

# FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

## **Department of Agriculture & Consumer Services (DACCS)**



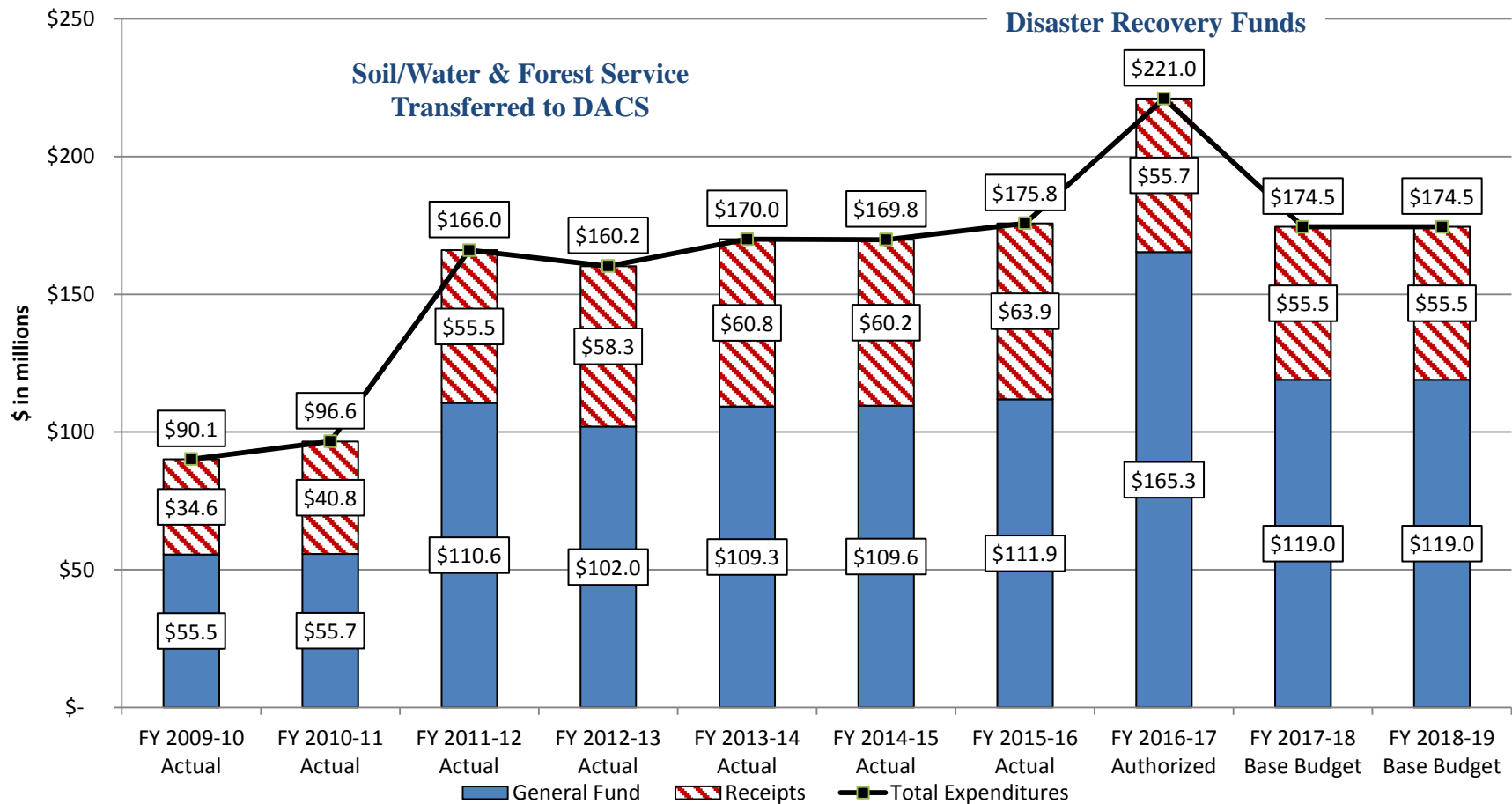
March 9, 2017

# Outline

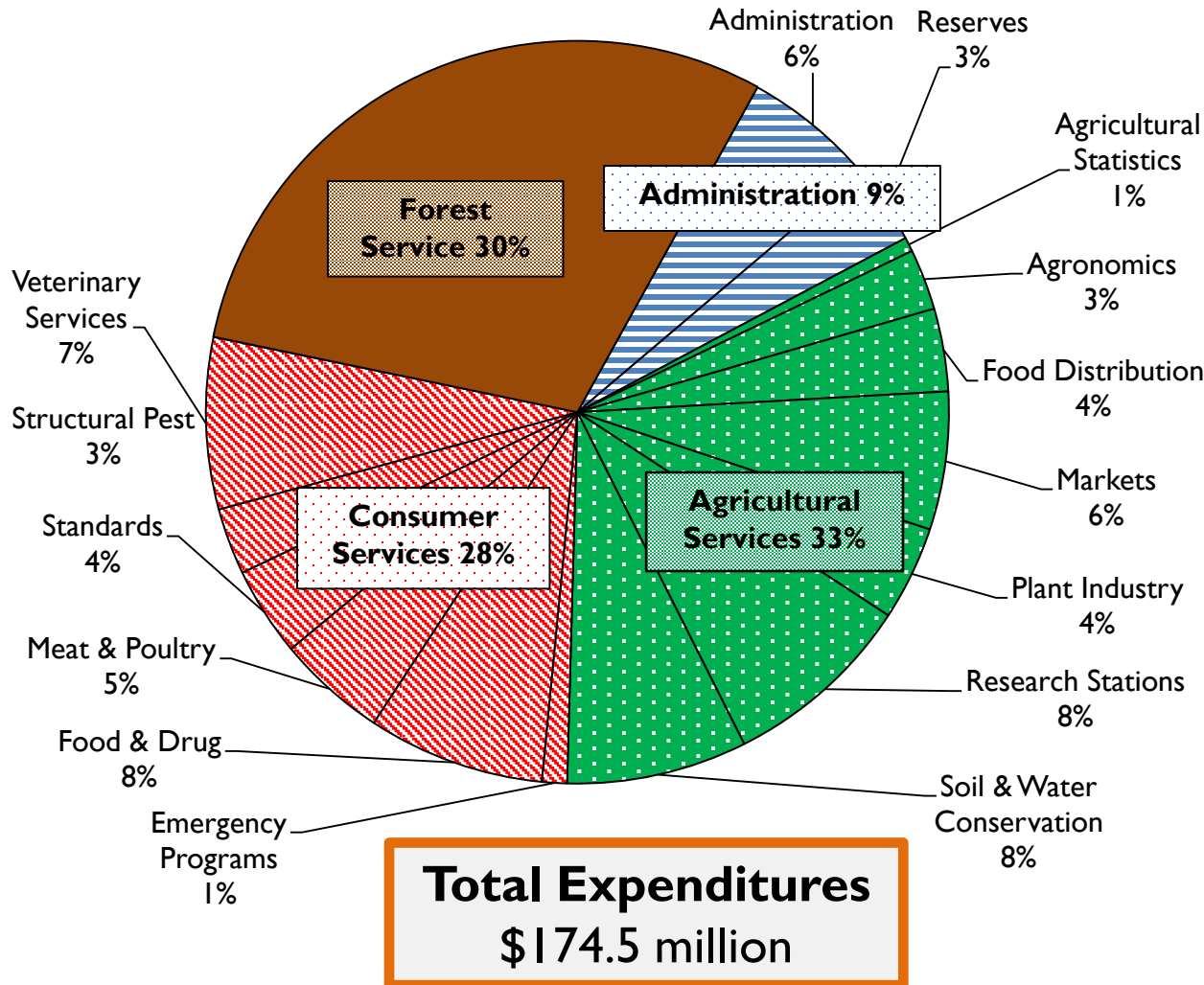
- Overview of the Department
  - Mission
  - Organizational Structure
  - Budget History & Trends
- Division Summaries:
  - Administration
  - Agricultural Services
  - Consumer Services
  - Forest Service



