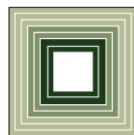


Department of Agriculture & Consumer Services (DACCS)



March 28, 2013



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Today's Agenda

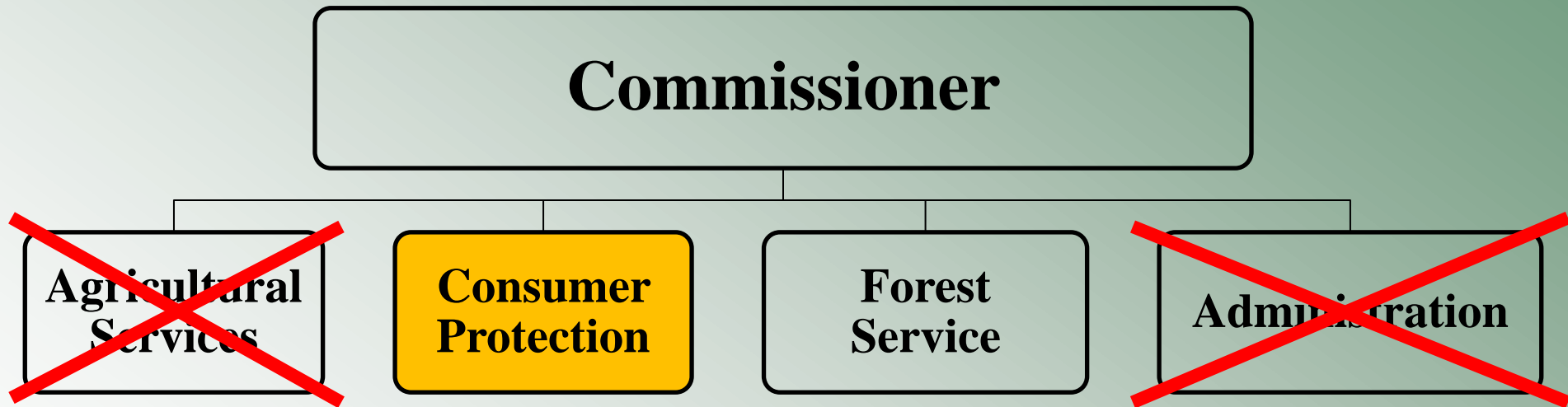
Division Overview

- Consumer Protection Division Overview
- NCGA Actions
- Budget Information
- Positions (FTEs)

DACS Presentation

Food and Drug

Organizational Structure

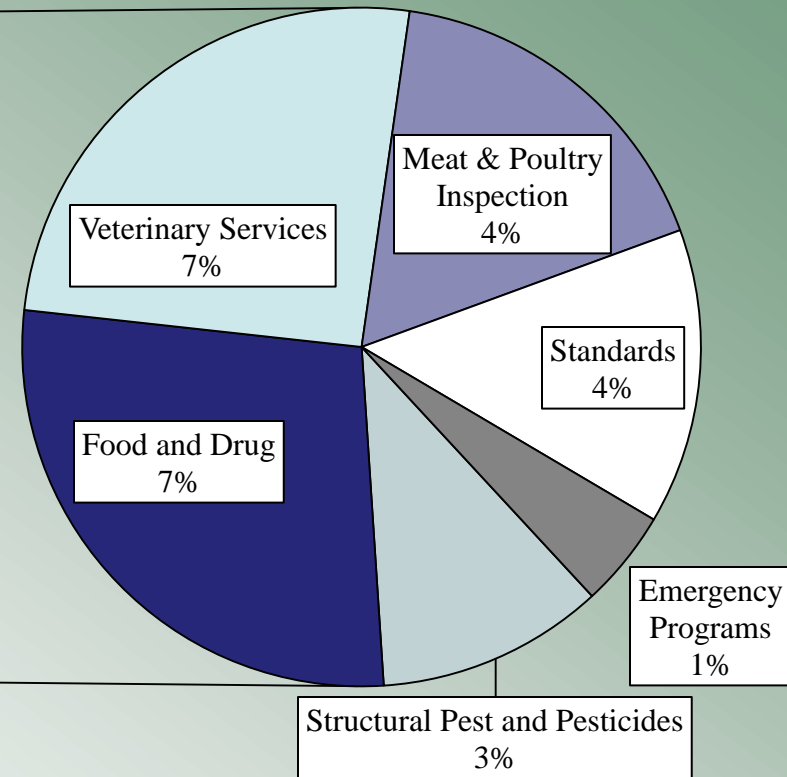
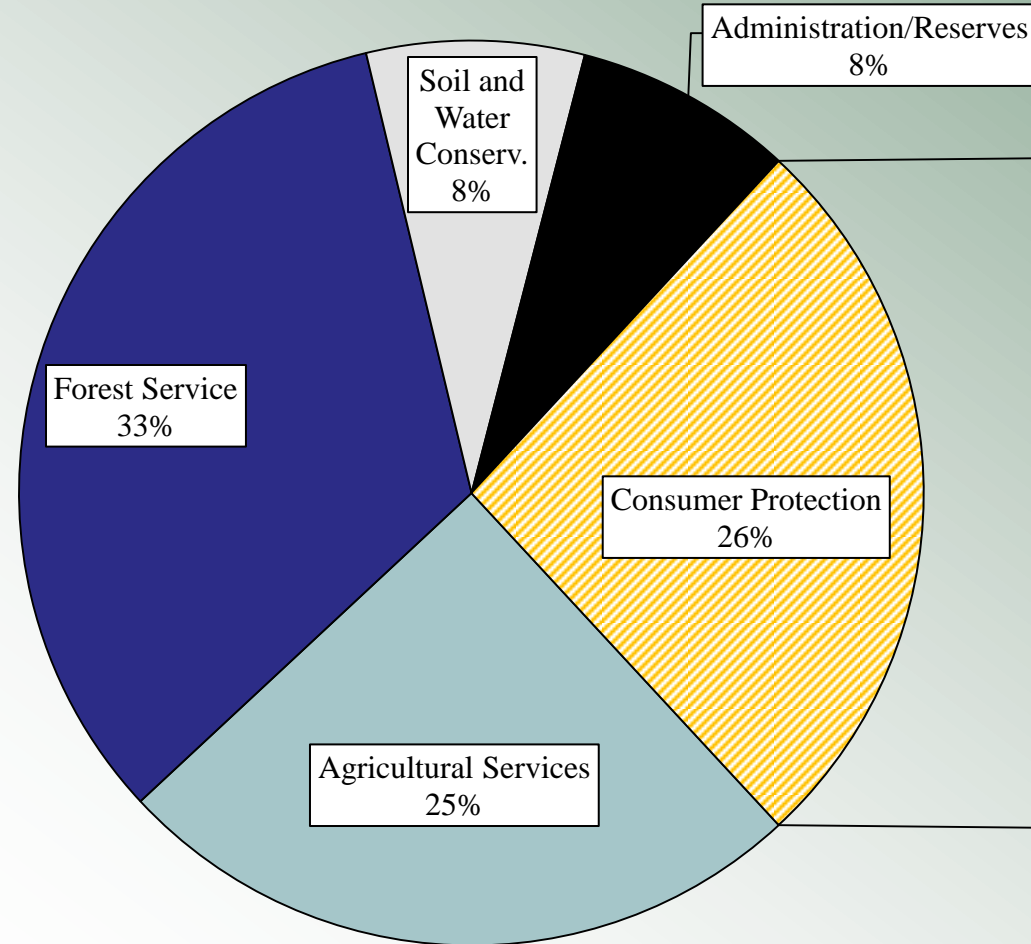


