



Department of Agriculture  
Department Description

NOVEMBER 1, 2011

# Colorado Department of Agriculture

## Department Description

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Colorado's agriculture industry contributes significantly to the state's overall economy, creates employment for more than 170,000 Coloradans, and generates an estimated \$40 billion in economic activity annually, per a recent economic study of Colorado's agricultural industry performed by Colorado State University (2011). The Colorado Department of Agriculture supports the industry and all of Colorado's citizens through a wide range of regulatory and service related activities that are delivered through the Office of the Commissioner and CDA's seven operating divisions.

The **Commissioner's Office** oversees all CDA operations and provides leadership necessary to development of strategic direction and serves as the primary point of contact for all fiscal and policy issues. The Commissioner's Office includes the backbone services supporting CDA's business operations, including: a) accounting; b) budget development; c) human resources; and d) purchasing and contracting. The Commissioner's Office also develops and implements Homeland Security measures pertaining to agricultural issues and coordinates with the Office of Information Technology for the delivery of computer and network services.

The **Animal Industry Division** provides livestock disease prevention and control, as well as laboratory services through the Rocky Mountain Regional Animal Health Laboratory (RMRAHL); rodent and predator control services; pet animal care facility inspection and licensing; licenses aquaculture facilities; and conducts animal cruelty investigations.

The **Brands Division** inspects and verifies ownership of approximately 4 million head of livestock; investigates livestock theft; records more than 34,000 livestock brands; and licenses livestock sale barns, processing plants, and alternative livestock farms.

The **Colorado State Fair** highlights and provides a showcase for the Colorado agriculture industry through the annual 11 day event. Colorado youth enrolled in the 4-H and FFA programs are highlighted and recognized for their efforts in the livestock, crops, and general project areas such as leather crafts and leadership. 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 **Conservation Services Division** comprises four programs: the Agricultural Chemicals and Groundwater Protection Program, Biological Pest Control Program, Colorado State Conservation Board, the Noxious Weed Management Program. Together, they provide technical and financial support, leadership and statewide coordination, and regulatory oversight to public and private landowners statewide on an array of natural resource management challenges.

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The **Inspection & Consumer Services (ICS) 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. ICS also provides metrology and other regulatory-related laboratory services such as feed, fertilizer, groundwater, and pesticide analysis.

The **Markets Division** assists Colorado food and agricultural suppliers to increase product marketing opportunities worldwide, as well as to foster the development of value-added and processing business ventures. The Markets Division also collects and disseminates livestock market news, provides size and grade inspection services to fruit and vegetable growers and shippers, provides administrative oversight for nine market order programs, helps promote Colorado wines through the Colorado Wine Industry Development Board, and helps foster the development of agricultural-based renewable energy projects through administration of the Advancing Colorado Renewable Energy (ACRE) program.

The **Plant Industry Division** provides organic certification; nursery stock inspection; produce, plant, and seed export certification; seed inspection and certification; weed free forage certification; bee inspection and investigations; chemigation permitting and inspections; commercial and private pesticide applicator testing, licensing, and investigations; and pesticide product record inspections and label registration.

### Prior Year Special Legislation

**PERA Contribution Rates (SB 11-076):** This bill changes contribution levels to the Public Employees' Retirement Association (PERA), temporarily shifting 2.50% of the total contribution from employers to employees, in FY 2011-12 only. Department employees will contribute 10.50% of their salary to fund retirement costs; the State's will contribution an amount equal to 7.65%.