# 10-Year Expenditure History



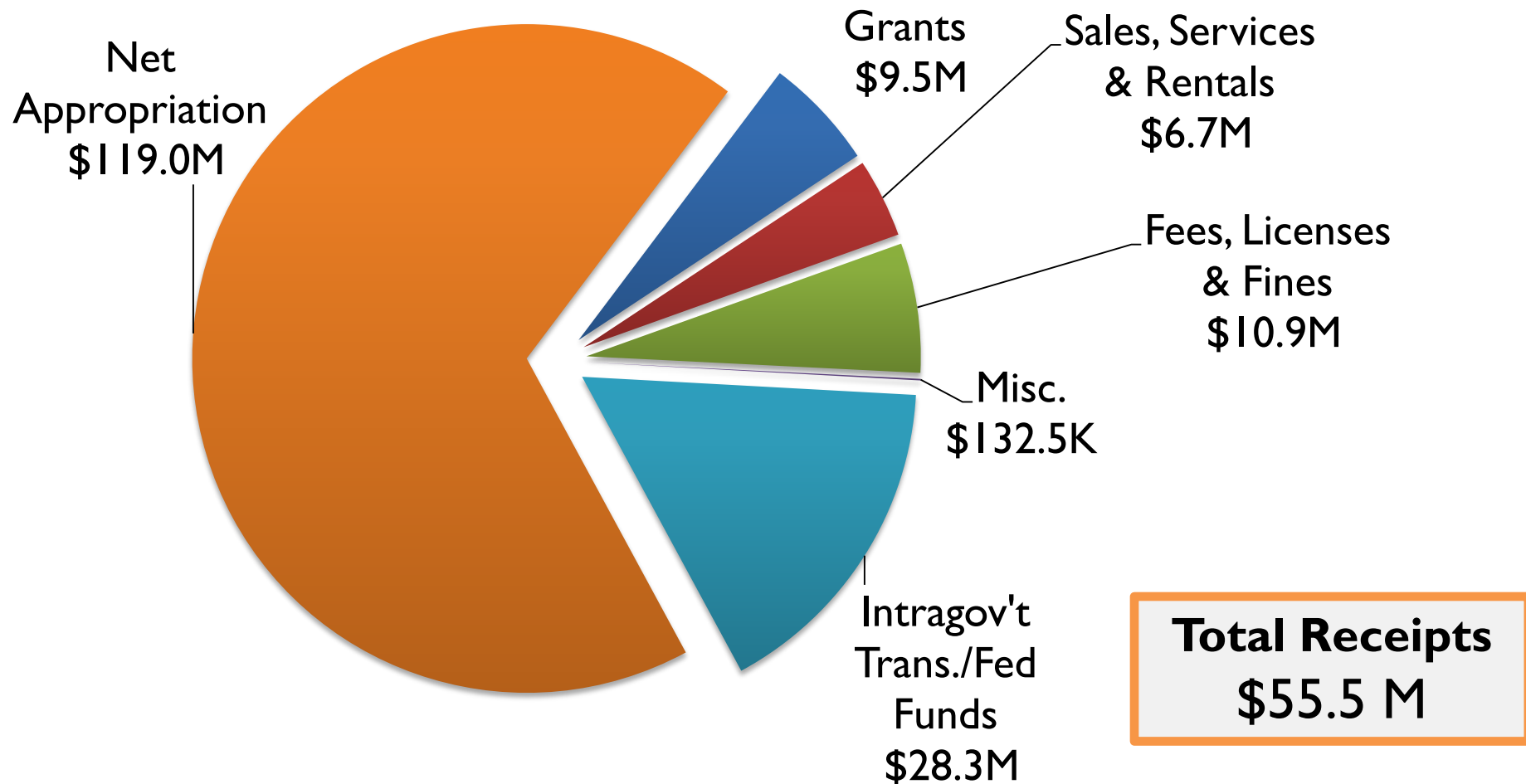
# Total Expenditures, FY 2017-18



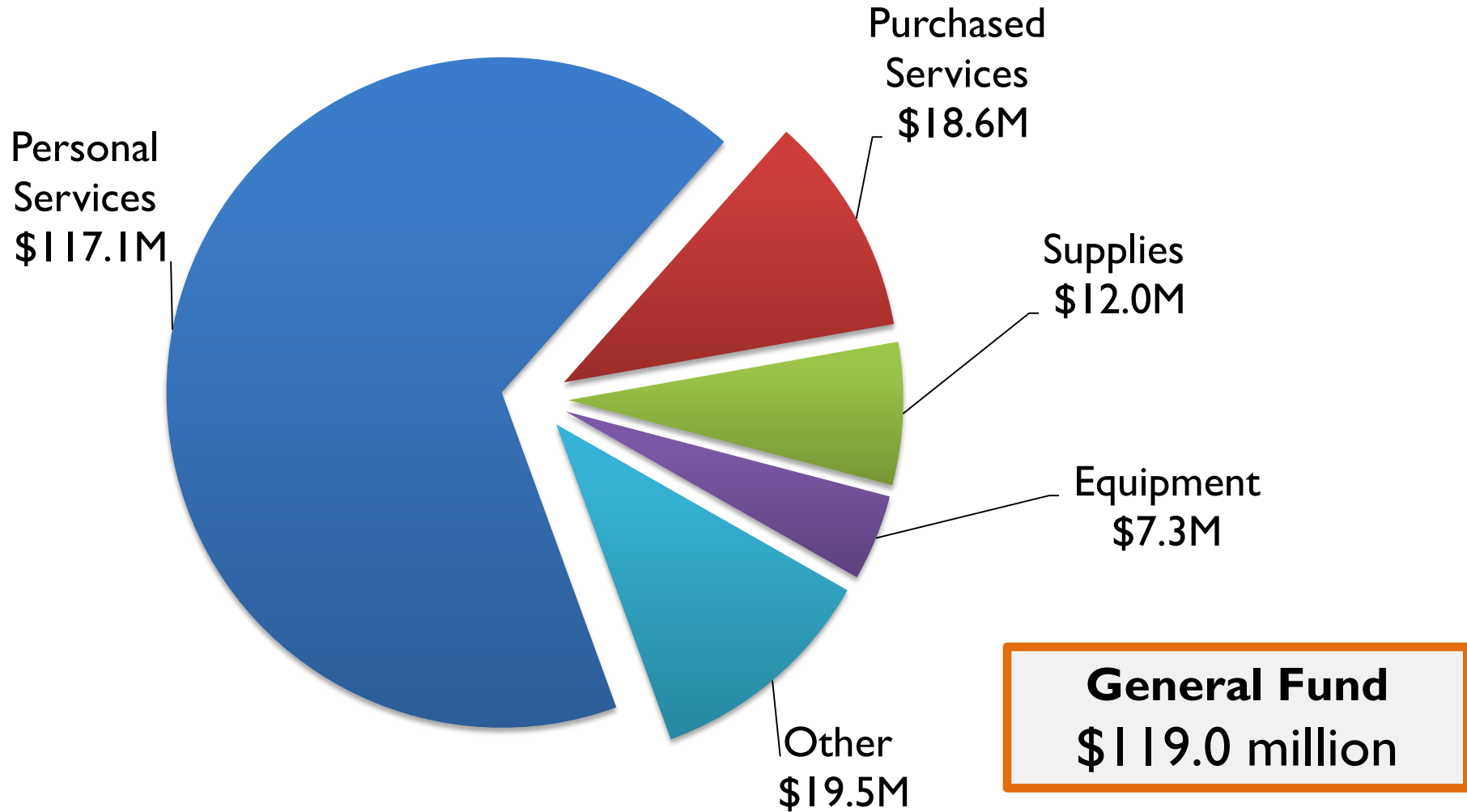
Administration	\$10.0 M
Reserves	\$6.0 M
Agricultural Statistics	\$1.1 M
Agronomics	\$4.6 M
Food Distribution	\$6.3 M
Markets	\$10.5 M
Plant Industry	\$7.2 M
Research Stations	\$14.6 M
Soil & Water Conservation	\$13.7 M
Emergency Programs	\$1.9 M
Food & Drug	\$13.4 M
Meat & Poultry	\$8.3 M
Standards	\$6.8 M
Structural Pest	\$5.1 M
Veterinary Services	\$13.0 M
Forest Service	\$52.0 M



