

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Department of Agriculture & Consumer Services Overview

**Joint Appropriations Committees on Agriculture,
Natural, and Economic Resources**

March 26, 2019

Katherine Tamer

Acronyms

- ADFPTF: Agricultural Development and Farmland Preservation Trust Fund
- BMP: Best Management Practices
- DACS: Department of Agriculture & Consumer Services
- FTE: Full-time Equivalent Position
- GF: General Fund
- NCSU: North Carolina State University
- SWC: Soil and Water Conservation
- US DOD: United States Department of Defense
- USDA: United States Department of Agriculture

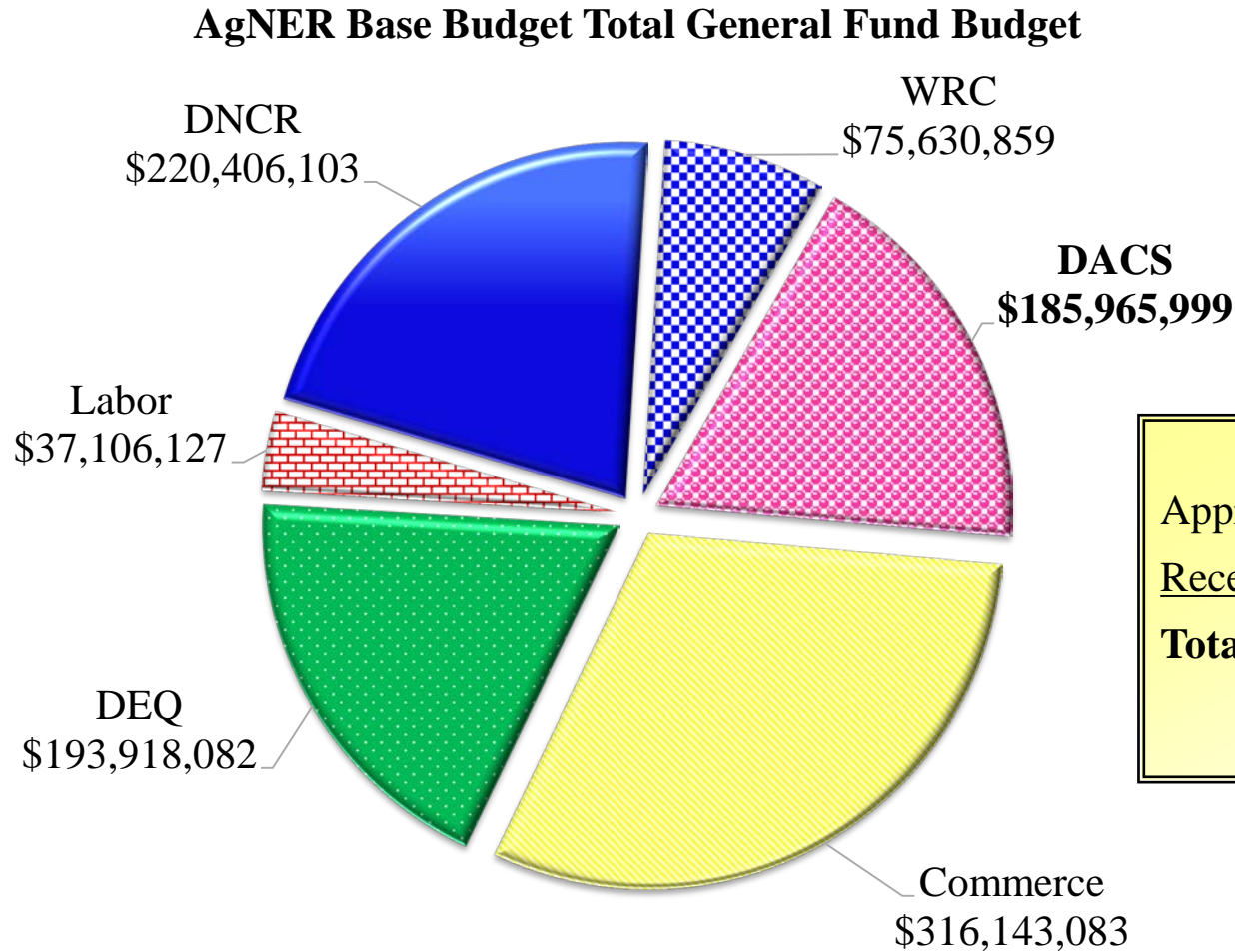


Outline

- DACS Budget Overview
 - Budget History
 - Special Funds
 - Recent Budget Actions
- Agricultural Services
 - Budget
 - Divisions
 - Recent Budget Actions



AgNER Base Budget by Agency FY 2019-20



Appropriation:	\$696.2 million
<u>Receipts:</u>	<u>\$351.8 million</u>
Total GF Budget:	\$1,048.1 million

Source: Base Budget (Worksheet Is)



AgNER - DACS

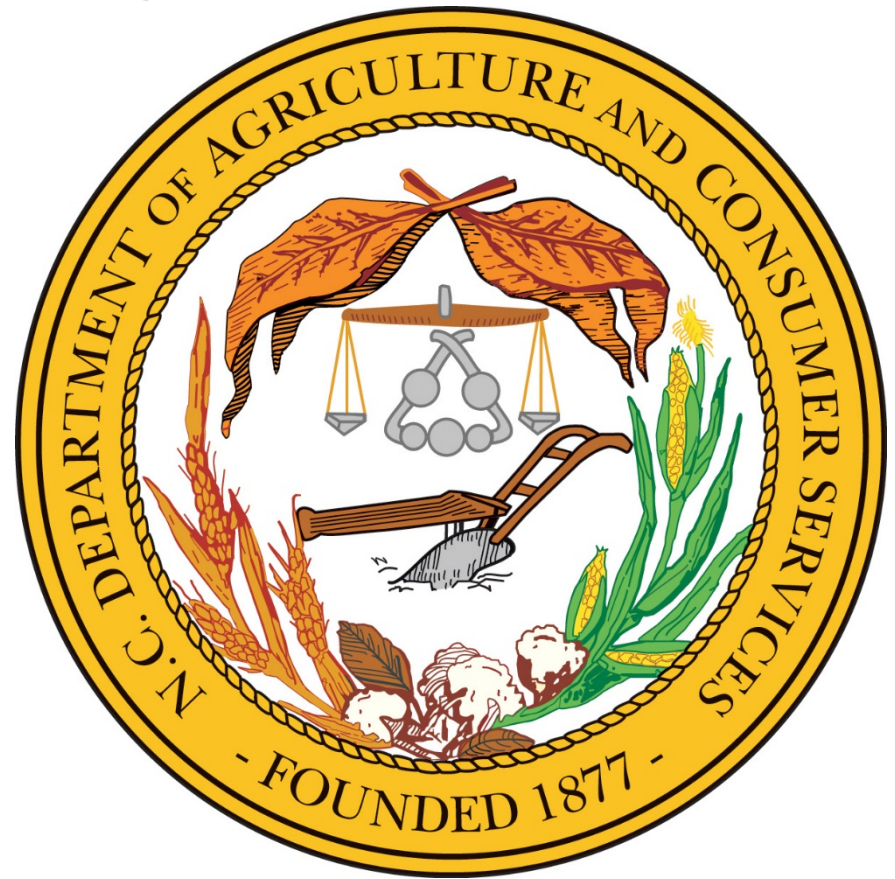
Lead agency promoting agriculture, protecting consumers, and conserving farmland