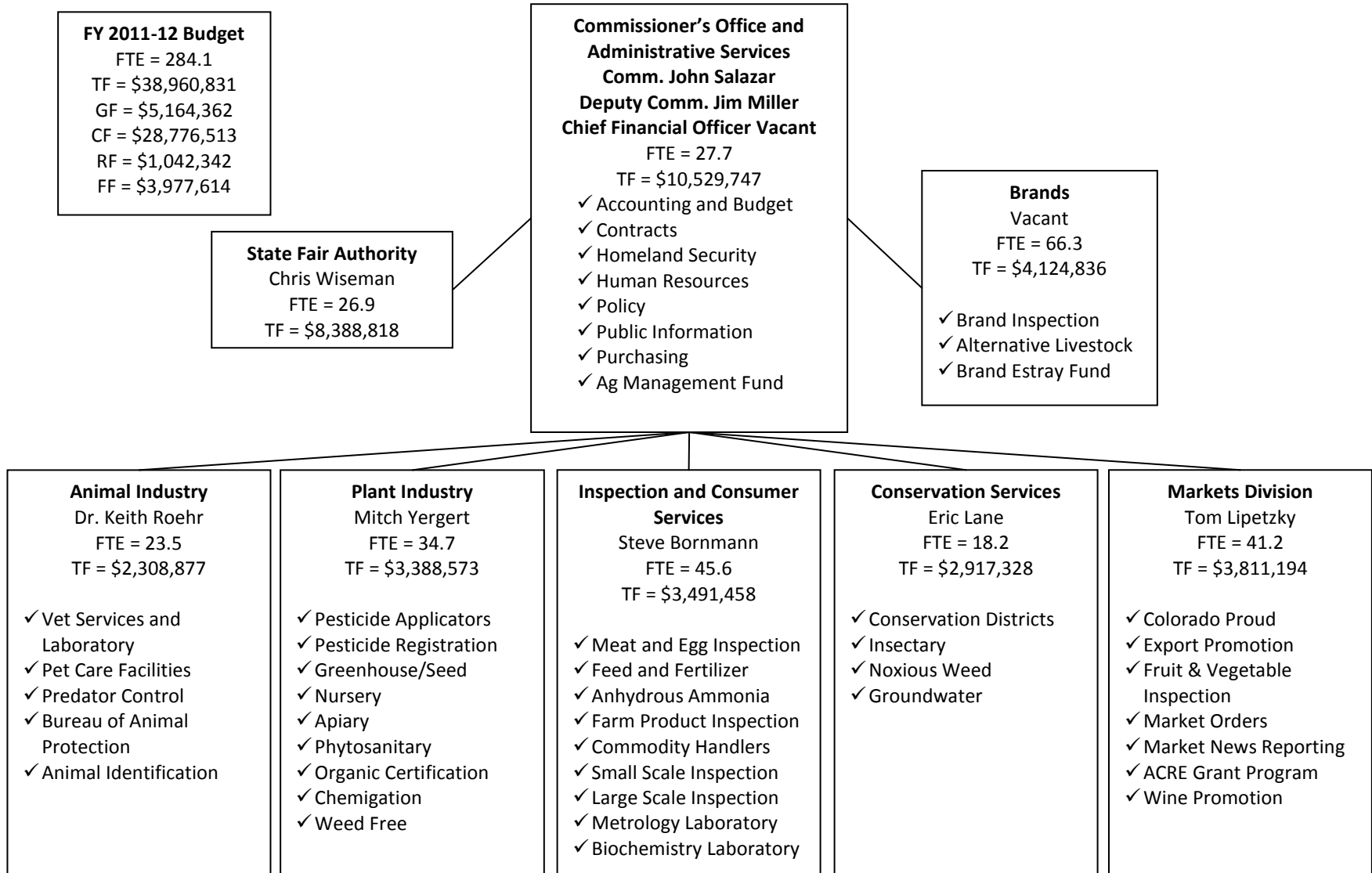
**Extend Repeal Date Conservation District Grant Fund (HB 11-1156):** This bill extends the repeal date of the Conservation District Grant Fund from July 1, 2011, to December 31, 2022, allowing the fund to support both the District Conservation Technician Program and the Natural Resources Matching Grants Program. State funds (which originate in the Operational Account of the Severance Tax Trust Fund) are matched by local conservation districts to foster a collaborative approach to these programs.

**Grain Protein Analyzer (HB 11-1159):** This bill requires the Department to license grain protein analyzers prior to commercial use. This program is to be fully supported through fees associated with licensing, testing, inspection and regulation in FY 2011-12; beginning in FY 2012-13, 25% of costs shall be funded from General Fund.

