



## Department of Agriculture Q3 FY2017 Performance Evaluation (March 2017)

### Strategic Policy Initiatives

The Department of Agriculture has identified several strategic policy initiatives for FY 2016-17 and beyond. For this performance evaluation, the Department has updated progress on the initiatives identified in the FY2017 Performance Plan that capture the Department’s strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of March 31, 2017.

Additional detail for these strategic policy initiatives is available in the Department’s Performance Plan, which may be accessed [here](#).

#### SPI 1 – Enhance Public Understanding of Colorado Agriculture

As Americans become further removed from farming and ranching, it has become increasingly important for agriculture to “tell its story.” Fostering public attitudes and policy favorable to the long-term sustainability of Colorado’s food and agriculture value chain hinges on creating broader awareness and understanding of agriculture. Strategies being implemented by the Department include: 1) communicating information about Colorado agriculture and Department programs to the public and media; 2) informing Coloradans about food and agricultural products grown, raised, or processed in Colorado; and 3) showcasing Colorado agriculture to attendees of the annual Colorado State Fair.

**The desired future outcome is that public attitudes, as measured by the Department’s survey of Public Attitudes about Agriculture in Colorado, remain supportive of Colorado agriculture. The survey has been conducted every five years since 1996 with the most recent survey being in the fall of 2016. A summary of findings from the 2016 survey are highlighted on page 6 and indicates that Coloradans remain highly supportive of agriculture.**

Key Strategies & Major Program Area	Leading Indicators							
	Measure	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
Public outreach and communications (Commissioner’s Office)	# (million) of media impressions	NA	117.1	61.4	130.1	156.2	123	135
	# (million) of website page views	NA	2.5	1.5	1.7	2	2.6	2.9
	# of Facebook followers	3,115	3,953	4,487	4,757	4,956	4,326	4,759
State and local marketing programs (Markets Division)	% of targeted consumers aware of the Colorado Proud logo <sup>1</sup>	85	86	83	83	83	85	90
	% of targeted consumers reporting the purchase of Colorado food and agricultural products <sup>2</sup>	89	86	83	83	83	85	85
Educational exhibits and youth programs (State Fair)	% of attendees who learned something new about agriculture <sup>3</sup>	NA	41	--	--	--	--	45

- 1) Earlier surveys reported awareness at 59% for 2008, 67% for 2009, 68% for 2010, 76% for 2011, 81% for 2012, 78% for 2013, and 85% for 2014. The awareness level reported from the survey conducted in Q1 FY17, while lower than reported in FY16, is within the margin of error and statistically, is not of significant difference.
- 2) Earlier surveys reported the percent of consumers purchasing Colorado food and agriculture products at 77% for 2008, 84% for 2009, 84% for 2010, 84% for 2011, 81% for 2012, 85% for 2013, and 89% for 2014. While purchase experience from the Q1 FY17 survey is lower than reported in FY16, it is within the margin of error and statistically, is not of significant difference.
- 3) FY16 data was developed from a survey of 2015 State Fair attendees. The next survey will be conducted at the 2017 State Fair.



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**SPI 2 – Improve the Customer Service Experience for the Department’s Stakeholders**

Colorado’s farmers, ranchers and others that conduct business with the Department expect top-level customer service and their business transactions to be handled efficiently and effectively. Several key strategies are being implemented to enhance customer service and drive operational efficiencies. These include: 1) developing AgLicense to enable our customers to apply or renew and pay for their licenses, registrations, and inspections through an online application; 2) consolidating staff and operations from five Denver metro locations into a single property located in Broomfield; and 3) conducting LEAN analyses to drive operational efficiencies. In doing so, the Department will be supporting Governor Hickenlooper’s vision of state government being more efficient, effective, and elegant.

**The desired longer-term outcome is for the Department’s customer satisfaction rating, as measured by a survey of stakeholders, to improve to 88% by 2019. The most recent stakeholder survey, conducted in January 2016, reported a satisfaction rating of 86% which was an increase from the 84% registered in February 2014. This survey is typically conducted every other year with the next planned for January 2018.**

Key Strategies & Major Program Area	Leading Indicators							
	Measure	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
AgLicense (Commissioner’s Office)	Cumulative # of programs successfully completing renewal applications and/or inspections online using AgLicense <sup>1</sup>	9	15	15	16	16	22	24
Office consolidation (Commissioner’s Office)	Phase of two-phase office consolidation project completed <sup>2</sup>	1	1	1	1	1	1	2
LEAN analysis of processes (Commissioner’s Office and all Major Program Areas)	Cumulative # of LEAN analyses implemented resulting in process improvements <sup>3</sup>	1	4	5	6	9	6	10