(G.S. 106, Article 1)

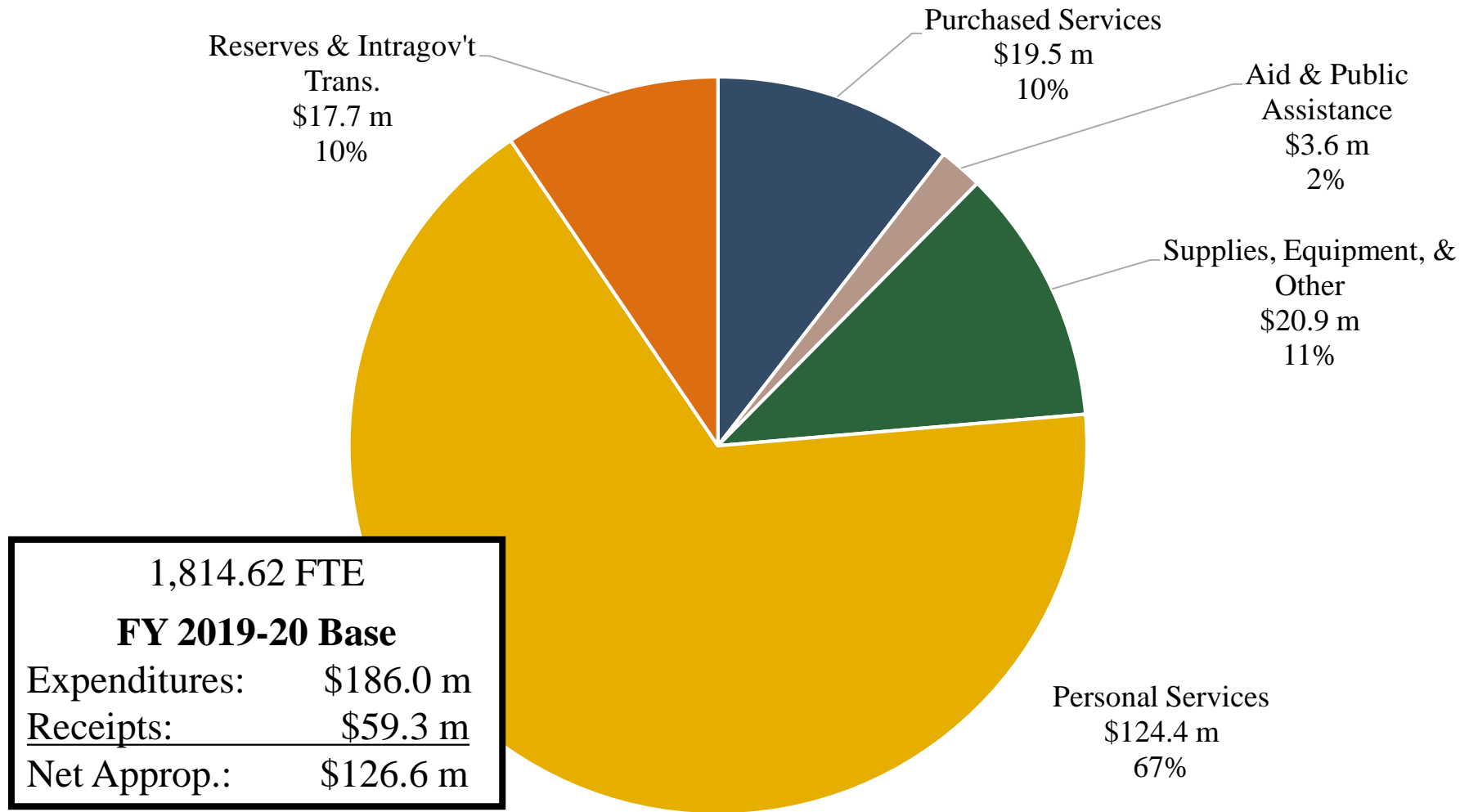
Steve Troxler, Commissioner

Includes:

- Agronomic Services
- Food Distribution
- Forest Service
- Marketing
- Meat and Poultry
- Soil and Water Conservation
- Structural Pests
- Standards
- Vet Services