Consumer Protection Programs

- Emergency Programs
- Food and Drug Inspection
- Meat and Poultry Inspection
- Standards
- Structural Pest Control/Pesticides
- Veterinary Services

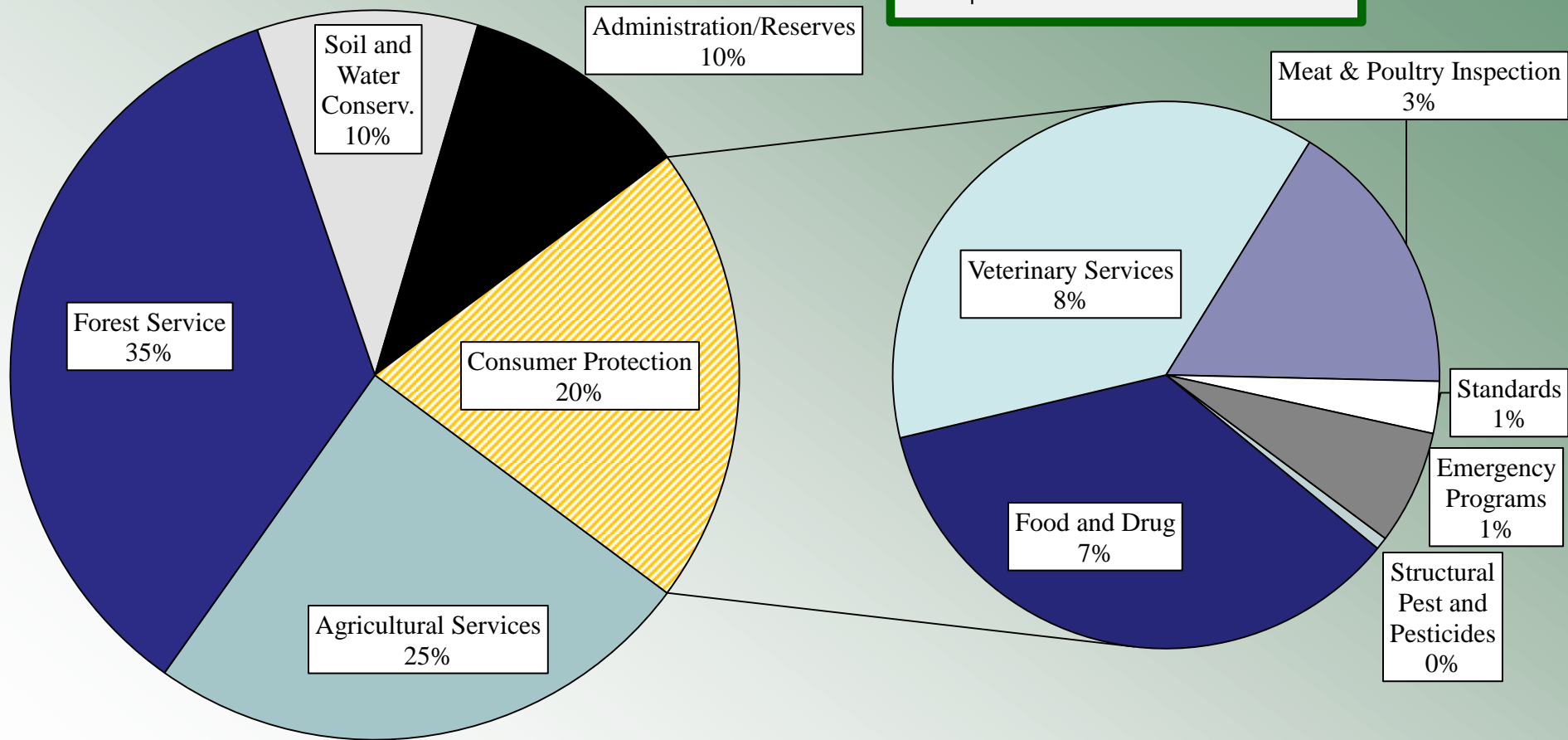
FY 2011-12 Total Expenditures

Total Expenditures
\$166.0 million



FY 2011-12 General Fund Appropriation

General Fund
\$110.6 million



Emergency Programs

Program designed to assist agribusinesses in the event of:

Established in 2002 as part of the Homeland Security expansion.

- Natural disaster
- Disease outbreak
- Terrorist attack
- Other Force Majeure

