	Number of Nursery Registrations issued (includes landscape contractors).	1,698	1,597	1,775	1,775
Plants/Nursery	Number of Inspections Performed	861	525	700	700
Plants/Nursery	Volume of Nursery Stock Inspected	647,477	790,244	650,000	650,000
Plants/Nursery	Number of Stop-Sales issued	9,075	9,486	10,000	10,000
Plants/Nursery	Percentage of Stop-Sales.	1.4	1.2	2	2
Plants/Nursery	Number of Complaints received and resolved.	0	1	2 of 2	2 of 2
Plants/Organic	Number of Licenses	185	201	215	225
Plants/Organic	Number of Inspections	155	201	215	225
Plants/Organic	Number of Residue Samples	2	0	5	5
Plants/Organic	Number of Legal Actions	1	0	1	1
Plants/Phyto	Field Inspected	60	103	100	100
Plants/Phyto	Acres Inspected	984	1,871	1,800	1,800
Plants/Phyto	Storage Inspections	88	115	120	120

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Plants/Phyto	Export Phytosanitary Certificates Issued	3,324	3,112	3,200	3,200
Plants/Seed:Greenhouse	Seed Registrations	1,096	1,109	1,050	1,050
Plants/Seed:Greenhouse	Seed Inspections	602	344	700	700
Plants/Seed:Greenhouse	Seed Samples	302	301	350	350
Plants/Seed:Greenhouse	Number of lbs. of seed sampled	1,844,389	1,819,885	2,000,000	2,000,000
Plants/Seed:Greenhouse	Number of sampled Seed Cease and Desist orders	35	28	41	41
Plants/Seed:Greenhouse	Number of lbs. of sampled seed under Cease and Desist Order	160,210	245,781	225,000	225,000
Plants/Seed:Greenhouse	Percent of Sampled Seed under Cease and Desist Order	8.70%	13.50%	8.80%	8.80%
Plants/Seed:Greenhouse	Total Seed Cease and Desist Orders	258	211	300	300
Plants/Seed:Greenhouse	Greenhouse Inspections	84	101	90	90
Plants/Seed:Greenhouse	Quarantines	3	3	3	3
Plants/Seed:Greenhouse	Quarantine Enforcement Actions	2	3	1	1
Plants/Weed Free	Number of Fields Inspected	613	636	600	600
Plants/Weed Free	Number of Acres Inspected	37,338	31,732	35,000	35,000
Plants/Pesticide Registration	New Applications for registration	1,459	1,282	1,400	1,400
Plants/Pesticide Registration	Products Renewed	9,982	10,447	9,000	9,000
Plants/Pesticide Registration	Total Products processed	11,441	11,729	10,400	10,400
Plants/Pesticide Registration	Pesticide retail/wholesale inspections	402	295	600	600
Plants/Pesticide Registration	Total number of pesticide product Cease and Desist Orders (CDO's) Issued	236	279	400	400
Plants/Pesticide Registration	Issued CDO's for unregistered pesticide products	177	191	200	200

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Plants/Pesticide Registration	Registration applications resulting from CDO for "unregistered pesticide"	16	20	40	40
Plants/Pesticide Registration	New 24C requests approved	4	6	5	5
Plants/Pesticide Registration	Section 18 petitions submitted to EPA	3	5	5	5
Plants/Pesticide Registration	Section 18 permits issued to users	9	22	50	50
Plants/Pesticide Registration	Section 18 permittees inspected	24	9	25	25
Plants/Pesticide Registration	# of Restricted Use Pesticide dealers licensed	278	285	270	270
Plants/Pesticide Registration	RUP dealer records inspections	127	141	40	40
Plants/Pesticide Public Applicators	Applicators Examined	2,794	1,840	1980	1990
Plants/Pesticide Public Applicators	Category Exams	5,392	4,356	4,400	4,410
Plants/Pesticide Public Applicators	Inspections/Contacts	1,647	1,037	1000	1000
Plants/Pesticide Public Applicators	Pesticide Sensitive Registered	105	103	85	87
Plants/Pesticide Public Applicators	Cease and Desist Orders Issued	16	20	20	20
Plants/Pesticide Public Applicators	Violations Issued	52	67	65	65
Plants/Pesticide Public Applicators	Complaint Investigations	52	49	140	140
Plants/Pesticide Public Applicators	Commercial Applicators Licensed	917	932	1000	1000
Plants/Pesticide Public Applicators	Limited Commercial Applicators Registered	27	27	30	30
Plants/Pesticide Public Applicators	Public Applicators Registered	90	90	100	100

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Plants/Pesticide Public Applicators	Total Businesses/Agencies Licensed	1,034	1,049	1,130	1,130
Plants/Pesticide Public Applicators	Qualified Supervisors Licensed	2,388	2,396	2,350	2,375
Plants/Pesticide Public Applicators	Certified Operators Licensed	1,352	1,367	1,370	1,380
Plants/Pesticide Public Applicators	Private Applicators Licensed	9,388	7,865	7,500	7500
Plants/Pesticide Public Applicators	Total Individuals Licensed	12,918	11,628	11,220	11,255

\*Pesticides analyses to be subcontracted due to BCL instrument problems

\*\* Metrology Lab closed FY07 & part of FY 08 for controlled maintenance

\*\*\*Recommend estimate change

\*\*\*Recommend estimate change (increased focus on uninspected devices)

\*\*\*Recommend estimate change (decrease from FY09 to increase focus on uninspected devices)