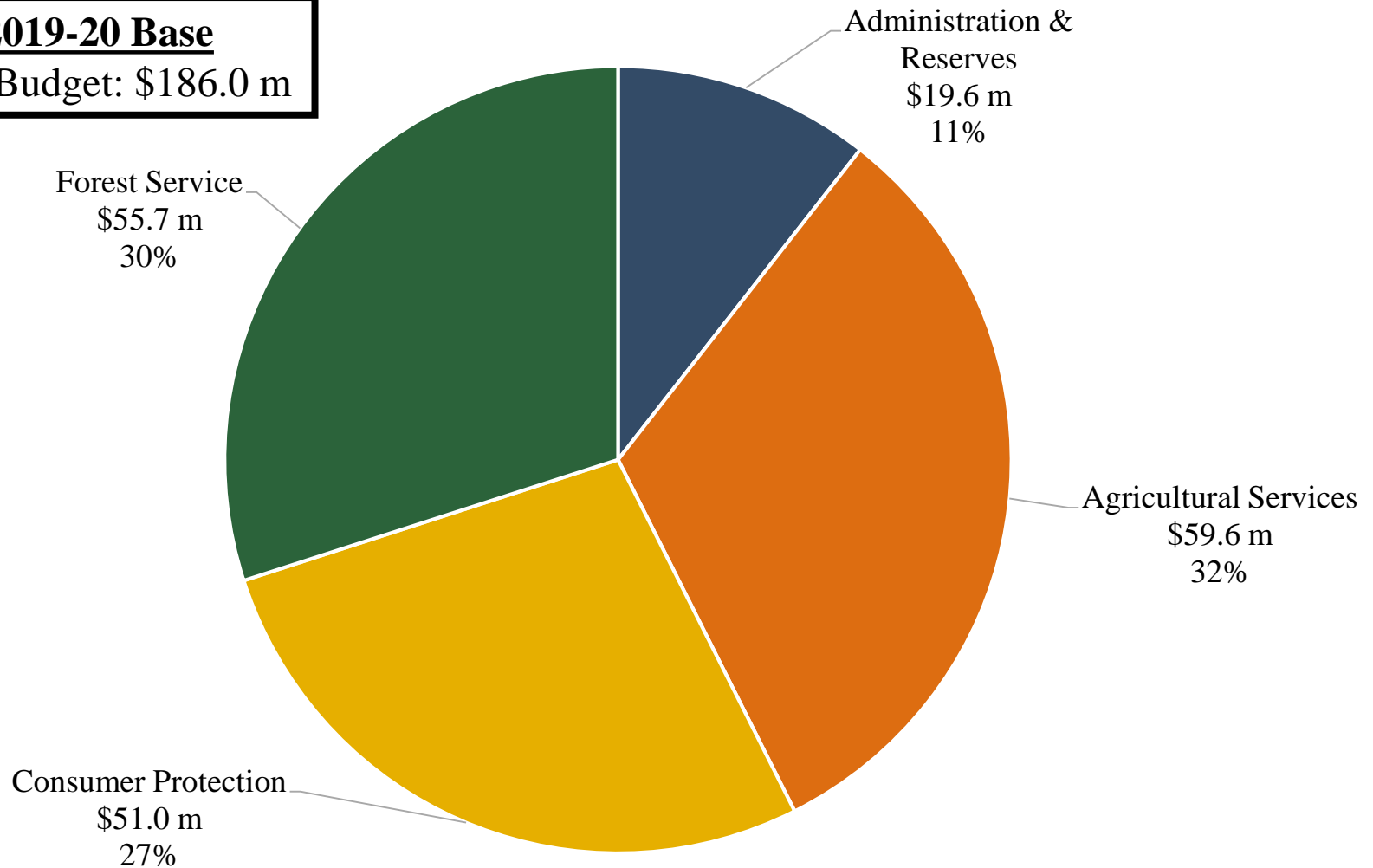


DACS Budget by Account



DACS Budget by Program Area

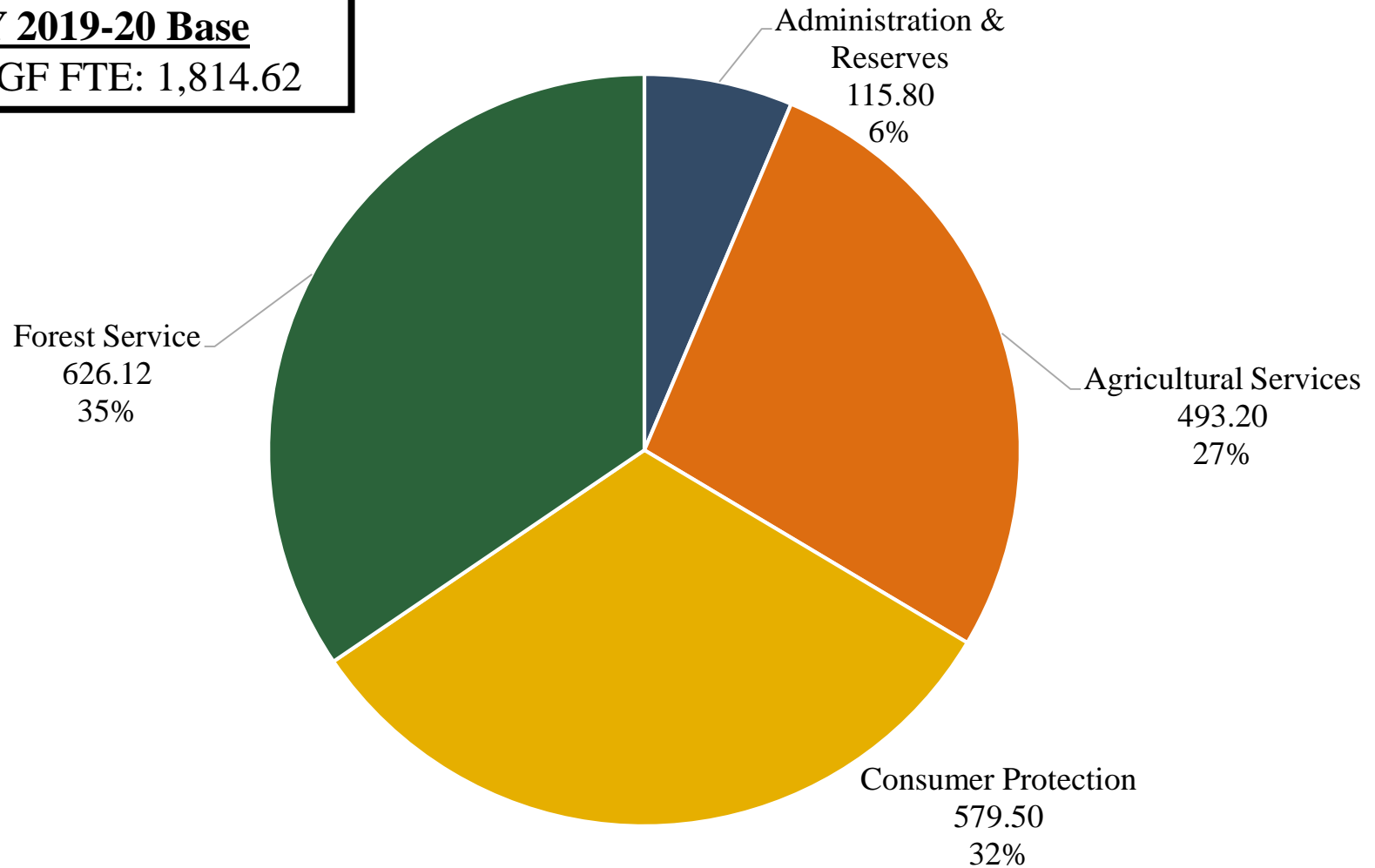
FY 2019-20 Base
Total GF Budget: \$186.0 m