**Enforces G.S. 106-520.3A –
Aedin's Law**

FY 2011-12 (in millions)	
Expenditures	\$ 2.01
Receipts	0.49
Appropriation	1.52
Positions	20

Emergency Programs

FY 2011-13 NCGA Actions

None

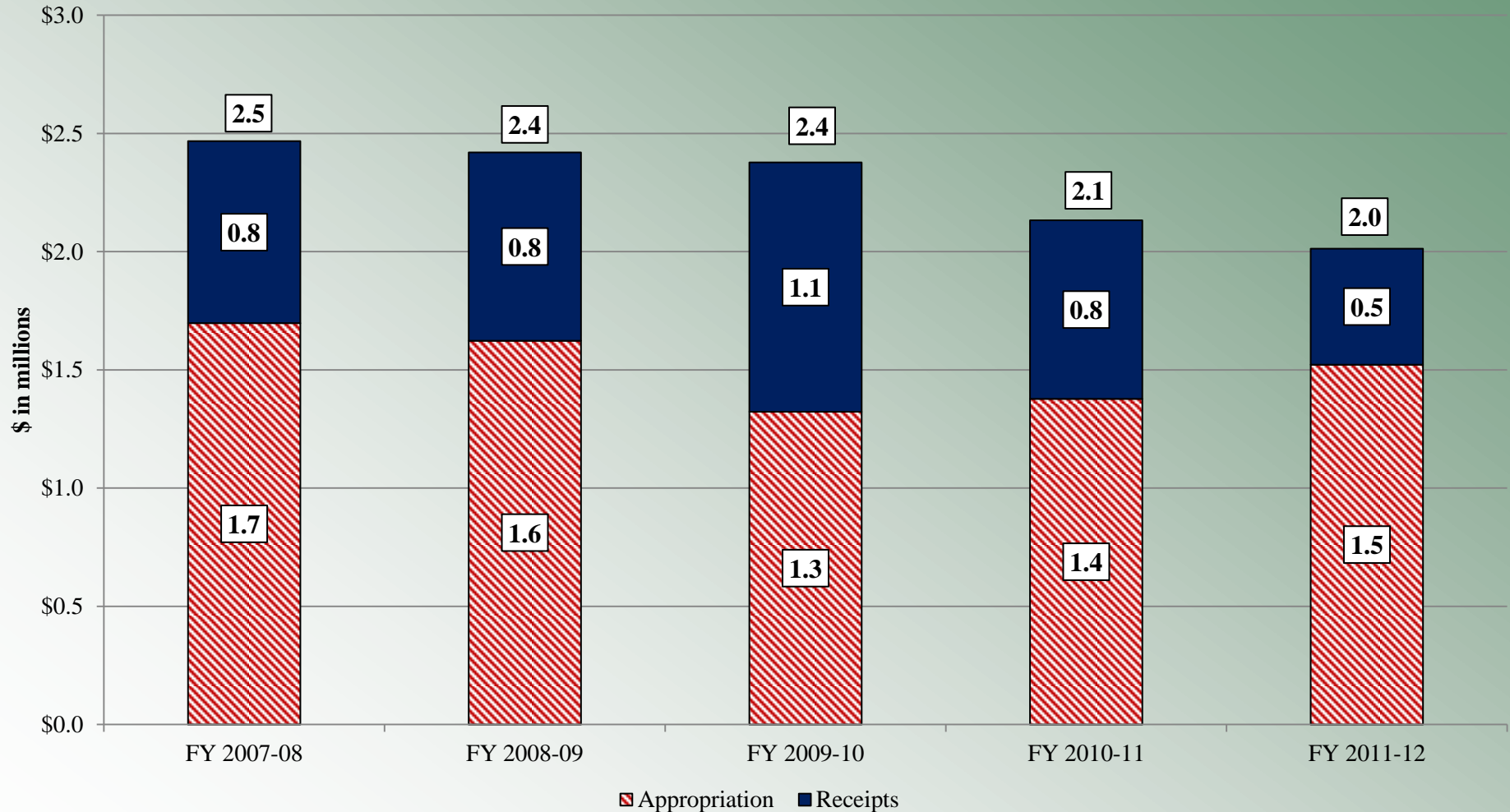
Major Revenue Sources

DHHS - \$220,060

Federal Grants - \$233,332



Emergency Programs 5-Year Budget History



Food and Drug

Regulate entities that store, manufacture, produce or distribute:

- Food
- Dairy
- Animal feed
- Medical gas
- Drugs

Constable Lab - ISO 17025 – Highest level of certification received for accuracy/quality of lab findings.