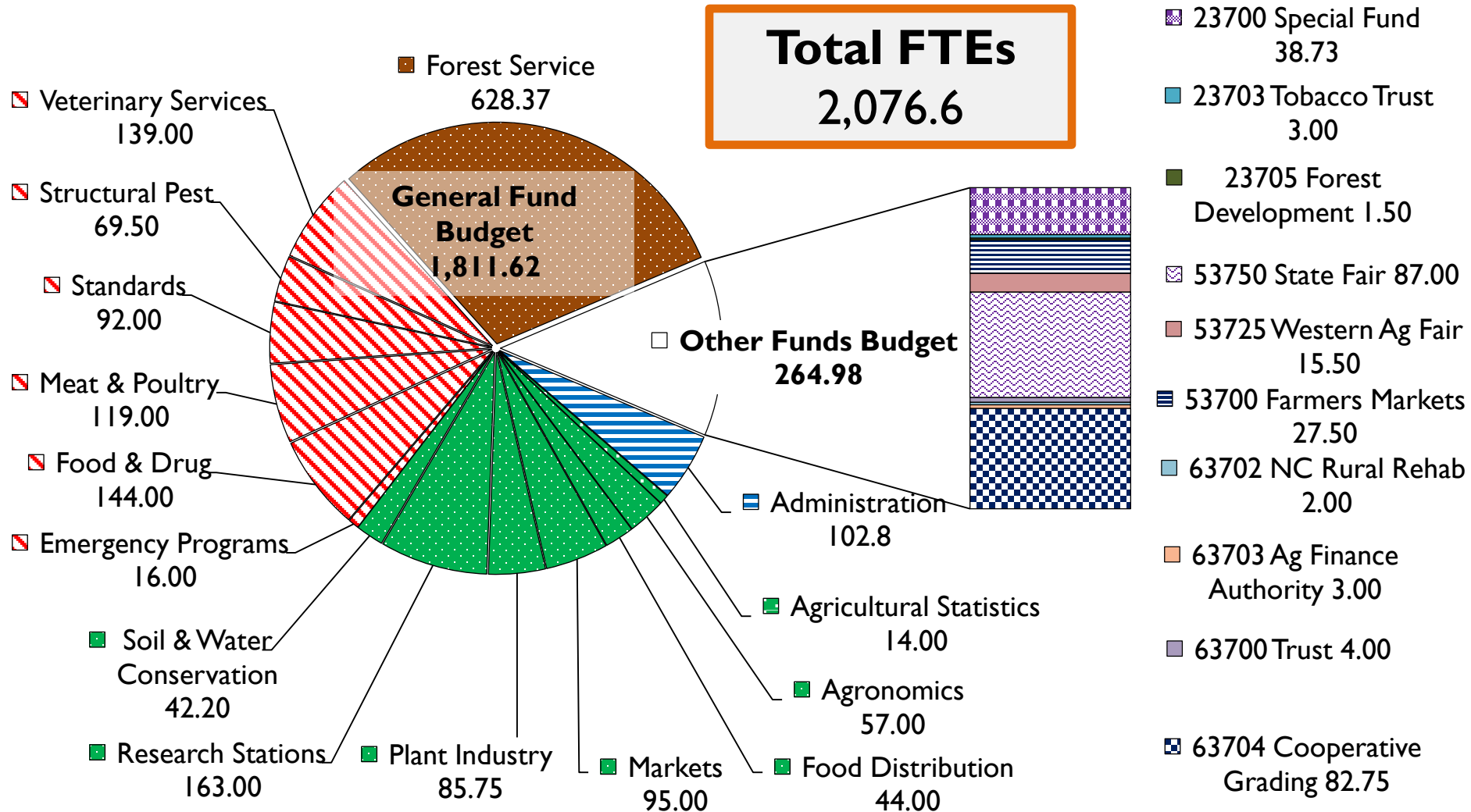
# Revenue Sources, FY 2017-18



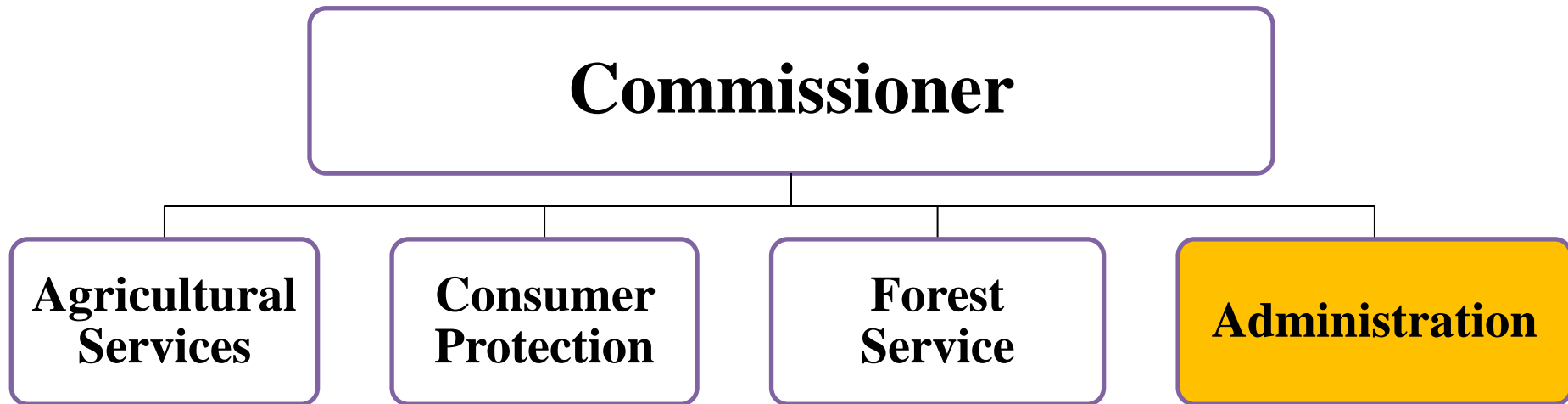
# Net Appropriation, FY 2017-18



# FTE Position Counts



# Division Overview



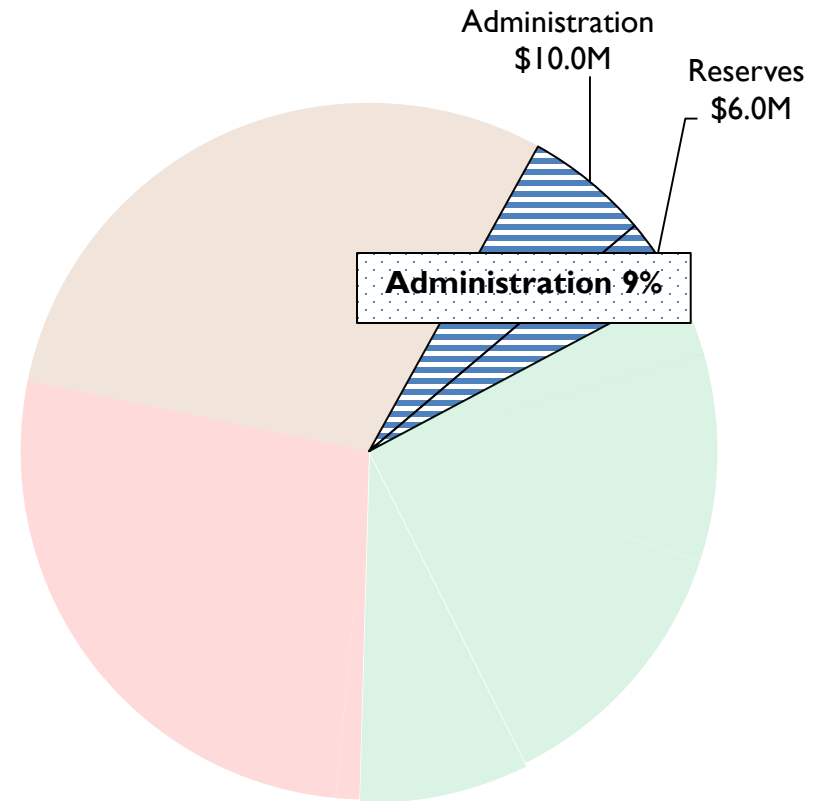


# Administration & Reserves

Composed of the following functions:

- **Administrative Services:**
  - Human Resources
  - Legal
  - IT
  - Policy/Government/Public Affairs
  - Internal Audit
  - Budget/Finance
  - Property and Construction
- Small Farms
- Reserves/Transfers

**Total Expenditures**  
\$16.0 million



# Administration & Reserves

Expenditures	
Administration	\$10.0 M
Reserves	\$6.0 M
<b>Total</b>	<b>\$16.0 M</b>

## **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 16.0
Receipts	\$ 3.3
Appropriation	\$ 12.7
Positions	102.8



# Recent NCGA Actions: Admin & Reserves

## FY 2015-16

- Duplin County Events Center - \$100K NR
- Tobacco Trust Fund Expansion - \$559K NR
- Military Buffers - \$1.0 million R
  - Funding for Agricultural Development and Farmland Preservation Trust Fund (23700-2708) to purchase buffers around military bases
- FFA Foundation - \$60K R



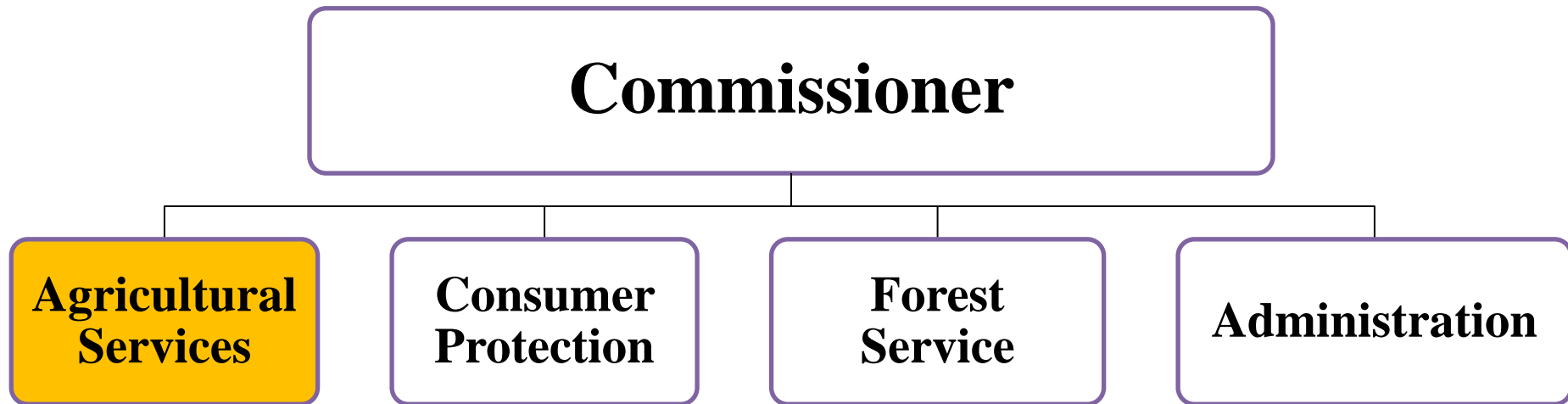
# Recent NCGA Actions: Admin & Reserves

## FY 2016-17

- Tobacco Trust Fund Expansion- \$2.1 million NR
- Military Buffers - \$1.0 million NR
  - Funding for Farmland Preservation Trust Fund to purchase buffers around military bases
- Eastern 4-H Center - \$300K NR
- Association of Agricultural Fairs - \$300K NR
- Healthy Food Small Retailers - \$250K NR
  - To increase the availability of fresh agricultural products in food deserts around the State.



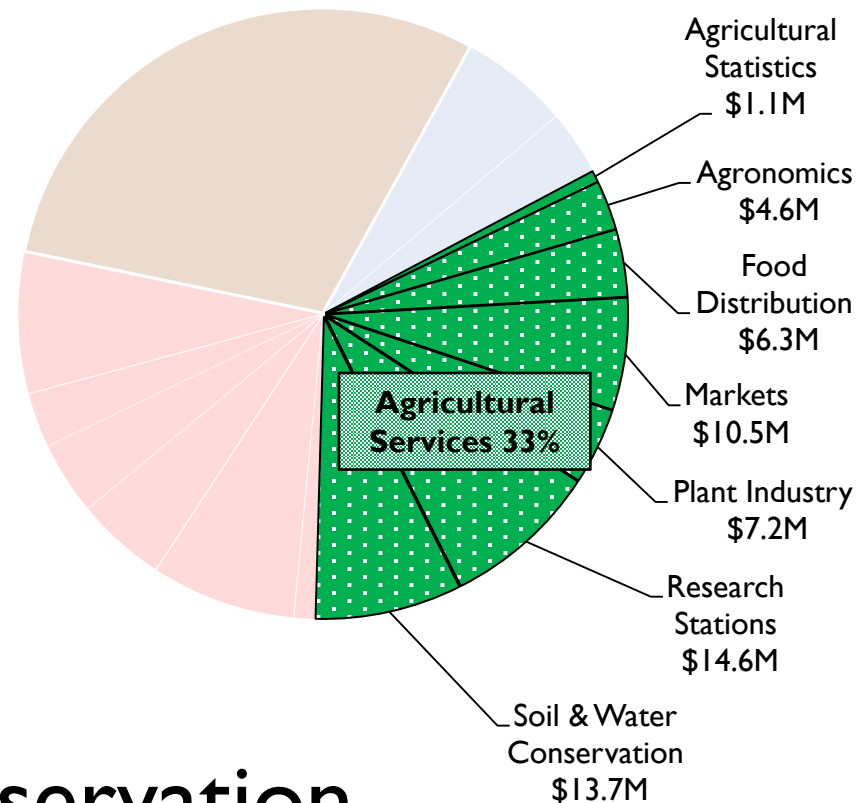
# Division Overview



# Agricultural Services Divisions

- Agricultural Statistics
- Agronomic Services
- Food Distribution
- Marketing
- Plant Industry
- Research Stations
- Soil and Water Conservation

**Total Expenditures**  
\$58.0 million



# Agricultural Services Divisions

Expenditures	
Agricultural Statistics	\$1.1 M
Agronomics	\$4.6 M
Food Distribution	\$6.3 M
Markets	\$10.5 M
Plant Industry	\$7.2 M
Research Stations	\$14.6 M
Soil & Water Conservation	\$13.7 M
<b>Total</b>	<b>\$58.0 M</b>

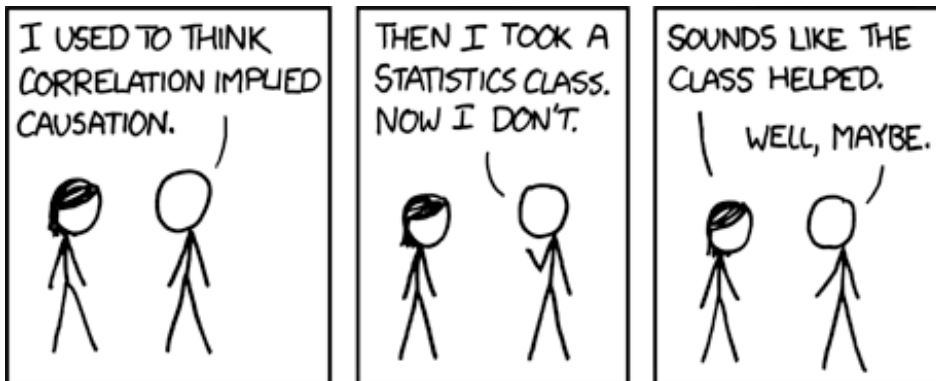
## FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 58.0
Receipts	\$ 15.3
Appropriation	\$ 42.7
Positions	501.0



# Agricultural Statistics

The Agricultural Statistics Division collects, prepares, & disseminates official crop, livestock and price estimates, along with other statistics on agriculture in North Carolina and the nation.