DACS FTE by Program Area

FY 2019-20 Base

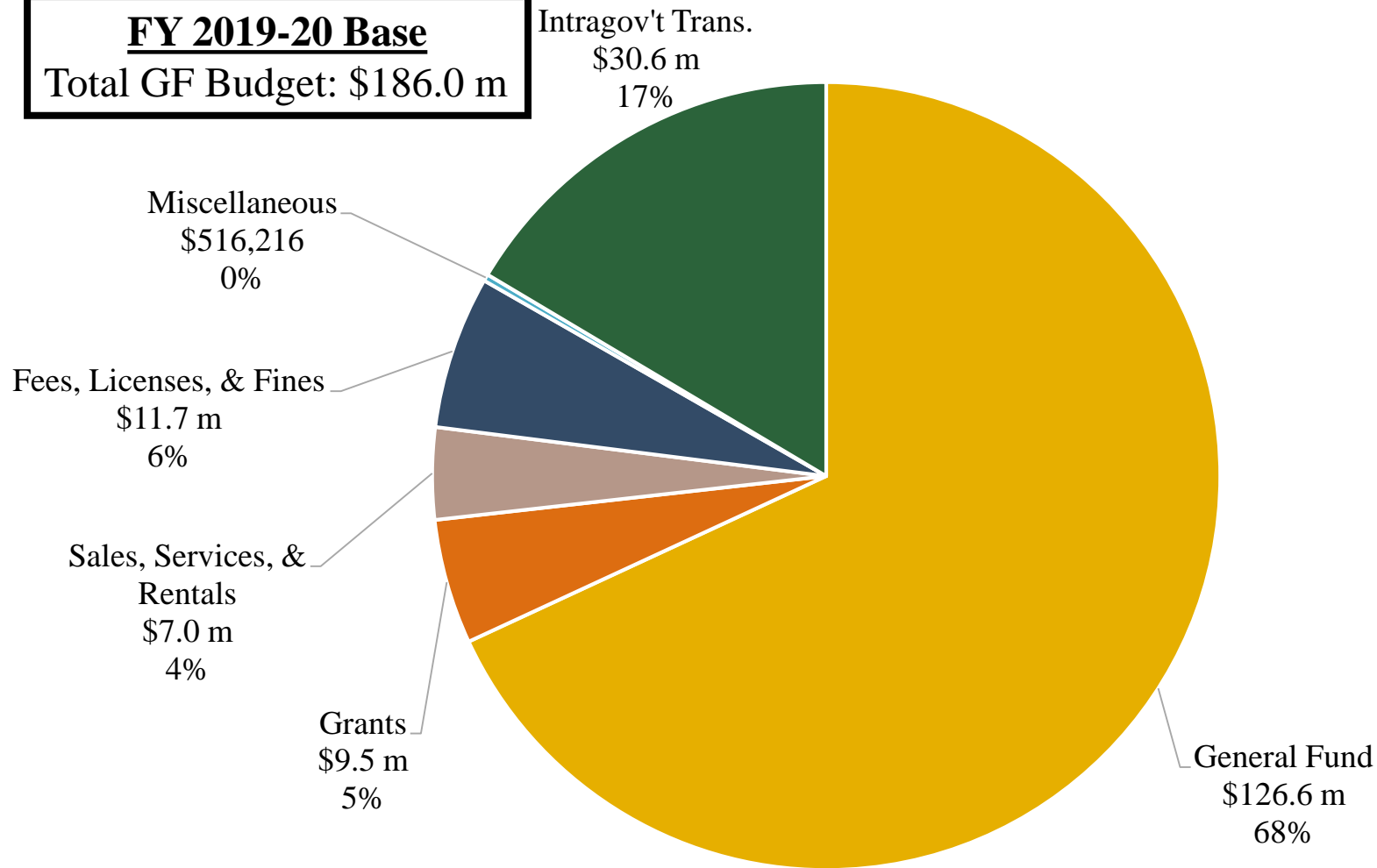
Total GF FTE: 1,814.62



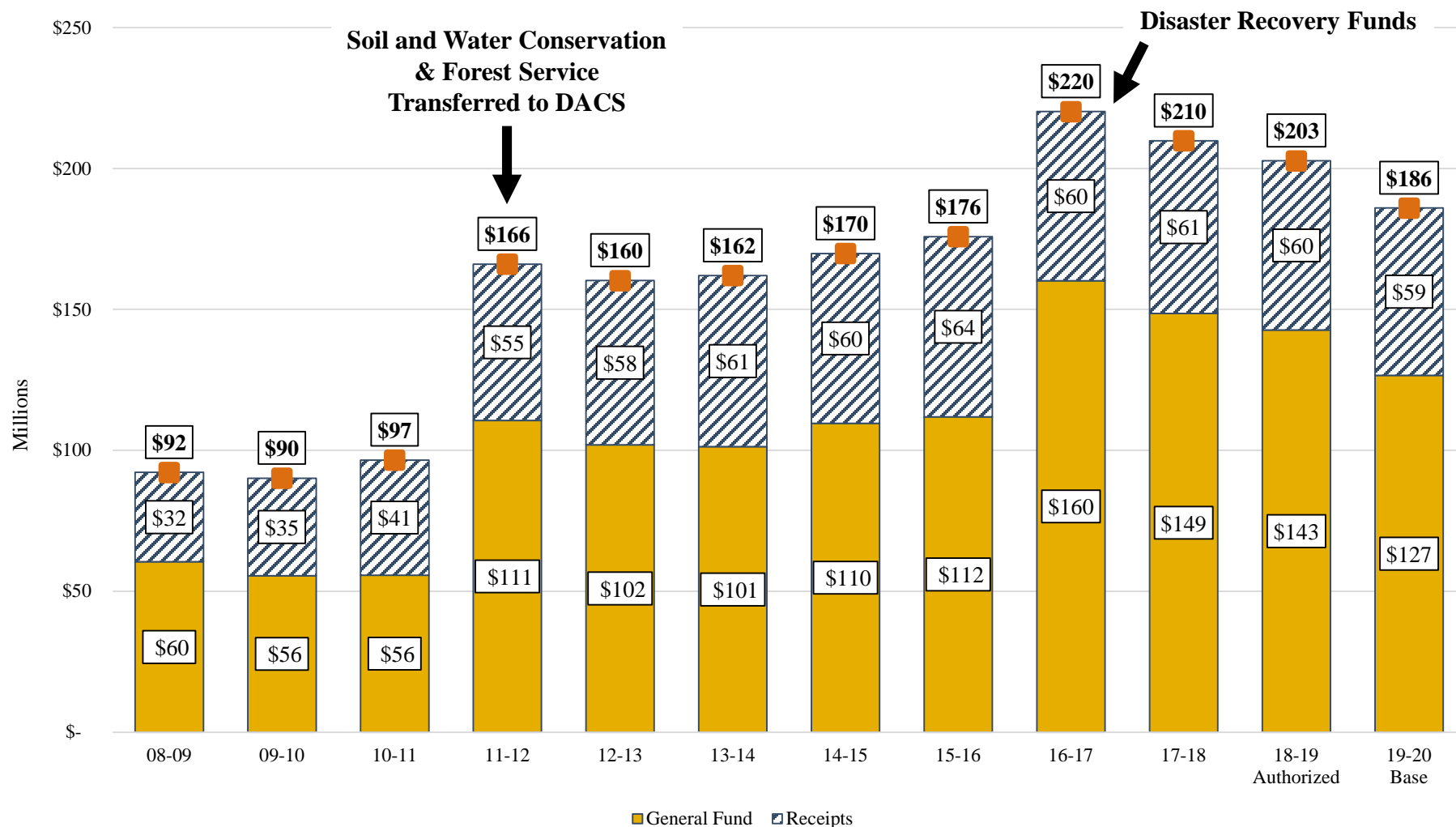
DACS Fund Sources

FY 2019-20 Base

Total GF Budget: \$186.0 m



DACS General Fund Appropriations 2008-2020



DACS: Special Funds

Livestock Acquisition (23700)