FY 2011-12 (in millions)	
Expenditures	\$ 12.10
Receipts	4.13
Appropriation	7.97
Positions	153

Food and Drug

FY 2011-13 NCGA Actions

- Increases antifreeze registration fee from \$250 to \$500 (\$75,000 R)
- Transferred Grade A Milk program from DENR (\$811,175 R)

Food and Drug

Do Inspect

- Grocery Stores
- Distribution Facilities
- Seafood Markets
- Feed Mills
- Convenience Stores
- Eggs
- Grade “A” Milk
- Antifreeze

Do Not Inspect

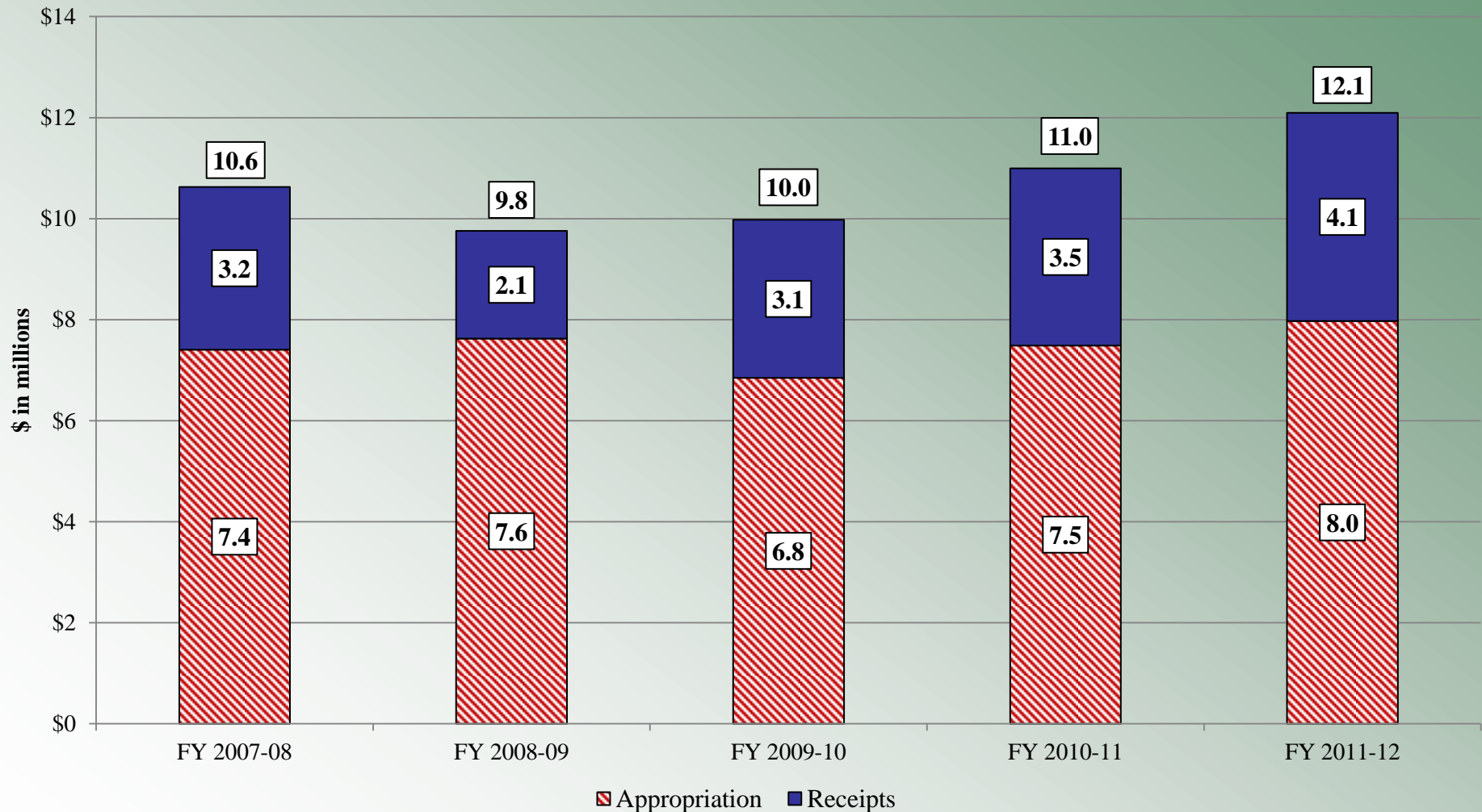
- Meat Processing Facilities
- Restaurants

Food and Drug

Major Revenue Sources (FY 2011-12)

- Federal Grants - \$2,094,913
- DHHS - \$58,887
- License/Fees/Assessments - \$1,782,773

Food and Drug 5-Year Budget History



Meat and Poultry Inspection

Enforce state and federal laws to ensure meat and poultry production is safe for consumption.