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### Organizational Chart



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### Division Workload Measures (and supported Performance Measures)

Division	Performance Measures / Workload Measures		FY10 Actual	FY11 Actual	FY12 (Est.)	FY13 (Est.)
Animal Industry	To protect and advance the health of Colorado's livestock, with special focus on achieving "disease-free / consistent state status" for brucellosis, tuberculosis, and scrapie.	Benchmark	N/A	N/A	Free or Consistent State Status	Free or Consistent State Status
		Actual	Brucellosis, Tuberculosis Scrapie Free	Brucellosis, Tuberculosis Scrapie Free	N/A	N/A
Workload Measure #1	Disease surveillance as determined by the number of B. abortus and other tests performed by the Department's Rocky Mountain Regional Animal Health Lab (RMRAHL)	B. Abortus	51,589	44,045	37,439	31,824
		Other Tests	31,475	31,365	31,789	32,106
		Fee Sample	\$4.01	\$3.95	\$4.05	\$4.10
Workload Measure #2	Animal Disease Traceability capability managed by the number of livestock premises identified with a state Location ID (LID)		10,915	27,286	29,000	31,000
Animal Industry	To reduce incidences of domestic animal and livestock abuse and neglect; as measured by the number of complaints documented with the Department.	Benchmark	N/A	N/A	PACFA<200 BAP<1,000	PACFA<180 BAP<900
		Actual	PACFA=196 BAP=N/A	PACFA=210 BAP=1,092	N/A	N/A
Workload Measure #1	Number of facilities inspected and licensed by PACFA		1,872	1,807	1,810	1,820
Workload Measure #2	Number of investigations involving Bureau of Animal Protection (BAP) resources		12,373	12,500	12,500	12,500
Workload Measure #3	Number of Department commissioned BAP agents serving local communities and the State		N/A	121	125	128
Plant Industry Division	To promote and maintain agricultural export strength (through inspection and documentation of pest freedom for plant products), as measured by the value of Division-inspected commodities exported (potatoes, beans, millet, corn, cucurbit seed, greenhouse plants, nursery stock, etc).	Benchmark	N/A	N/A	\$27,500,000	\$30,000,000
		Actual	\$30,000,000	\$27,500,000	N/A	N/A

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Division	Performance Measures / Workload Measures		FY10 Actual	FY11 Actual	FY12 (Est.)	FY13 (Est.)
Workload Measure #1	Number of phytosanitary a) certificates issued, b) storage assessments conducted, and c) acres inspected.		4,258 certificates / 164 storage inspections / 1,979 acres	3,967 certificates / 200 storage inspections/ 2,153 acres	4,000 certificates / 200 storage inspections/ 2,200 acres	4,000 certificates / 200 storage inspections/ 2,200 acres
Workload Measure #2	Number of nurseries and greenhouses inspected for general export compliance.		72 nurseries / 86 greenhouses	74 nurseries / 84 greenhouses	75 nurseries / 80 greenhouses	75 nurseries / 80 greenhouses
Plant Industry Division	<b>To regulate the distribution and use of pesticides and to prevent / minimize agriculture pesticide misuse, as measured by the number of agricultural pesticide misuse cases per 1,000 agriculture pesticide products registered.</b>	<b>Benchmark</b>	N/A	N/A	<b>&lt; 1.5 per 1,000</b>	<b>&lt; 1.5 per 1,000</b>
		<b>Actual</b>	<b>1.1 per 1,000</b>	<b>1.7 per 1,000</b>	N/A	N/A
Workload Measure #1	Number of agricultural pesticides registered by the Department for use in the State.		3,540	3,525	3,500	3,500
Workload Measure #2	Number of pesticide applicators and companies licensed by the Department.		9,911 individuals / 1,087 companies	9,871 individuals / 1,143 companies	9,500 individuals / 1,050 companies	9,500 individuals / 1,050 companies
Inspection and Consumer Services	<b>To provide economic protection to agricultural producers by assuring a stable, fair and equitable marketing system for agricultural products, as measured by industry compliance with inspections of feed and fertilizer manufacturers, agriculture product dealers and measuring devices used in the purchase and sale of agriculture products.</b>	<b>Benchmark</b>	N/A	N/A	<b>&gt;90%</b>	<b>&gt;90%</b>
		<b>Actual</b>	<b>86%</b>	<b>85%</b>	N/A	N/A
Workload Measure #1	<i>Aggregated number of agricultural measurement devices tested (including moisture meters and scales)</i>		N/A	643	675	675
Workload Measure #2	<i>Number of feed manufacturer, commodity handler and farm products dealer inspections conducted</i>		N/A	255	275	275
Workload Measure #3	<i>Number of production agriculture animal feed and fertilizer inspections</i>		N/A	2,597	2,650	2,650