- Bioenergy Initiative Grant Program
- Claridge Nursery
- Farmland Preservation
- Research Stations
- Sleep Products Receipts
- Spay Neuter Program

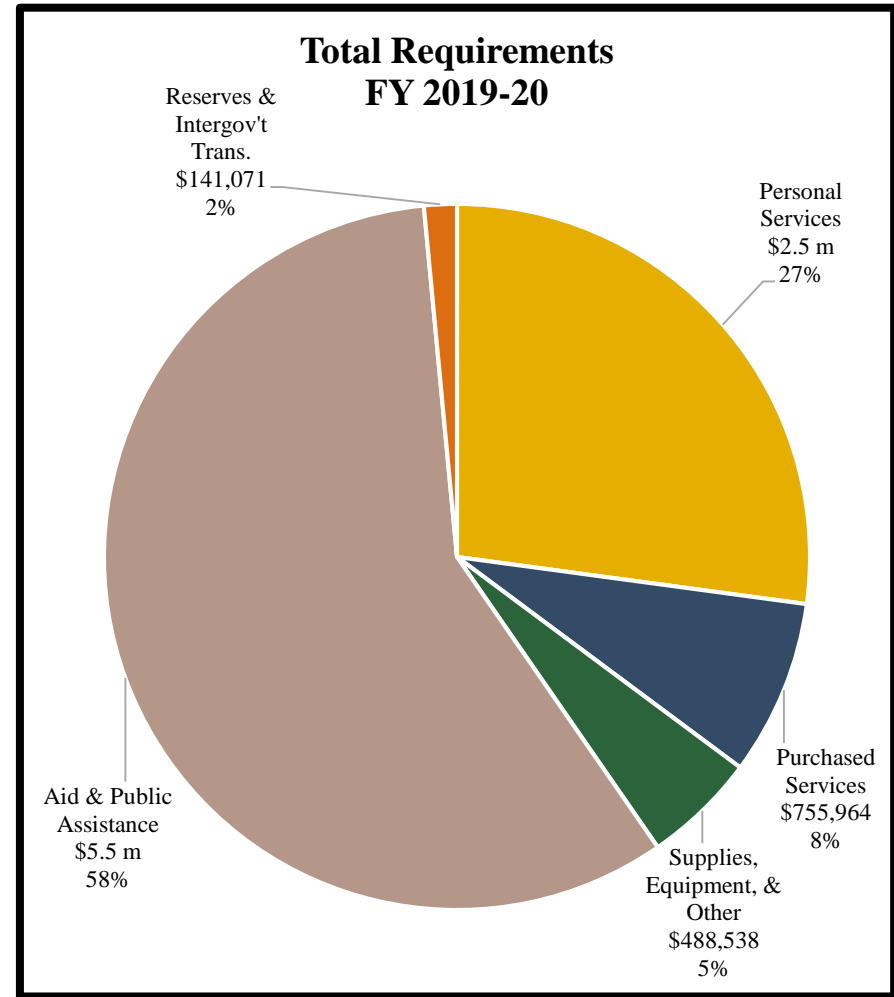
Requirements: \$9,402,945

Receipts: \$8,665,175

Change in Fund Balance:
(\$737,770)

FTE: 40.73

Cash Balance as of 2/28: \$28,666,858



Source: BD701s and Base Budget (Worksheet I)



DACS: Enterprise Funds

Farmers' Market (53700)

27.50 FTE

FY 2017-18 Actual

Requirements: \$2.9 m

Receipts: \$3.2 m

Change in Fund: \$0.4 m

Cash Balance: \$3.0 m



Western State Fair (53725)

15.50 FTE

FY 2017-18 Actual

Requirements: \$2.8 m

Receipts: \$3.1 m

Change in Fund: \$0.3 m

Cash Balance: \$1.8 m



State Fair (53750)

57.00 FTE

FY 2017-18 Actual

Requirements: \$19.0 m

Receipts: \$17.8 m

Change in Fund: (\$1.2) m

Cash Balance: \$3.9 m



Source: BD701s and Base Budget (Worksheet I), cash balances as of 2/28/2019



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DACS: Trust Funds

Name	Purpose of the Funds	Cash Balance
Trust	Supporting Food Marketing, Structural Pest and Pesticide Programs	\$0.6 m
Land Preservation Trust	Purchasing Agricultural Conservation Easements	\$3.6 m
NC Rural Rehabilitation	Providing Operating and Improvement Loans to Farmers	\$7.0 m
Agriculture Finance Authority	Providing Credit for Agricultural Production	\$1.3 m
Cooperative Grading	Performing Federal Grading Requirements on Commodities	\$6.6 m
Trust – Agency	Supporting the Farm to School Program	\$1.0 m
Conservation Reserve Enhancement Program (CREP)	Purchasing 10, 15, 30 Year Cropland Easements	\$2.1 m

Source: BD701s, cash balances as of 2/28/2019



Farmland Preservation Trust Fund

Agricultural Development and Farmland Preservation Trust Fund (ADFPTF) (G.S. 106-744)

- Provides grants to county governments and non-profits
- Works with USDA, US DOD, SWC, and non-profit land trusts
- 19,440 acres of conservation easements since 2005
- 36,000 acres of sentinel landscape easements



\$3.8 m recurring

DACS: 2017-19 Budget Actions

2017 Budget

- Funded a Beehive Grant Program – \$25,000 NR
- Provided funds for three special appropriations – \$408,000 NR
- Provided funds to ADFPTF – \$1,975,000 NR
- Provided funds to the Association of Agricultural Fairs – \$300,000 NR
- Provided funds to the Tobacco Trust Fund – \$900,000
- Provided funds to offset litigation costs incurred with the Environmental Protection Agency's Waters of the US rule – \$250,000 NR



DACS: 2017-19 Budget Actions

2018 Budget

- Provided funds for five special appropriations – \$1,575,000 NR
- Provided funds to the Association of Agricultural Fairs – \$300,000 NR
- Provided funds to ADFPTF – \$1,700,000 R, \$13,000,000 NR

Disaster

- Allocated funds for the Ag Disaster Program – \$240,000,000 NR
- Allocated funds for agricultural recovery – \$50,000,000 NR
- Allocated funds for FEMA and USDA matches – \$20,000,000 NR