2012 Inspection Statistics

Cattle/Calves
152,124

Swine
433,040

Livestock Condemedned
2,383

FY 2011-12 **(in millions)**

Expenditures	\$ 7.46
Receipts	3.72
Appropriation	3.74
Positions	119

Meat and Poultry Inspection

Who is inspected?

- State-only facilities - (67)
 - Only sell products within NC
 - Subject to NC and Federal regulations
- Talmadge-Aiken (TA) – (95)
 - Can sell products inside and outside NC
- Custom Exempt – (18)
 - Animals slaughtered for family consumption

Meat and Poultry Inspection

Who is inspected?

- Poultry Exempt Operations – (98)
 - Poultry raised, slaughtered, and processed by one owner for sale within NC
 - Only feds inspect larger slaughterhouses
- Meat/Poultry Handlers – (625)
 - Individuals that distribute meat/poultry products produced under inspection

Meat and Poultry Inspection

Key Facts

- 1 of 27 state administered programs
- 50% USDA receipt supported
- Daily inspections of facility (State and TA)
- Inspection of each animal (pre and post mortem)
- Random sampling of slaughtered animals to test for harmful pathogens

Meat and Poultry Inspection

FY 2011-13 NCGA Actions

None

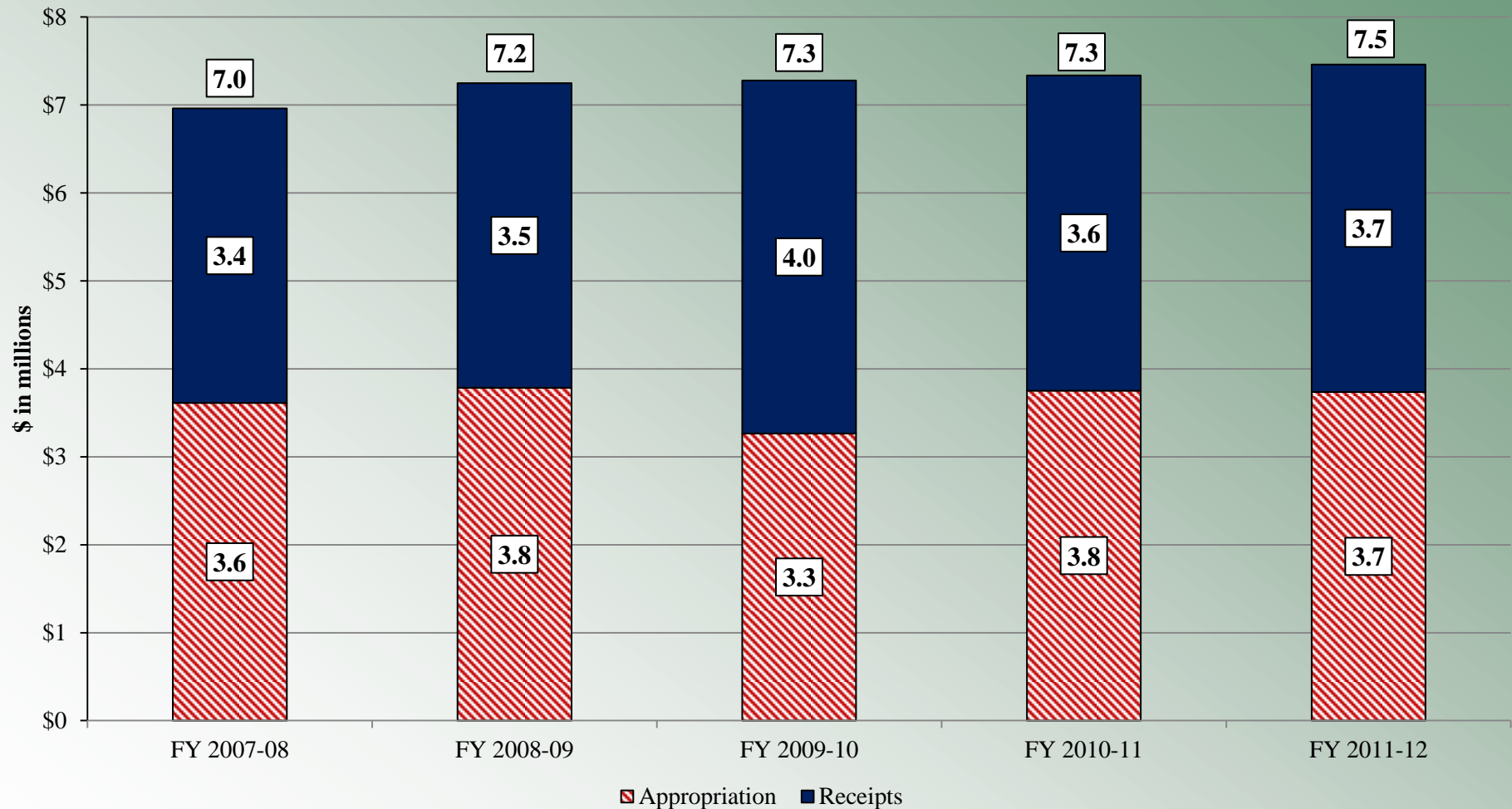


Major Revenue Sources (FY 2011-12)

USDA - \$3,670,821



Meat and Poultry Inspection 5-Year Budget History



Standards

Responsible for testing all commercial weighing and measuring devices to ensure accuracy.