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Division	Performance Measures / Workload Measures		FY10 Actual	FY11 Actual	FY12 (Est.)	FY13 (Est.)
Inspection and Consumer Services	<b>To ensure that consumers are treated equitably in the marketplace, as measured by industry compliance to product inspection, proper measurement, packaging and pricing standards, and facility inspection requirements.</b>	Benchmark	N/A	N/A	>90%	>90%
		Actual	89%	87%	N/A	N/A
Workload Measure #1	<i>Number of retail scale, package and price verification and egg quality tests performed</i>		N/A	12,371	12,500	12,500
Workload Measure #2	<i>Number of meat processing facilities and egg producers inspected</i>		N/A	217	225	225
Workload Measure #3	<i>Number of lawn and garden fertilizer and pet food inspections</i>		N/A	1,610	1,650	1,650
Conservation Services	<b>To protect Colorado's agricultural industry and environment by stopping the establishment and spread of invasive plants and insects, as measured by the percent of all populations of List A species that meet annual elimination standards.</b>	Benchmark	N/A	N/A	90%	100%
		Actual	70%	75%	N/A	N/A
Workload Measure #1	<i>Percent of available biological control agents released by the Department in areas designated for containment and suppression</i>		95%	95%	100%	100%
Workload Measure #2	<i>Number of noxious weed management plans completed and adopted by rule</i>		5	5	5	5
Conservation Services	<b>To maintain or improve Colorado's existing groundwater quality, with specific focus on successful and proper containment of all bulk pesticides and fertilizers (measured by the percentage of all required storage facilities inspected)</b>	Benchmark	N/A	N/A	100%	100%
		Actual	95%	95%	N/A	N/A
Workload Measure #1	<i>Number of inspections performed</i>		128	119	150	125
Workload Measure #2	<i>Percentage of facilities inspected that are in compliance</i>		100%	100%	100%	100%

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Division	Performance Measures / Workload Measures		FY10 Actual	FY11 Actual	FY12 (Est.)	FY13 (Est.)
Conservation Services	<b>To further natural resource management improvements on private lands, with success measured as a percent of Conservation Districts meeting or exceeding required standards for functionality and service to landowners (as reported to the CSCB)</b>	Benchmark	N/A	N/A	100%	100%
		Actual	90%	90%	N/A	N/A
Workload Measure #1	<i>Number of conservation grants awarded and managed by the Department</i>		129	131	133	133
Workload Measure #2	<i>Number of trainings provided to Conservation Districts</i>		84	79	85	110
Markets Division	<b>To increase domestic and export marketing opportunities for Colorado's agricultural producers and related industries, as measured by State gross farm income (Income) and Colorado agricultural exports (Exports).</b>	Benchmark	N/A	N/A	<b>Income:</b> \$7.7 billion <b>Exports:</b> \$2.0 billion	<b>Income:</b> \$8.5 billion <b>Exports:</b> \$2.2 billion
		Actual	<b>Income:</b> \$6.9 billion <b>Exports:</b> \$1.7 billion	<b>Income:</b> \$7.0 billion <b>Exports:</b> \$1.8 billion	N/A	N/A
Workload Measure #1	<i>Dollar Amount of Annual Grants Managed to Support Companies in Domestic and Export Marketing and Product R&amp;D</i>		\$2,167,546	\$1,973,471	\$2,190,000	\$2,255,000
Workload Measure #2	<i>Number of Colorado Companies/Producers/Organizations Assisted Annually through Markets Division Export and International Programs/Activities</i>		352	375	410	455
Workload Measure #3	<i>Licensed Member Companies/Organizations Participating in Colorado Proud Program</i>		1,293	1,500	1,650	1,800
Markets Division	<b>To maintain or increase administrative and regulatory oversight and assistance to commodity marketing order organizations; as measured by the number of marketing orders supervised / served.</b>	Benchmark	N/A	N/A	9	10
		Actual	9	9	N/A	N/A
Workload Measure #1	<i>Total Number of Potato, Fruit &amp; Vegetable Inspection Certificates Issued Annually</i>		34,875	34,997	35,000	35,000