<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 1.1
Receipts	0.2
Appropriation	0.9
Positions	14.0





# Agronomic Services

Analyzes soil samples, plant, solution, & irrigation water samples, & animal, municipal, & industrial wastes. Aims to improve production efficiency & protect natural resources. Regional agronomists help solve field problems.

## Agronomic Service Areas

- Soil Testing
- Plant Tissue, Waste, & Solution Analysis
- Nematode Assay
- Field Staff (13 FTE)

## **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 4.6
Receipts	1.3
Appropriation	3.3
Positions	57.0



# Food Distribution

- Distributes USDA donated commodities to eligible USDA programs
- Administers the Farm to School program
- Two distribution facilities
  - Salisbury
  - Butner

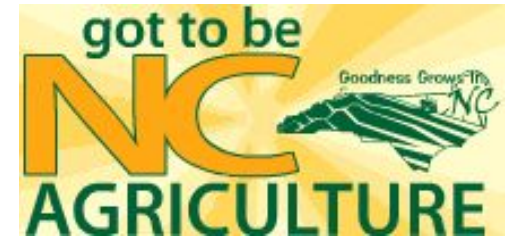


## **FY 2017-18 GF Base Budget** (in millions)

Expenditures	\$ 6.3
Receipts	3.9
Appropriation	2.4
Positions	44.0

# Marketing

- Agribusiness marketing assistance
- International marketing development
- Host regional events highlighting NC agricultural products
- Voluntary grading/certification services
- Ag Centers & Farmers Markets



<b>FY 2017-18</b>	
<b>GF Base Budget</b>	
<b>(in millions)</b>	
Expenditures	\$ 10.5
Receipts	2.1
Appropriation	8.4
Positions	95.0



# Marketing Other Funds

## 23700 Special Fund

- 2106 Eastern Ag Marketing Fund – Williamston
- 2110 Vending Services - Farmers Markets
- 2141 Got To Be NC - Community Market Project
- 2142 Expanding Capacity/NC Farm to School Program (operated with Food Distribution)
- 2152 Local Farmers Mkt Awareness Campaign

## 53700 Farmers Market Enterprise Fund

- 5100 Farmers Market – Raleigh
- 5300 Piedmont Triad Farmers Market

## 53725 WNC Ag Center/ Mountain Fair Enterprise Fund

- 5200 WNC Ag Center Control Fund
- 5210 WNC Agricultural Center
- 5220 Mountain State Fair

## 63700 Trust Fund

- 6127 Food Marketing Workshop

## 63704 Interest Bearing Funds

- 6422 Meat and Poultry Grading
- 6423 Livestock
- 6424 Fruits and Vegetables
- 6425 Field Crops

## 63705 Trust Agency Funds

- 6112 NC Egg Fund
- 6123 Pasteurizer Loaner Escrow & Debt Set-Off
- 6131 Goodness Grows Promotion
- 6132 Flavors Of Carolina
- 6135 Tobacco Research Comm Assessments
- 6150 Agriculture Foundation Assessment



# Plant Industry

- Examines fertilizer & seed for accurate labeling & product quality
- Administers plant pest laws and the Plant Conservation Program
- Inspects nurseries & honeybees
- Conducts biological pest control

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 7.2
Receipts	3.1
Appropriation	4.1
Positions	85.8



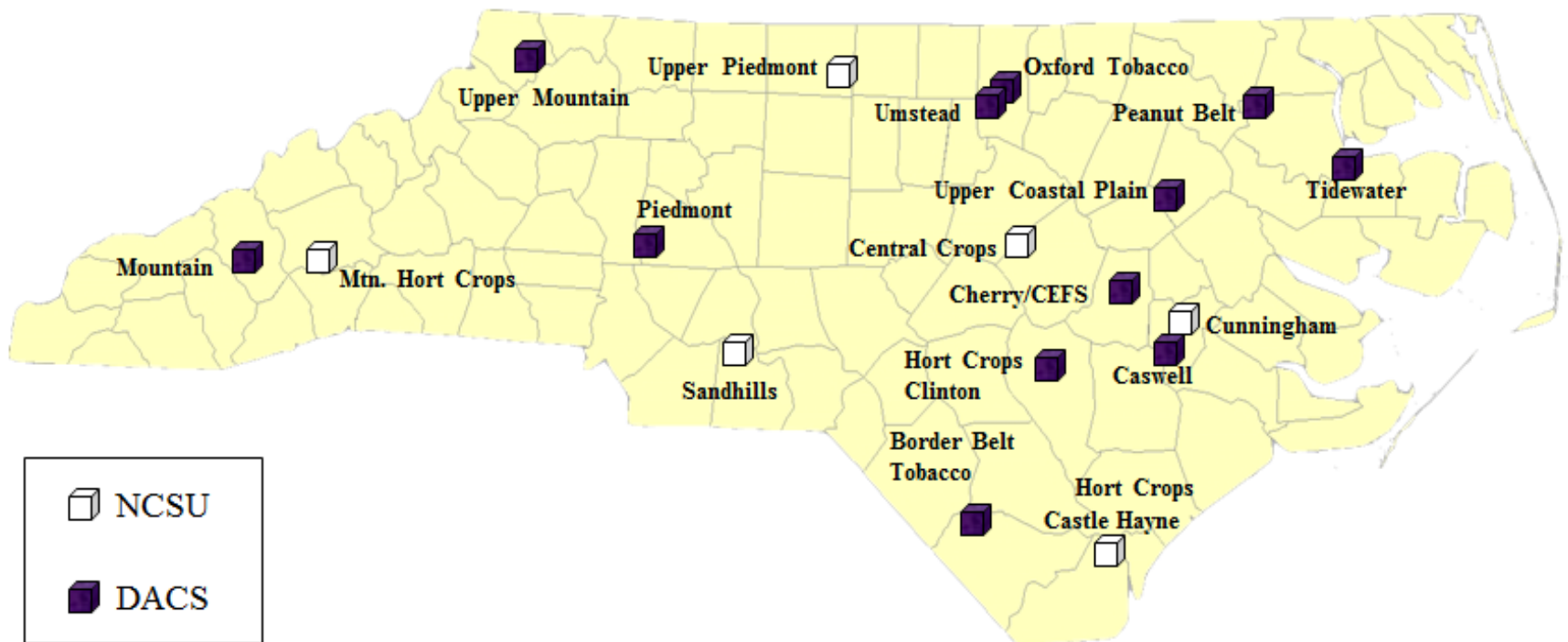
# Research Stations

- Maintains and supervises 18 research stations
  - (12 owned by DACS and six owned by NCSU)
- Cooperate with scientists at land-grant universities to develop new agronomic products, improve livestock and poultry breeds, and develop better management practices
- Administers the Bioenergy Research Initiative Grant Program.