DACS Program Areas



**Agricultural
Services**

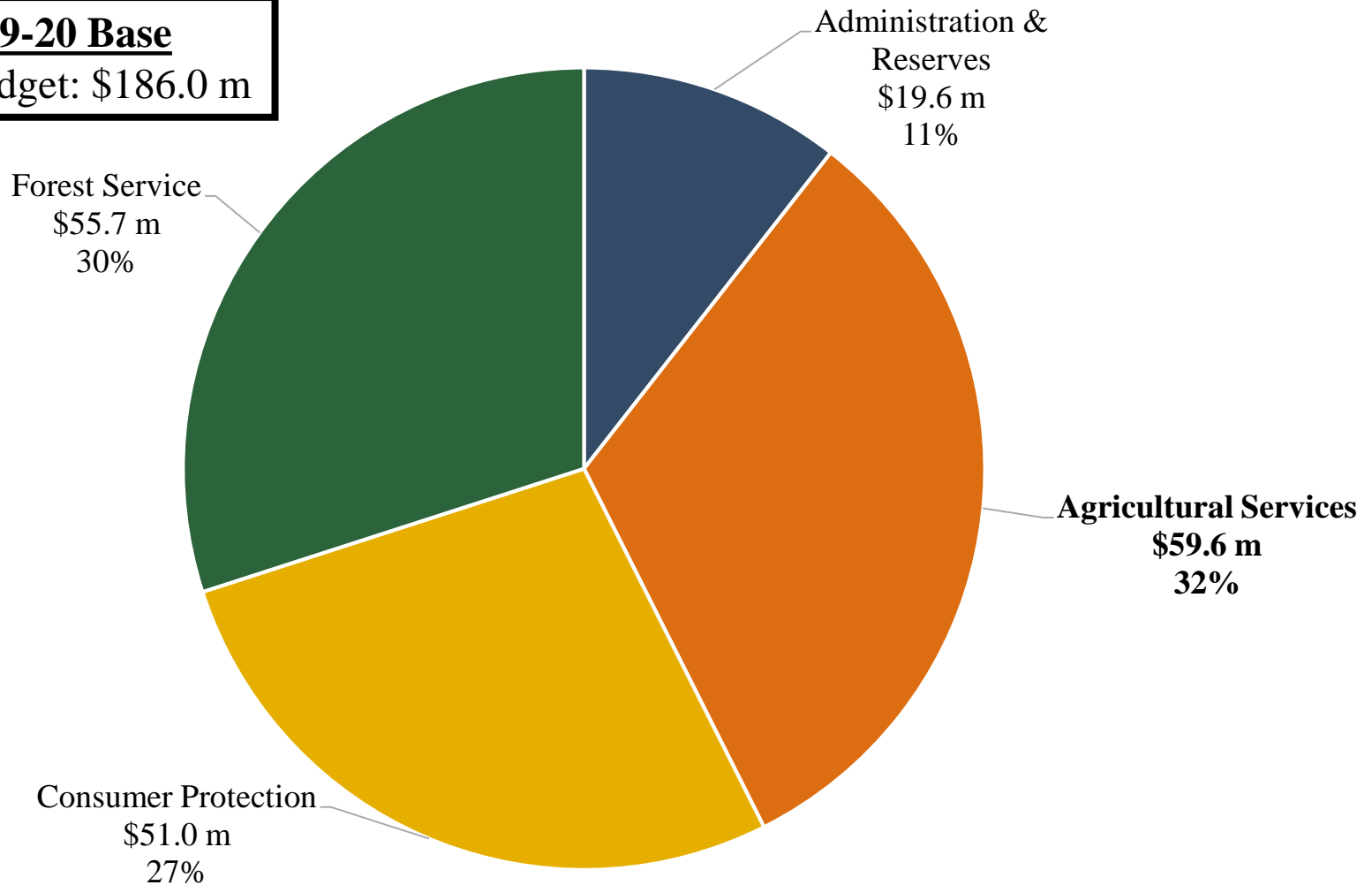
**Consumer
Protection**

**Forest
Service**



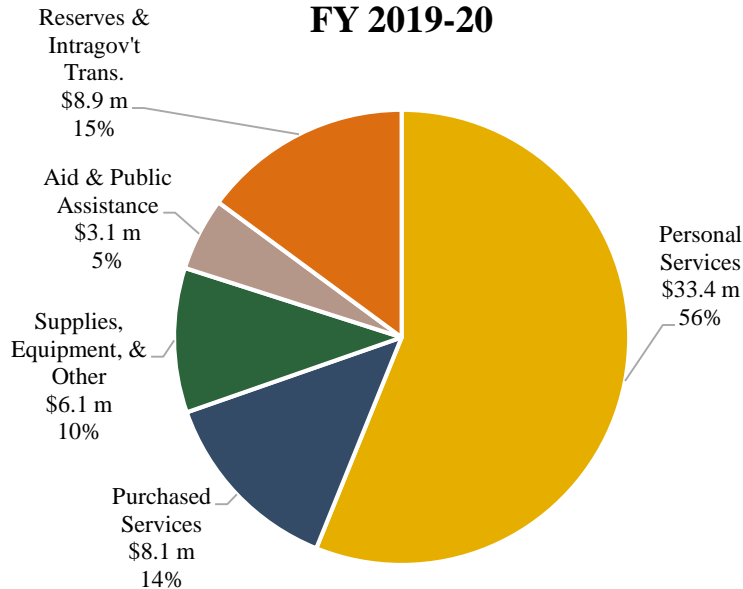
DACS Budget by Program Area

FY 2019-20 Base
Total GF Budget: \$186.0 m



DACS: Agricultural Services

**Total General Fund Requirements
FY 2019-20**



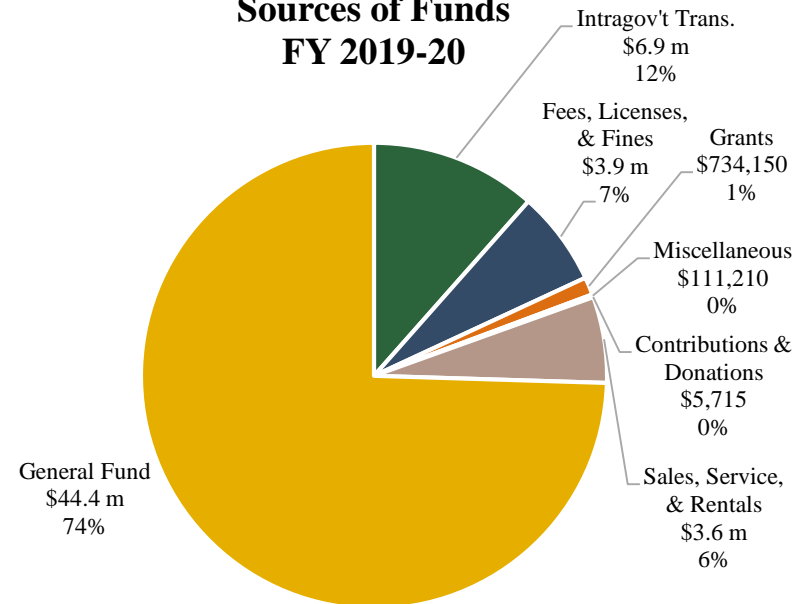
Total General Fund FTE

Appropriated: 435.04
Receipt Supported: 58.16
Total: 493.20

Total General Fund Budget

Requirements: \$59,572,747
Receipts: \$15,183,161
Net Approp.: \$44,389,586

**Sources of Funds
FY 2019-20**



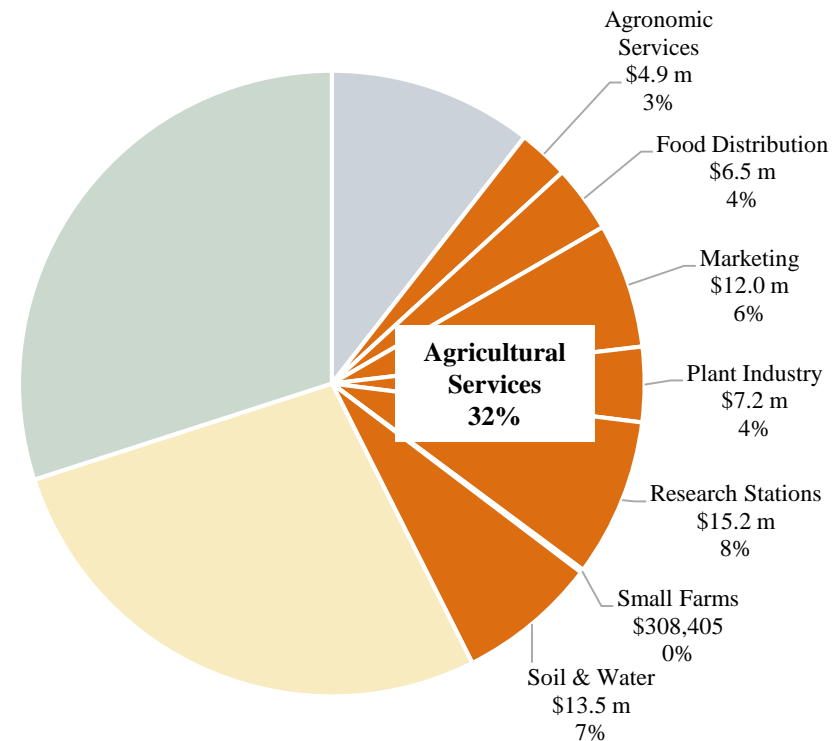
Source: Base Budget (Worksheet Is)



Agricultural Services Divisions


- Agronomic Services
- Food Distribution
- Marketing
- Plant Industry
- Research Stations
- Small Farms
- Soil and Water Conservation

FY 2019-20 Base
Total GF Budget: \$59.6 m



Agronomic Services

- **Provides diagnostic and advisory services to increase agricultural productivity**
- Offers consultations with 13 Field Staff
- Analyzes:
 - Soil samples
 - Plant tissue and waste
 - Nematodes



57.00 FTE	
FY 2019-20 Base	
Expenditures:	\$4.9 m
<u>Receipts:</u>	<u>\$1.3 m</u>
Net Approp.:	\$3.6 m



Food Distribution

- **Distributes USDA donated commodities to eligible USDA programs** (G.S. 105.2431.1, G.S.143C-6-23(c), and G.S.143C-10-1(b))
- Administers the Farm to School program
- Two distribution facilities:
 - Salisbury
 - Butner



44.00 FTE	
FY 2019-20 Base	
Expenditures:	\$6.5 m
Receipts:	\$4.0 m
Net Approp.:	\$2.5 m