- 1) Programs utilizing Ag License include Anhydrous Ammonia, Aquaculture, Certified Weigher, Commercial Feed, Commodity Handler, Custom Meat Processor, Device Service Provider, Farm Products, Fertilizer Manufacturers, Home Food Service Plan, Nursery Registration, Pet Animal Care Facilities, Restricted Use Pesticide Dealers, Pesticide Products, Pesticide Sensitive Registry, and Seed Registration.
- 2) Significant progress occurred in Q3. Funding was approved by the Capital Development Committee, the property adjacent to the Department’s headquarters office was acquired, soils testing conducted, and an architect contracted.
- 3) LEAN projects for this quarter included evaluation and mapping of fruit and vegetable inspection processes within the Markets Division, as well as evaluation and 5S activities surrounding the pesticide sample receiving process for the Biochemistry Laboratory of the Inspection and Consumer Services Division.



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### SPI 3 – Increase Marketing and Sales Opportunities throughout Colorado’s Food and Agriculture Value Chain

Colorado’s food and agriculture value chain generates an estimated \$40 billion of economic activity annually and is one of the state’s most important economic drivers. Helping Colorado’s food and agricultural suppliers to increase marketing and sales opportunities, which in turn, promotes incremental growth in economic activity, is accomplished through strategies including: 1) connecting Colorado food and agricultural suppliers with international buyers; 2) promoting animal health throughout Colorado’s livestock herd; and 3) providing inspections, promotions, verifications, and other resources that help food and agricultural suppliers to support marketing claims and enhance marketing opportunities. In total, 14 distinct Department programs (i.e., processes) contribute to this SPI.

**The longer-term desired outcome is to affect annual cash receipts to Colorado farmers and ranchers from agricultural production such that Colorado outperforms the broader U.S. benchmark. In September 2016, USDA’s Economic Research Service reported that Colorado cash receipts had declined from \$7.6 billion in 2014 to \$7.4 billion for 2015 – a decrease of about 3% as compared to a more than 10% decrease at the national level. Similarly, Colorado did better than the national benchmark in 2014 when cash receipts rose by 8.6% as compared to 5.1%.**

Key Strategies & Major Program Area	Leading Indicators							
	Measure	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
Export promotions (Markets Division)	% of suppliers reporting an increase in existing business or believe they will develop new business as a result of participating in the promotion(s) <sup>1</sup>	NA	81	--	69	78	>80	>80
Disease surveillance and traceability and Livestock disease testing (Animal Health Division)	Colorado’s regulatory status relating to animal health	Disease-free	Disease-free	Disease-free	Disease-free	Disease-free	Disease-free	Disease-free
Inspection, promotion, verification, and other programs that help food and agricultural suppliers to enhance marketing opportunities and support marketing claims <sup>2</sup>	% of operational processes that are meeting performance targets	2/2 100%	5/6 83%	11/12 92%	10/12 83%	11/12 92%	>90	>90

- 1) FY16 data reflects post-activity reports from 90 of 124 suppliers that participated in 14 export promotions conducted by the Department in FY16. Q3 FY17 data reflects surveys from 43 suppliers participating in 6 export promotions conducted by the Department year-to-date.
- 2) FY15 data reflects only the Fruit and Vegetable Inspection and Export Certification processes mapped as part of the Department’s FY15 Performance Plan. The FY16 Plan added processes from the Markets Division relating to Audit Verification for Food Safety Practices, Market News Reporting, and Market Order Programs; and from the Conservation Services Division relating to Weed Free Forage. FY17 added the Livestock Competition process from the State Fair; Business Development, Local & State Marketing Programs, Trade Development, and Wine Promotion processes from the Markets Division; and Organic Certification from the Plant Industry Division for a total of 12 processes supporting this strategic response. As of the end of Q3, it appears that Livestock Competitions process is likely to miss the targets set for FY17



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**Operational Measures**

The Department’s FY17 Performance Plan includes dozens of distinct operational processes with each being reviewed quarterly for progress toward goals. The purpose of this section is to highlight a key process from each Major Program Area that is highly representative of the body of work for that program area.