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 14.6
Receipts	2.7
Appropriation	11.9
Positions	163.0



# Research Stations



# Soil and Water Conservation

- Administers voluntary, incentive-based programs to encourage landowners to adopt soil and water conservation strategies
- Provide coordinating, administrative, and program support to 96 local soil and water districts

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 13.7
Receipts	2.0
Appropriation	11.7
Positions	42.2





# Soil and Water Conservation

Lead agency for agricultural nonpoint source pollution through four primary programs:

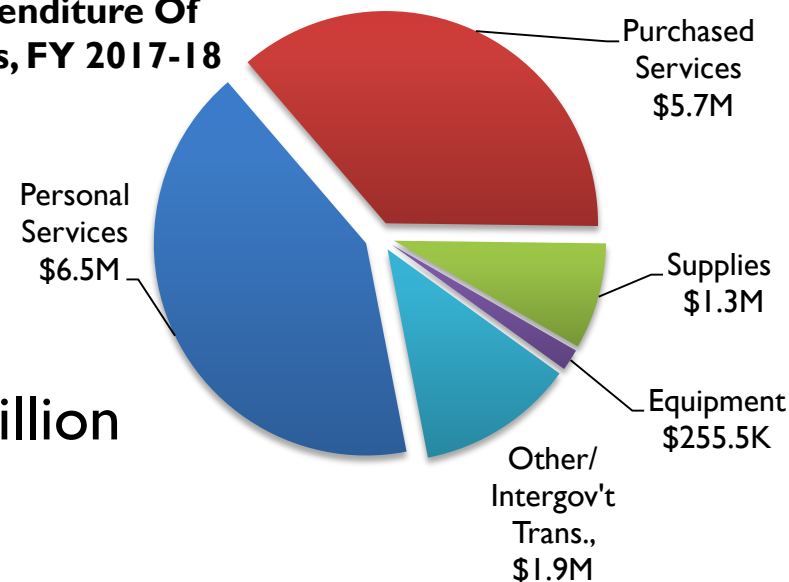
- Agriculture Cost-Share Program
- Agricultural Water Resources Assistance Program (AgWRAP)
- Community Conservation Assistance Program
- Conservation Reserve Enhancement Program



# NC State Fair

- Enterprise fund - fully receipt supported
- Fees collected from admissions, event rental fees, etc.
- Cash balance used for repair and renovations of fairgrounds
- FY 2017-18:
  - Receipts - \$15.5 million
  - Expenditures - \$15.5 million
  - Cash balance at 6/30/16 - \$4.5 million

Expenditure Of  
Funds, FY 2017-18



# Recent NCGA Actions: Agricultural Services

## FY 2015-16

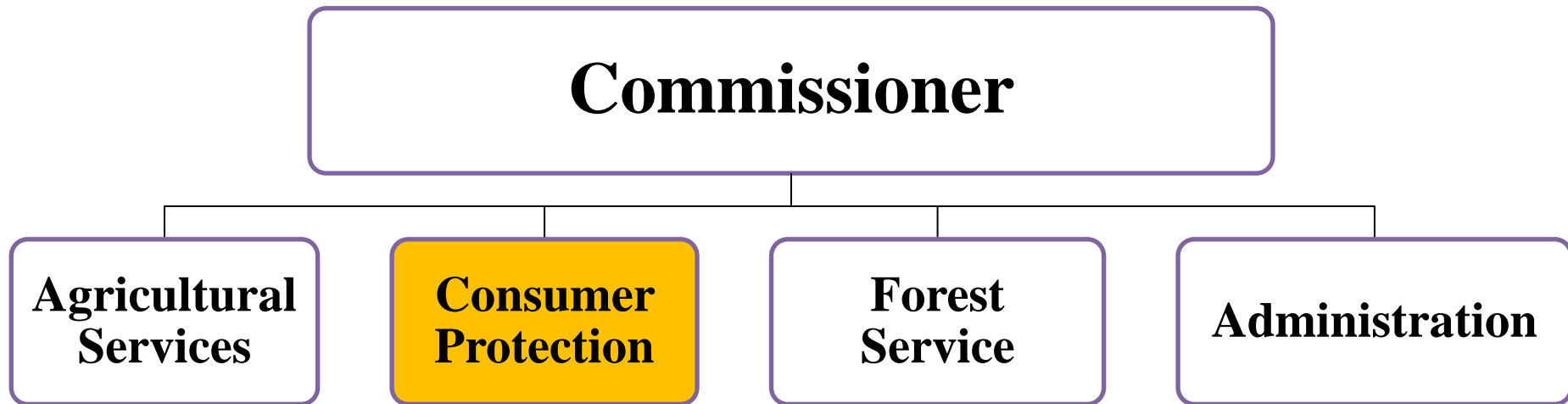
- Food Distribution Fuel - \$50K R
- Budgeted Receipts – (\$125K R) & (\$1.8 million NR)
  - Plant Industry – (\$125K R)
  - Research Station Bioenergy Development – (\$500K NR)
  - Various Soil & Water Conservation – (\$1.3 million NR)
- AgVWRAP - \$500K R

## FY 2016-17

- International Marketing - \$500K NR
- AgVWRAP - \$500K NR

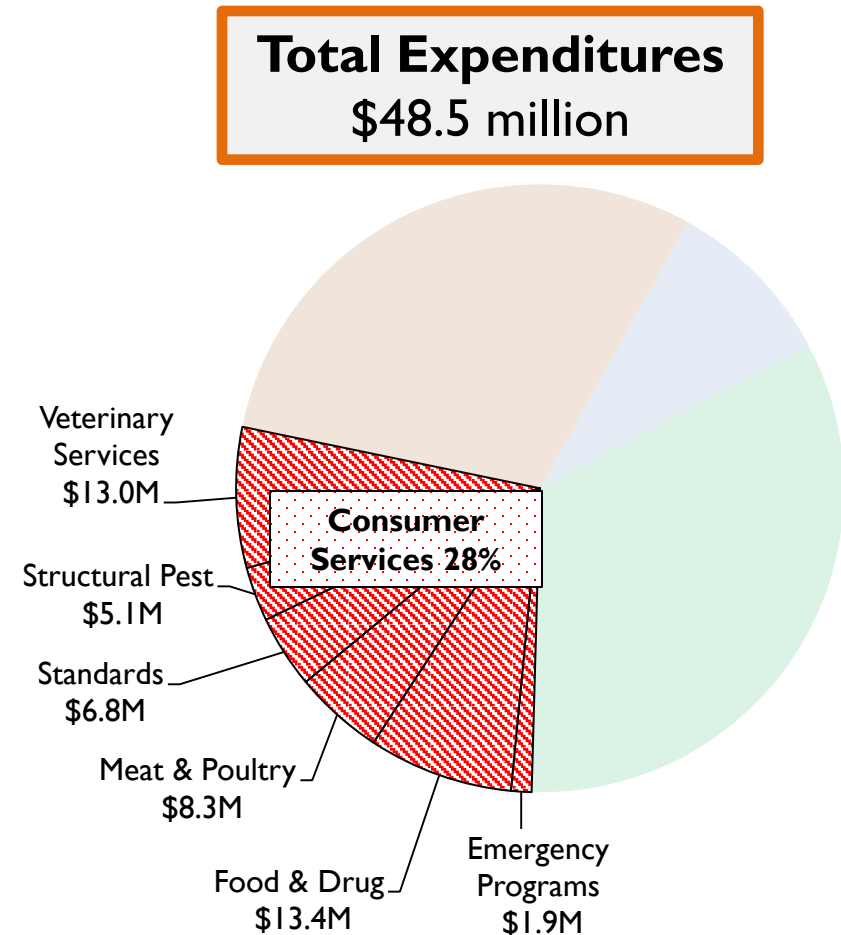


# Division Overview



# Consumer Services Programs

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



# Consumer Services Programs

Expenditures	
Emergency Programs	\$1.9 M
Food & Drug	\$13.4 M
Meat & Poultry	\$8.3 M
Standards	\$6.8 M
Structural Pest	\$5.1 M
Veterinary Services	\$13.0 M
<b>Total</b>	<b>\$48.5 M</b>