Marketing

- Promotes the domestic and international sales of NC commodities
- Provides agribusiness marketing assistance
- Hosts regional events highlighting NC agricultural products
- Offers voluntary grading services
- Operates Ag Centers, Farmers' Markets, and Mountain State Fair



97.00 FTE

FY 2019-20 Base

Expenditures:	\$12.0 m
Receipts:	\$2.9 m
Net Approp.:	\$9.1 m



Plant Industry

- **Examines fertilizer and seed for accurate labeling and product quality**
- **Enforces:**
 - NC Agricultural Liming Materials and Landplaster Act
 - NC Soil Additives Act
 - NC Aquatic Weed Control Act
 - NC Uniform Boll Weevil Eradication Act
 - NC Industrial Hemp Law
- **Inspects nurseries and honeybees**
- **Conducts biological pest control**



84.00 FTE

FY 2019-20 Base

Expenditures:	\$7.2 m
Receipts:	\$2.9 m
Net Approp.:	\$4.3 m



Plant Industry By The Numbers

2017-18

5,879 – Registered and regulated seed and fertilizer dealers

4,689 – Seed wholesalers licensed

7,799 – Fertilizer and lime products approved for sale

14,606 – Seed samples tested

8,800 – Bee colonies inspected

8,038 – Phytosanitary certificates issued for export

12,153 – Sweet potato weevil traps set

14,657 – Acres inspected to control European gypsy moth

437 – Regulatory inspections on industrial hemp



Research Stations

- Works to develop new agronomic products, improve livestock and poultry breeds, and develop better management practices
- 18 Stations: 12 owned by DACS, 6 owned by NCSU
- Administers the Bioenergy Research Initiative Grant Program