**Major Program Area – Animal Health Division**

**Process – Livestock Disease Testing and Traceability Support at the Rocky Mountain Regional Animal Health Laboratory**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% of customer complaints resolved with 48 hours	100	100	100	100	100	100	100	100
% of tag trace-backs completed within 24 hours	NA	100	100	100	95	100	95	95
% of customers rating the quality of services provided by RMRAHL as satisfactory	100	100	96	--	--	--	95	95
Maximum acceptable number of regulatory supply orders which are unable to be fulfilled within 48 hours	7	8	5	0	0	1	<5	<5

**Major Program Area – Brands Division**

**Process – Brand Inspection**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% of inspections conducted in compliance with statute and regulations	100	99	99	100	99	99	100	100
Maximum acceptable # of inspections that result in a disputed legal action	0	1	1	0	2	2	<5	<5

**Major Program Area – Colorado State Fair**

**Process – Non-Fair Facilities Rental**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
Effective utilization rate (% utilization) of the State Fair facilities using a revenue-based analysis	44	47	54	52.7	61.2	69.1	60	62
Annual revenues generated from non-Fair rentals	\$644,977	\$645,150	\$687,225	\$179,562	\$283,905	\$403,623	\$700,000	\$725,000



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**Major Program Area – Conservation Services Division**  
**Process – ACRE<sup>3</sup> Program**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% energy savings achieved <sup>1</sup> (kWh/yr % reduction)	48	100	65	25	25	25	40	40
% energy cost savings achieved <sup>1</sup> (\$/yr % reduction)	39	100	54	25	25	25	40	40
% CO2 equivalent reductions <sup>1</sup>	27	100	52	25	25	25	40	40

1) Average savings per energy project, not per customer. Numbers over 100% indicate new renewable energy production.

**Major Program Area – Inspection and Consumer Services Division**  
**Process – Pet Animal Care Facilities Act (PACFA) Program**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% of facilities inspected annually	NA	NA	92	94	90	86	98	98
% of complaints investigated and closed	NA	NA	95	90	84	89	98	98

**Major Program Area – Markets Division**  
**Process – Fruit and Vegetable Inspection**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% of inspection requests responded to in < 2 hours	100	100	100	100	100	100	100	100
% of inspection requests responded to in < 30 minutes	97.3	95	97	96.8	96.9	97.7	95	95
Maximum acceptable # of shipments for the which the initial shipping point inspection is reversed by an appeal inspection at the destination market due to permanent defects	0	0	1	0	0	0	<5	<5
Maximum acceptable volume (cwt.) of shipments for which inspections are reversed at the receiving point	0	0	196	0	0	0	<2,000	<2,000



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**Major Program Area – Plant Industry Division**  
**Process – Export Certification**

Leading Indicator Measure	FY14 Actual	FY15 Actual	FY16 Actual	Q1 FY17	Q2 FY17	Q3 FY17	1-Year Goal	3-Year Goal
% of federal and state phytosanitary certificates issued within one day of request when the inspection, test or other required information is complete	100	100	100	100	100	100	100	100
% of federal and state phytosanitary certificates issued with no errors	99.4	99.3	99.7	99.9	99.9	99.8	99	99

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**Summary of 2016 Survey Findings Related to Public Support for Colorado Agriculture**

1. The public strongly believes agriculture contributes to the quality of life in Colorado (90% top 2 box score) and that it’s important to maintain land and water in agricultural production (95% top 2 box score).
2. A majority of the public believes Colorado’s agriculture industry is environmentally responsible (58% top 2 box score), is effective in using agricultural practices that conserve water and soil (69% agree), that our ranchers with grazing permits are treating public lands appropriately (77% agree), and that the foods produced by Colorado farmers and ranchers are safe (83% top 2 box score). And while 55% of the public strongly or moderately believe (top 2 box score) that farm and ranch animals in Colorado are treated humanely, this percentage has steadily decreased from the 75% recorded in 1996, suggesting animal health and care may be an area where the agriculture industry needs to do a better job of communicating and being more transparent of production, animal care, and meat processing practices.
3. There are vastly differing opinions about production practices, particularly about the use of GMO technology, pesticides and fertilizers, and antibiotics. For example, the survey reports the percentage of consumers believing that foods produced with GMO technology are safe to eat has risen to 41%, but yet, a significant percentage of the public (60% bottom 2 box score) believes GMO technology is only sometimes or almost never necessary to produce enough food for our growing world population.
4. The Department ranked second, following only universities and research institutions, as being the “most trusted source” for information on agricultural, food quality, nutrition, and safety issues. USDA, farmers and ranchers, other Federal agencies, environmental organizations, agricultural commodity groups and trade associations, the food industry, news, and social media were all ranked lower than the Department. This trust factor is essential to the Department’s ability to help inform the public on matters of importance to Colorado’s food and agriculture industry.