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Division	Performance Measures / Workload Measures		FY10 Actual	FY11 Actual	FY12 (Est.)	FY13 (Est.)
Workload Measure #2	Food Safety Good Agricultural Practices and Good Handling Practices Audits		25	86	75	75
Workload Measure #3	Total number of liters of Colorado wine reported to the Dept. of Revenue – reflective of industry being supported by the Division		965,635	1,064,438	1,000,000	1,100,000
Workload Measure #4	Number of wineries licensed in Colorado benefiting from Department marketing efforts		95	105	110	115
Brands	<b>To protect industry from loss through theft or other illegal activity; and through regulatory actions taken by the Department, discourage such activity to levels below 1%.</b>	Benchmark	N/A	N/A	< 1%	< 1%
		Actual	0.001%	0.001%	N/A	N/A
Workload Measure #1	Number of livestock inspected for change of ownership and transportation as required by Colorado statute		4,306,294	4,540,525	4,000,000	4,000,000
Workload Measure #2	Number of stray livestock returned to owner and number of animals where an owner was not found and proceeds were sent to the Board		4000 / 132	4,028 / 91	4000 / 100	4000 / 100
State Fair	<b>To display Colorado's livestock, agriculture, water conservation, 4H, and industries as measured by contests, shows, displays, and events during the annual Fair.</b>	Benchmark	N/A	N/A	515,995	520,000
		Actual	496,651	517,140	N/A	N/A
Workload Measure #1	Non-4H contests, shows, displays, and events hosted by the Fair		1,354	1,371	1,370	1,370
Workload Measure #2	Total number 4H fair contests included in the Fair		776	855	973	1,020
State Fair	<b>To educate the public on State agricultural issues and provide a showcase for 4H and youth participates, as measured by facility usage pertaining to these programs.</b>	Benchmark	N/A	N/A	135 days	138 days
		Actual	116 days	124 days	N/A	N/A
Workload Measure #1	Annual Agricultural Pavilion visitors exposed to Department educational material and exhibits (est. based on giveaways)		N/A	9,254	14,264	20,000
Workload Measure #2	4H and Little Britches participants served annually		3,384	2,841	3,500	4,000

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### Hot Issues

**Exports:** The Nation is in a unique position to take advantage of renewed and expanding market opportunities for agriculture. As is evident by President Obama's recent export initiative, various new free trade agreement prospects with Korea, Colombia, and Panama, and renewed market access for U.S. beef previously lost in 2003, a significant push at the federal level to grow global exports is underway. These same national efforts will open new trade opportunities for Colorado produce, cattle, and other agricultural offerings. With additional focus placed on current marketing efforts, the Department is optimistic that State exports could increase as much as 10% per year over the next four years, adding as much as \$110 million per year to Colorado's export business.

**Federal Funding:** Also at the national level, states around the country are experiencing increased uncertainty regarding the duration and level of federal grant awards to anticipate in coming years. For Colorado, current communication has implied that agricultural grants for the Microbiological Data Program (MDP) and Pesticide Data Program (PDP) are in jeopardy of expiring at the end of FY 2011-12. If not renewed, the absence of these grants – which provide funding for detection and reporting of food-borne pathogens and pesticide residues on agricultural commodities highly consumed by infants and children – will be significant, and will diminish the Department's efforts to address various health concerns in Colorado.

**Efficiencies:** Looking to maximize existing resources and further improve its effectiveness, the Department has been actively reviewing real estate options around the Denver metro area which would allow it to consolidate five separate office locations under one roof. With a goal of improved efficiencies, the Department has entered into discussions with the State Architect's Office and State Land Board to review possible opportunities which would allow the consolidation of the current Brand Board office, the two Inspection and Consumer Services laboratories, and two offices that are located in Lakewood – one as part of Capitol Complex and the other as a third party lease. The benefits of a single office include reduced centralized operating services, reduced travel time between locations, improved staff communication opportunities, and refocused staff resources on regulatory, promotion, and partnership with industry and less focused on administrative issues. In addition to these internal benefits, this will also allow industry to come to one location for all Department services. To achieve this consolidation with a minimal fiscal impact to the State, the Department intends to utilize the value it has in two laboratory buildings in the Highlands neighborhood as well as draw upon existing and previous unused appropriation authority and available funds in the Agriculture Management Fund (22L), as allowed by its continuous spending authority provided in statute.