## FY 2017-18 GF Base Budget (in millions)

Expenditures	\$ 48.5
Receipts	\$ 22.1
Appropriation	\$ 26.4
Positions	579.5



# Emergency Programs

Program designed to assist agribusinesses in the event of:

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

<b>FY 2017-19 GF Base Budget (in millions)</b>	
Expenditures	\$ 1.9
Receipts	0.3
Appropriation	1.6
Positions	16.0



# Food & Drug Protection Division

Regulate entities that store, manufacture, produce or distribute:

- Food
- Dairy
- Animal feed
- Antifreeze
- Drugs

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 13.4
Receipts	4.8
Appropriation	8.7
Positions	144.0





# Food & Drug Protection Division

## Do Inspect

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

## Do Not Inspect

- Meat Processing Facilities
- Restaurants



# Meat and Poultry Inspection

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



## **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 8.3
Receipts	4.2
Appropriation	4.1
Positions	119.0

# Meat and Poultry Inspection

## Key Facts

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



# Standards Division

A regulatory agency responsible for enforcing the Weights and Measures Act (G.S. 81A), the Gasoline and Oil Inspection Law (G.S. 119), and the LP-Gas Inspection Law (G.S. 119).



<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 6.8
Receipts	5.8
Appropriation	0.9
Positions	92.0

# Standards Division

## What do they inspect?

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



# Structural Pest Control/Pesticides

To protect the health and safety of the public and the environment by regulating the structural pest control industry and the pesticide products used, to improve the quality of structural pest control services and reduce fraudulent, unscrupulous activities.



## **FY 2017-18 GF Base Budget (in millions)**

Expenditures	\$ 5.0
Receipts	4.4
Appropriation	0.6
Positions	69.5

# Structural Pest Control/Pesticides

## Certifies, licenses, and monitors:

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



# 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

<b>FY 2017-18 GF Base Budget (in millions)</b>	
Expenditures	\$ 13.0
Receipts	2.6
Appropriation	10.5
Positions	139.0





# Veterinary Services

## Responsibilities:

- Inspect 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



# Recent NCGA Actions: Consumer Services

## FY 2015-16

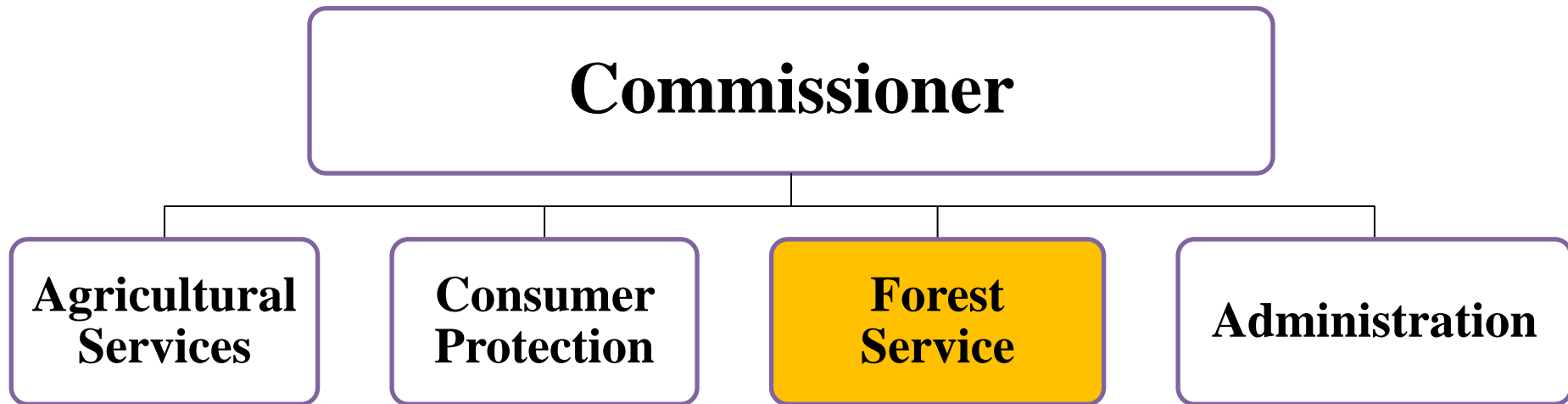
- Budgeted Receipts – (\$968K R)
  - Various Food & Drug – (\$818K R)
  - Structural Pest/Pesticides – (\$150K R)
- Food Safety Modernization - \$140K R
- Food & Drug Operating - \$550K NR
- Animal Shelter Support (Vet Services) - \$250K R
- Spay & Neuter (Vet Services) - \$250K R
- Cervid Farming (Vet Services) - \$149K R

## FY 2016-17

- Animal Shelter Support (Vet Services) – (\$150K R)
- Animal Welfare Position (Vet Services) - \$77K R



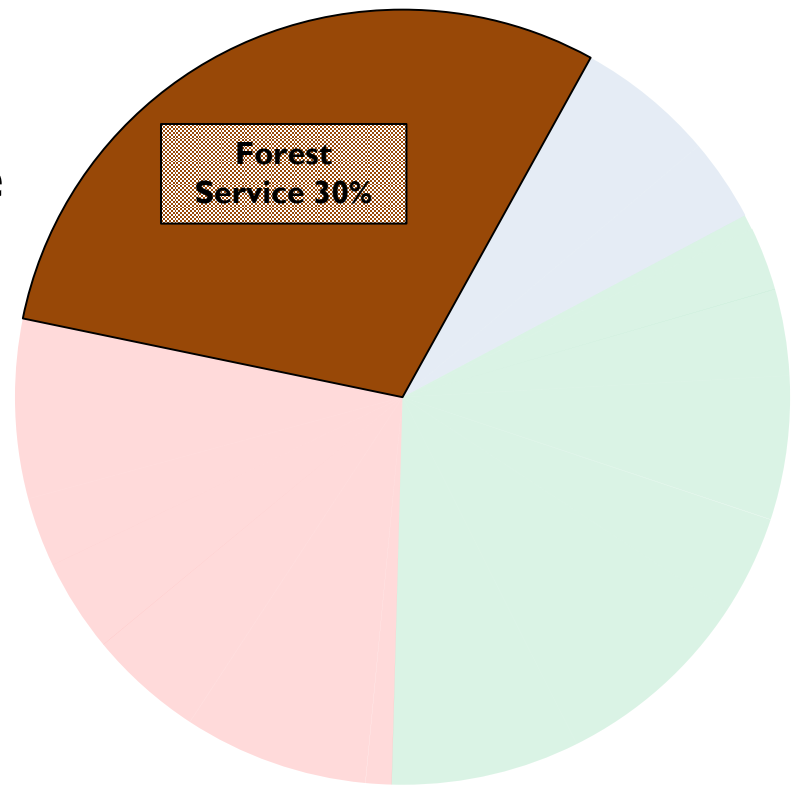
# Division Overview



# NC Forest Service

- 3 regions - 13 regional districts
- Local offices in each county
  - County supports 30-40% of the operating costs of the local office
  - Reimbursement rate agreed-upon between NCFS & County