FY 2011-12 (in millions)	
Expenditures	\$ 6.13
Receipts	5.44
Appropriation	0.69
Positions	92

Standards

What do they inspect?

- Motor/Liquid Fuels
 - Quality
 - Measurement accuracy
- Scales
- Register Scanners
- Other (Lottery balls, grain moisture meters, etc.)

Standards

FY 2011-13 NCGA Actions

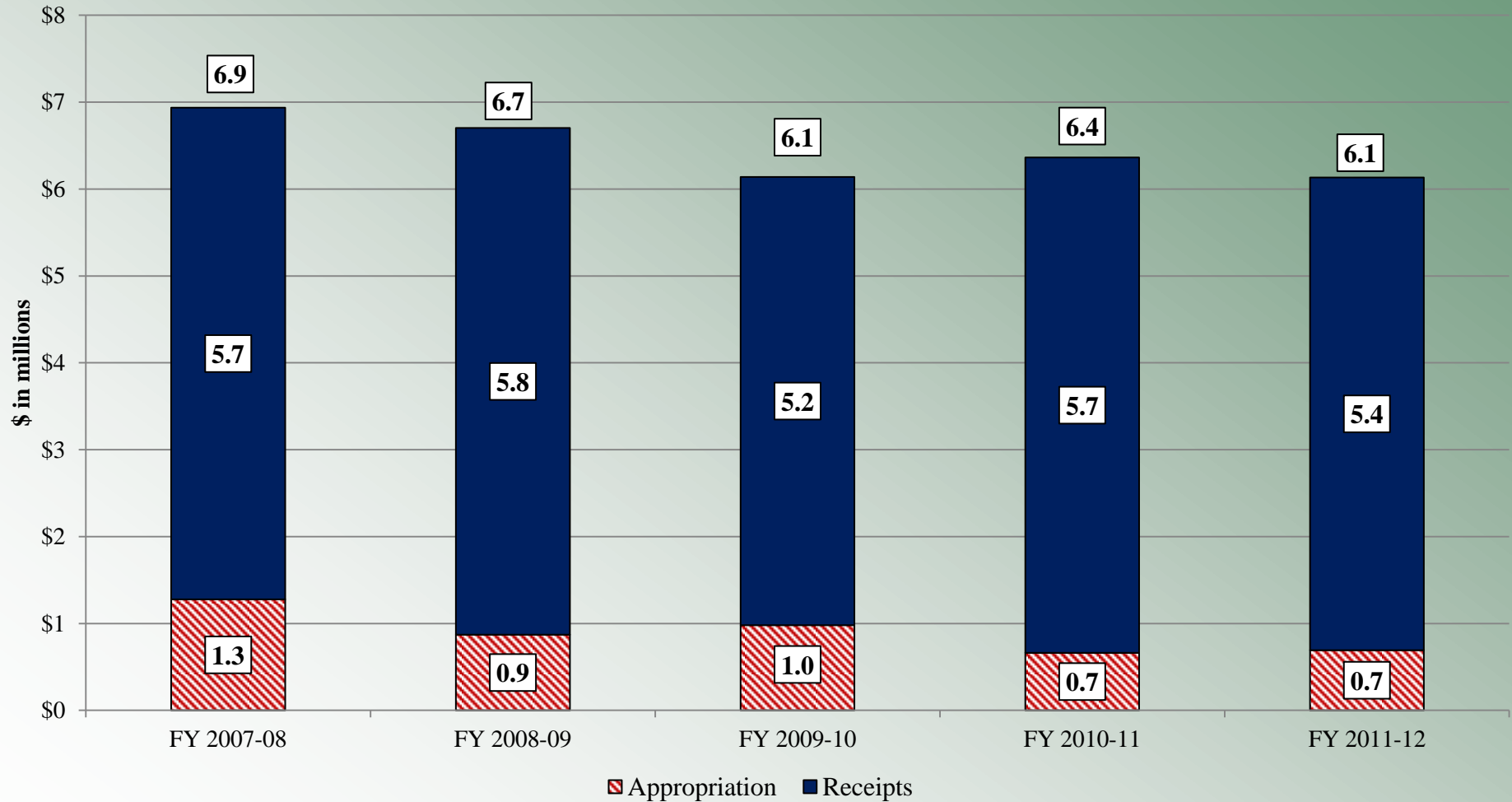
Funding transfer from the Highway Fund reduced by \$261,888 (~5%)

Major Revenue Sources

- $\frac{1}{4}$ of 1¢ per gallon tax - \$4,778,498
- Inspection/Exam Fees – \$339,583
- Fines/Penalties/Assessments - \$138,861
- Transfer from DENR - \$90,000

Standards

5-Year Budget History



Structural Pest Control/Pesticides

Regulates pest control industry by licensing commercial operators and administering state and federal laws regulating the industry.