**Agriculture Management Fund:** Because Agriculture Management Fund resources are an integral part of the above office consolidation, the Department thought it would be advantageous to include a summary of how these funds would be directed, not just for office space consolidation, but all uses. The following table provides a snapshot of available and projected dollars, and where those funds are projected to be needed. If the office consolidation above moves forward, the Department would draw upon much of

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the projected \$1.6 million available at the end of FY 2011-12 to reduce associated fiscal impacts to the State. This would of course, reduce the ending balance then at the end of FY 2012-13.

Purposes for Agriculture Management Fund (22L)	FY 2011-12	FY 2012-13
<b>Beginning Balance</b>	<b>\$1,830,042</b>	<b>\$1,687,554</b>
<b>Projected Revenues</b>		
<i>Revenues from Unclaimed Property in Treasurer's Office</i>	\$2,000,000	\$2,000,000
<b>Anticipated/Projected Expenditures</b>		
<i>Refinance Markets Division (including POTS)</i>	\$440,054	\$0
<i>Conservation Grants (leverage with local and federal awards; up to 3-to-1 match rate)</i>	\$400,000	\$400,000
<i>Colorado Proud Advertising (strengthen Colorado meat, dairy and produce industries' sales)</i>	\$250,000	\$250,000
<i>Noxious Weeds (further address evasive foliage and protect native environment)</i>	\$200,000	\$200,000
<i>FTE (IT support, marketing staff, outreach coordinator, administrative support)</i>	\$190,925	\$195,300
<i>Contract Services for US Herds Software Implementation (for disease traceability control)</i>	\$125,000	\$0
<i>Contract Services (Predator Control and Animal Traceability Coordinator)</i>	\$110,000	\$110,000
<i>Facility Renovations at the State Fair (to address outdated and unsafe structures)</i>	\$68,000	\$40,000
<i>Insectary Roof Repairs (substantial leaks and unsafe environment)</i>	\$20,000	\$0
<i>Indirect Cost Assessment</i>	\$18,705	\$18,300
<i>POTS (benefit costs for FTE)</i>	\$18,543	\$16,407
<b>Ending Balance Before Reserves</b>	<b>\$1,841,227</b>	<b>\$1,230,007</b>
<i>Reserve for State Fair (volatility in State Fair revenues possible from economic pressures)</i>	\$250,000	\$250,000
<i>Reserve for Office Consolidation (allocation of current year resources only)</i>	\$51,261	\$666,542
<b>Ending Balance After Reserves</b>	<b>\$1,687,554</b>	<b>\$1,541,005</b>

**Cantaloupe:** Colorado's cantaloupe industry has recently been the epicenter of what has now become the nation's second largest outbreak of listeria. For those involved in producing, processing, and/or distributing the foods we eat, the outbreak serves as a reminder of the need to be increasingly vigilant when it comes to food safety. To this end, the Department has been encouraging agricultural producers and processors to develop and implement best management practices leading to certification under the Good Agricultural Practices (GAP) and Good Handling Practices (GHP) programs. Our responsibility to ensure food safety will also require us, along with the Colorado Department of Public Health & Environment (CDPHE), to exercise great care in addressing policy and regulatory questions relating to cottage industry development.

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While it is still too early to know what long-term impact the listeria outbreak will have on Colorado's cantaloupe industry, it is highly likely that intensive public and trade relations efforts will be needed in the short-term to help rebuild the image and reputation of Colorado as a supplier of safe, high-quality cantaloupe. The Department will do all that it can to work with cantaloupe producers throughout the Arkansas Valley to help mitigate the impact of the outbreak and re-position the industry for long-term success. The Department will also continue to monitor the degree to which the outbreak could potentially cast a shadow over Colorado's broader produce industry including lettuce, onions, potatoes, and sweet corn.

**Traceability:** Lastly, the U.S. Department of Agriculture recently published a proposed rule regarding animal disease traceability. As Colorado's cattle industry is the single largest sector of the larger agricultural economy, the Department is committed to implementing a new traceability system for the State that complies with this proposed federal rule – one that will better trace, track, control, and contain livestock diseases.

As animal disease traceability plays a vital role in being able to respond rapidly and effectively to emergency livestock incidents and provides better livestock health and security, the Department has already begun implementing a new animal health information management system (called *USA Herds*). Along with this new system, the Department is also engaged in other national collaborative projects such as the Secure Egg Supply Plan and the Secure Milk Supply Plan which are designed to build capabilities to respond more effectively to a livestock incident and to mitigate the effects on Colorado's livestock industry.