**Total Expenditures**  
\$52.0 million



# NC Forest Service

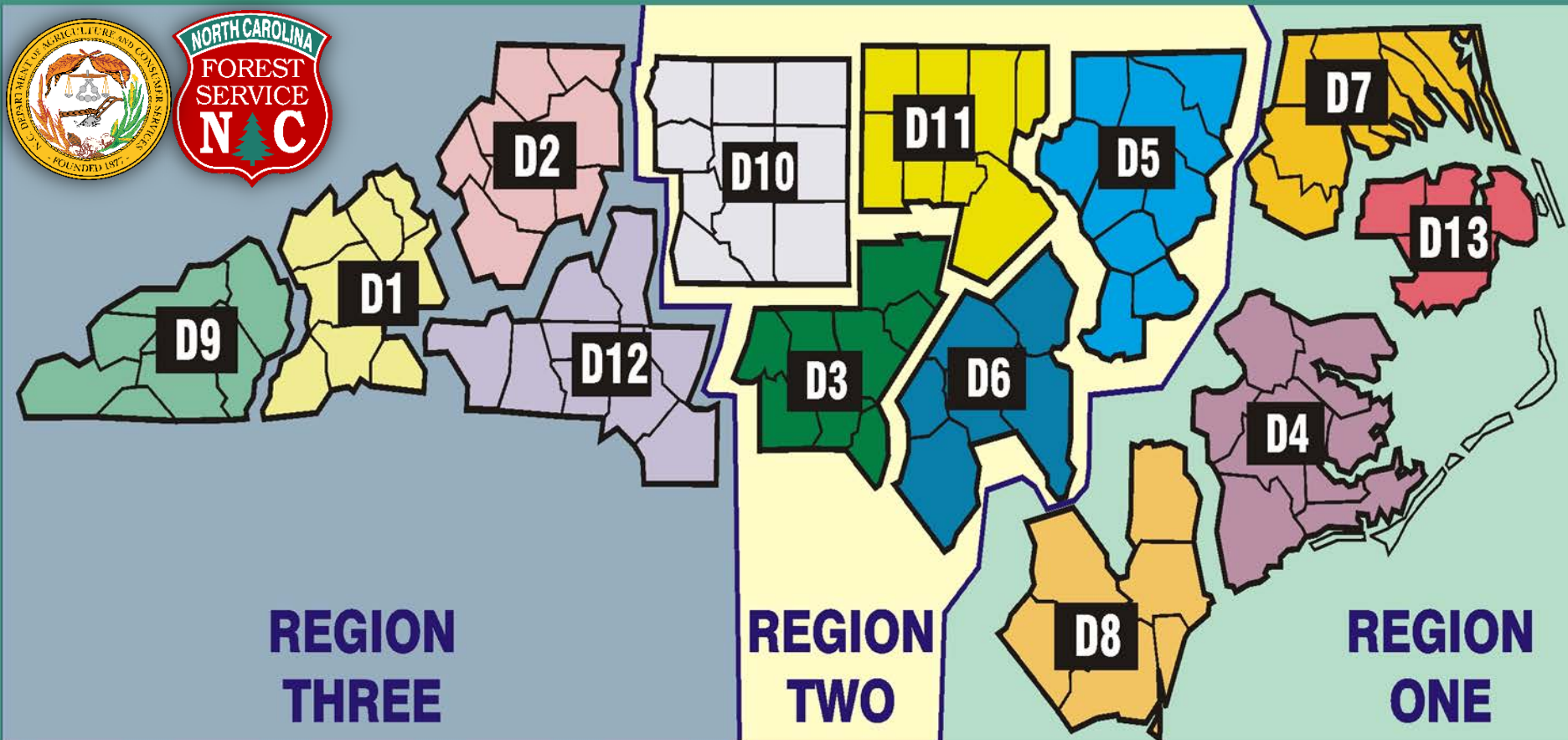
## Responsibilities Include:

- Protect 18.3 million acres of forestland
  - 13.8 million of these owned by private landowners
- Regulate/permit controlled burns
- Provide assistance to other states to fight major wildfires
- Provide landowners with forestry technical assistance
- Operate 7 educational state forests
- Operate nursery for sales/ forest development

<b>FY 2017-18</b>	
<b>GF Base Budget</b>	
<b>(in millions)</b>	
Expenditures	\$ 52.0
Receipts	\$ 14.8
Appropriation	\$ 37.3
Positions	628.37

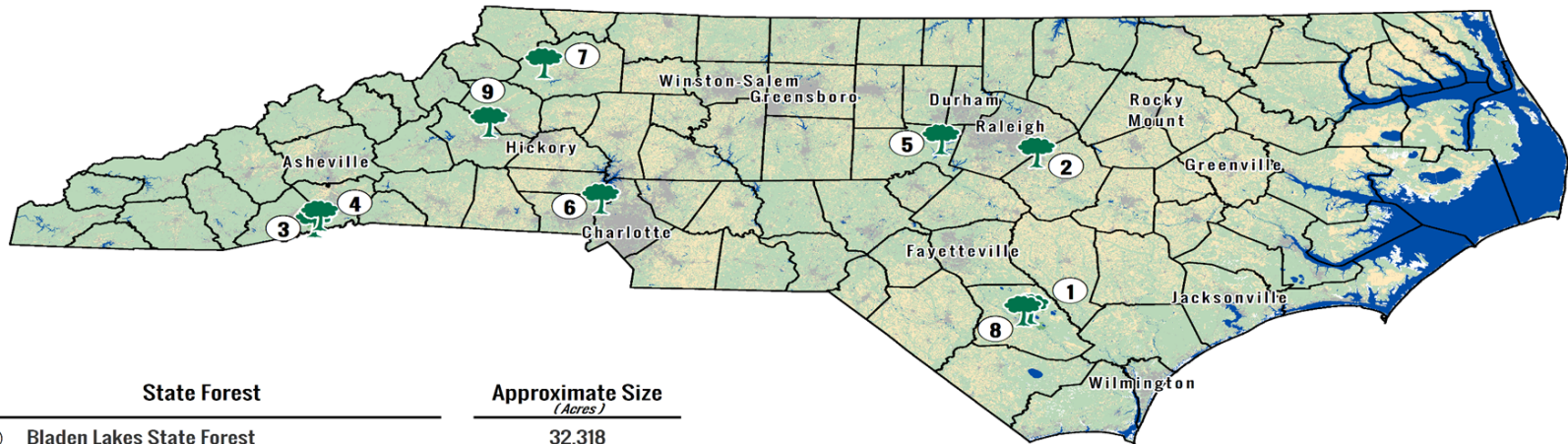


# NC Forest Service Work Units

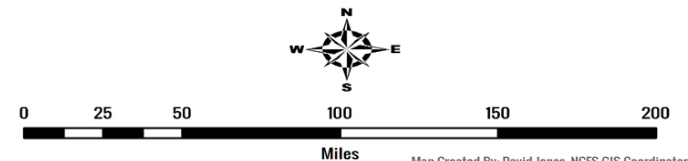


# NC Forest Service Map

## State Forests of North Carolina



State Forest	Approximate Size (Acres)
1 Bladen Lakes State Forest	32,318
2 Clemmons Educational State Forest	824
3 DuPont Recreational State Forest	10,484
4 Holmes Educational State Forest	264
5 Jordan Lake Educational State Forest	994
6 Mountain Island Educational State Forest	1,625
7 Rendezvous Mountain Educational State Forest	3,168
8 Turnbull Creek Educational State Forest	892
9 Tuttle Educational State Forest	291





# Recent NCGA Actions: NC Forest Service

## FY 2015-16

- Reduced budgeted receipts - \$400K R

## FY 2016-17

- Firefighting Equipment - \$3.0 million NR
  - Provided funding for an airplane and heavy equipment
- DuPont State Forest Positions - \$600K R
  - Nine positions and operating expenses
- Forest Development Fund - \$75K NR
  - Hardwood and soft-hardwood forestation projects





# DACS Key Takeaways

- Large, diverse agency
- Budget level remained relatively flat over time
- Employees are geographically spread throughout the State due to nature of responsibilities



# Governor's Recommended Budget

## Reductions

None

## Expansion

- International Marketing - \$250K NR
- Firefighting (airplane) - \$2.0 M NR
- Farmland Preservation Trust Fund - \$400K R & \$1.4M NR
- Research Stations - \$400K R
- Operations - \$350K R





# Questions?