FY 2011-12 (in millions)	
Expenditures	\$ 4.72
Receipts	4.55
Appropriation	0.17
Positions	68

Structural Pest Control/Pesticides

Certifies, licenses, and monitors:

- Insecticide, rodenticide, and fungicide used in NC
- Commercial applicators
- Farmers/public operators
- Pesticide dealers

Pesticide Law of 1971: Article 52, GS 143
Structural Pest Control Law: Article 4C, GS 106

2012 Statistics
Registered Products
14,500

Certified Pesticide
Producers
1,400

Licensed Pesticide
Applicators
15,000

Structural Pest Control/Pesticides

FY 2011-13 NCGA Actions

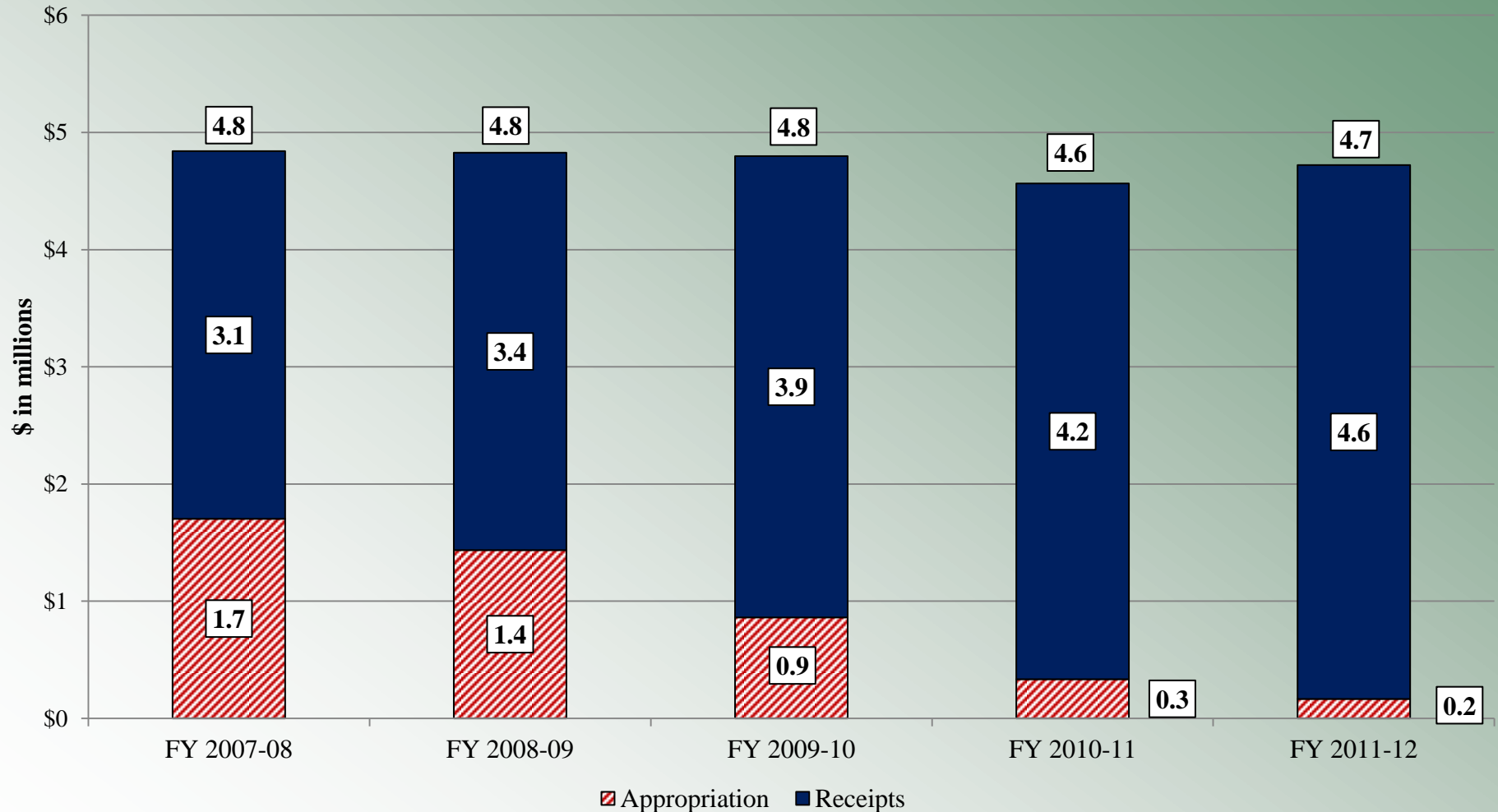
Transferred Sleep Products Section of the Division of Environmental Health from DENR (\$635,070 R)

Major Revenue Sources (FY 2011-12)

- License Fees - \$2,966,507
- Inspection/Certification Fees - \$207,320
- Fines/Penalties/Assessments - \$47,250
- EPA Pesticide Enforcement - \$420,509
- USDA Record Keeping - \$64,172

Structural Pest Control/Pesticides

5-Year Budget History



Veterinary Services

Focus on three programs related to animal well-being:

- Animal Health
 - Monitor disease and interstate transportation of animals
- Animal Welfare
 - Animal Shelter facilities
 - Boarding Kennels
 - Other
- Animal Disease
 - Respond to disease outbreaks

FY 2011-12 (in millions)	
Expenditures	\$ 11.11
Receipts	2.66
Appropriation	8.45
Positions	140

Veterinary Services

Responsibilities:

- Inspect 757 shelters, kennels, pet shops
- Diagnose suspicious animal deaths
- Quarantine and destroy diseased animals
- License livestock dealers
- Inspect records of animals entering or leaving NC
- Monitor disease outbreak in other states and respond accordingly

Veterinary Services

Spay and Neuter Program

- Established in G.S. 19A – Article 5
- Revenue:
 - \$170,910 – DMV (“I Care” License Plates)
 - \$250,000 – Food and Drug
- Funds disbursed to counties/cities to cover costs of spay/neuter procedure on pet of low-income individuals
- FY 2011-12 - \$465,000 in reimbursements

Veterinary Services

FY 2011-13 NCGA Actions

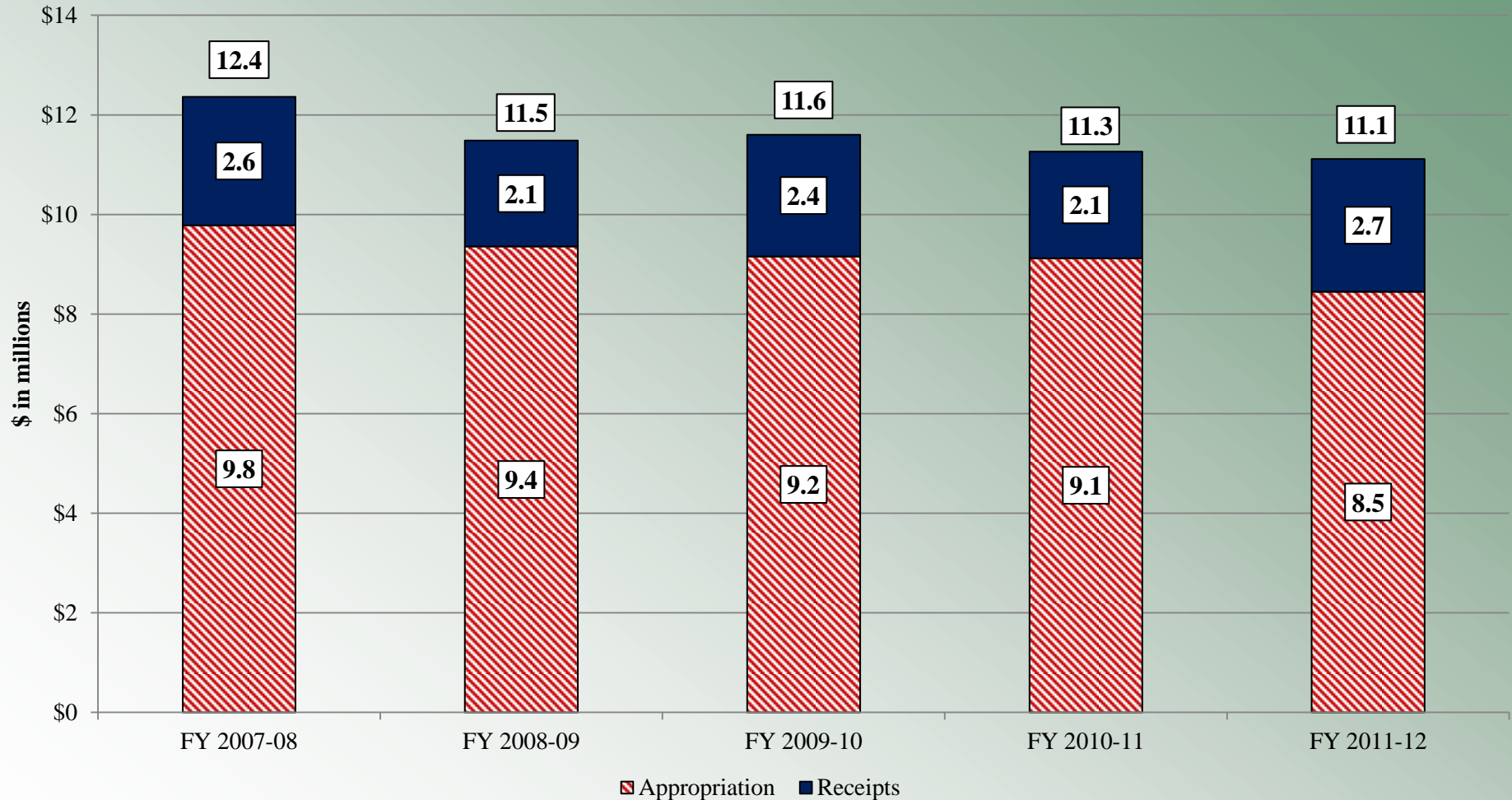
- Eliminated one administrative position (\$51,990 R)
- Increased license fee for pet shops, public auctions, boarding kennels, and dealers from \$50 to \$75 (\$10,000 R)
- Created two additional positions in the Animal Welfare Section (\$120,000 R)

Veterinary Services

Major Revenue Sources (FY 2011-12)

- Professional Services - \$677,248
- Inspection/Exam Fees - \$498,923
- Federal - \$1,377,071

Veterinary Services 5-Year Budget History



Key Takeaways

- Known by few, relied upon by all
- Large receipt support, especially for Standards and Structural Pest Control & Pesticides
- Interaction with federal programs/regulations (USDA, FDA, EPA)



Timothy Dale
timothy.dale@ncleg.net
733-4910

Questions?