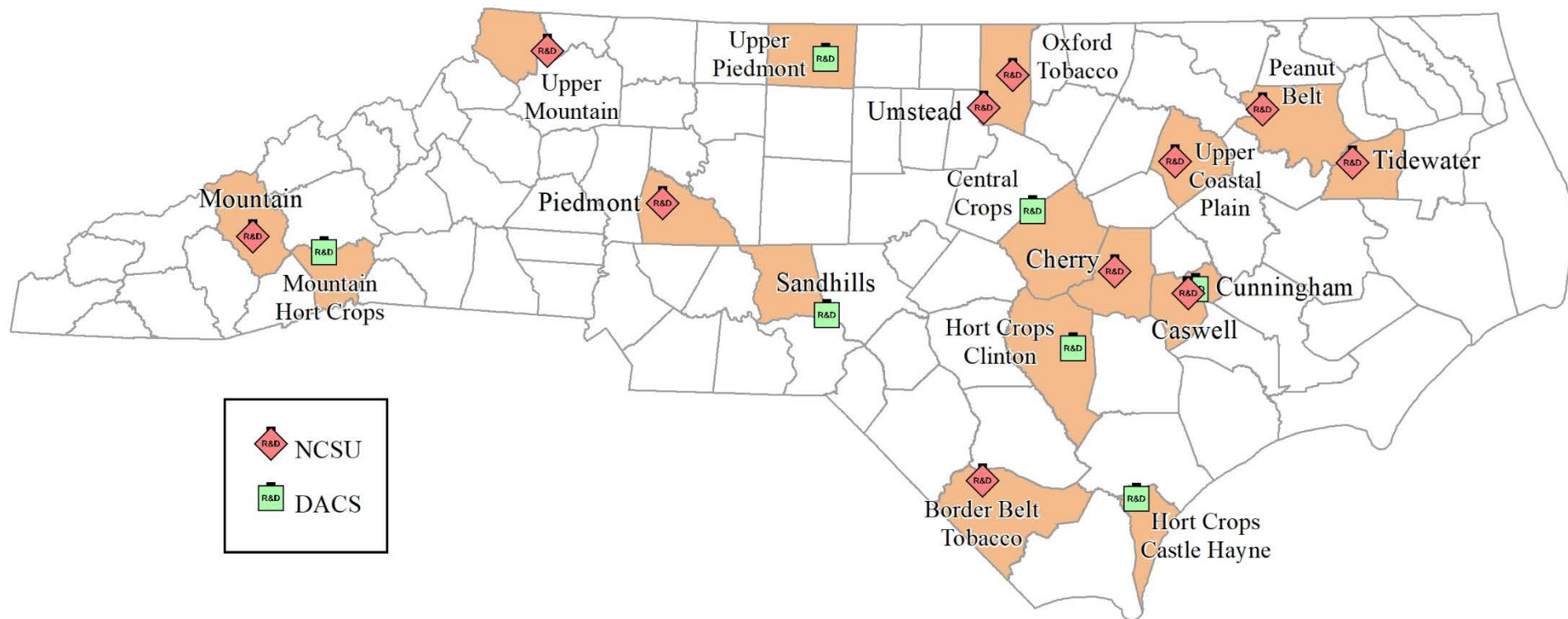
163.00 FTE

FY 2019-20 Base

Expenditures:	\$15.2 m
Receipts:	\$2.7 m
Net Approp.:	\$12.5m



Research Stations



Small Farms

- Serves as a liaison between **DACS** and traditionally underserved minority and small farmers
- Provides education and recommendations
- Provides market development and promotion



3.00 FTE

FY 2019-20 Base

Expenditures:	\$308,405
Receipts:	\$37,500
Net Approp.:	\$270,905



Soil and Water Conservation

- **Administers voluntary, incentive-based programs to encourage landowners to adopt soil and water conservation strategies**
- Supports 96 local soil and water districts
- Assists with hurricane recovery through the Storm Debris Removal program
- Offers cost-share programs to address water resource issues



45.20 FTE

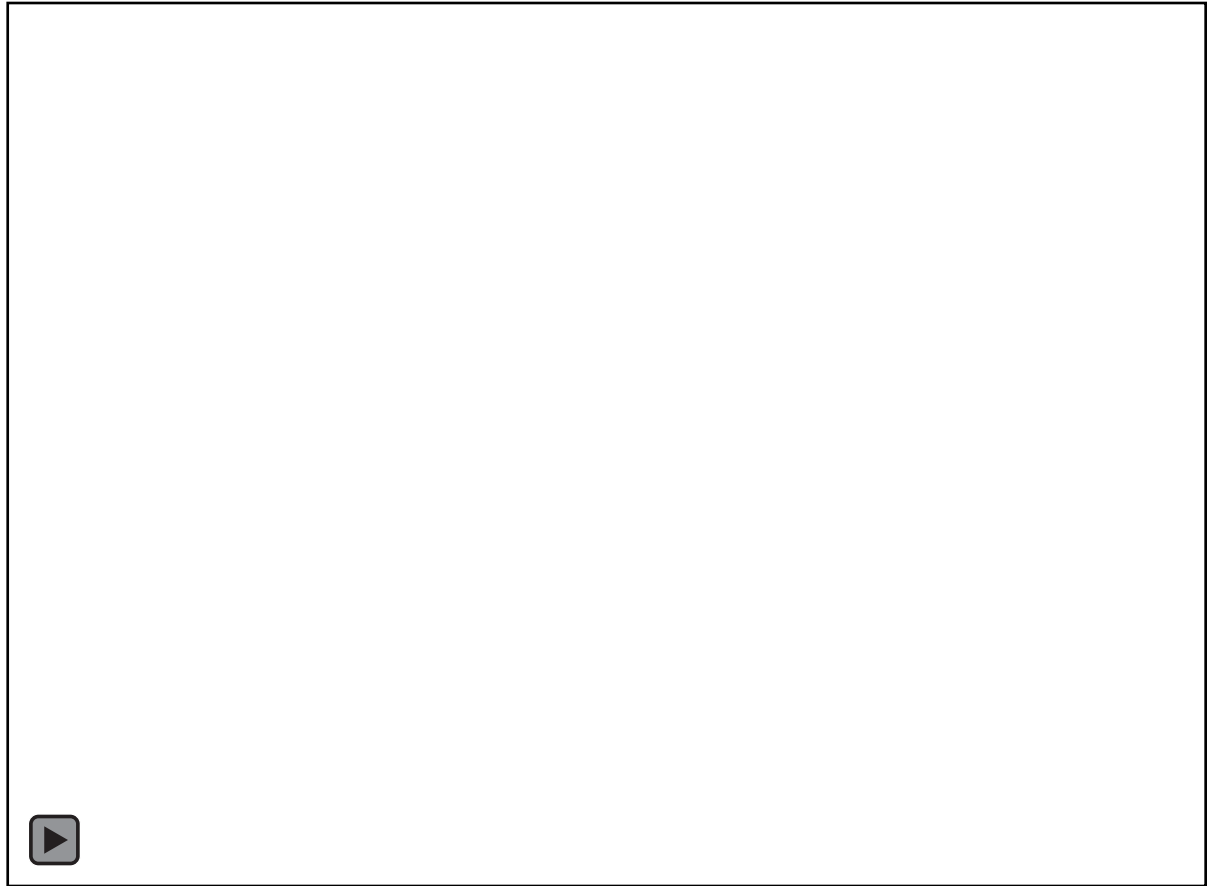
FY 2019-20 Base

Expenditures:	\$13.5 m
Receipts:	\$1.3 m
Net Approp.:	\$12.2 m



SWC: Cost Share Programs

- Agriculture Cost-Share Program (ACSP)
(G.S. 106-850)
- Agricultural Water Resources Assistance Program (AgWRAP)
(G.S. 139-60)
- Community Conservation Assistance Program (CCAP)
(G.S. 106-860)
- Conservation Reserve Enhancement Program (CREP)
(G.S. 113A-235)



SWC: Special Fund

Soil and Water Conservation (23704)

Non-reverting fund, holds Cost Share
Program funds



Requirements: \$9,978,440

Receipts: \$8,053,019

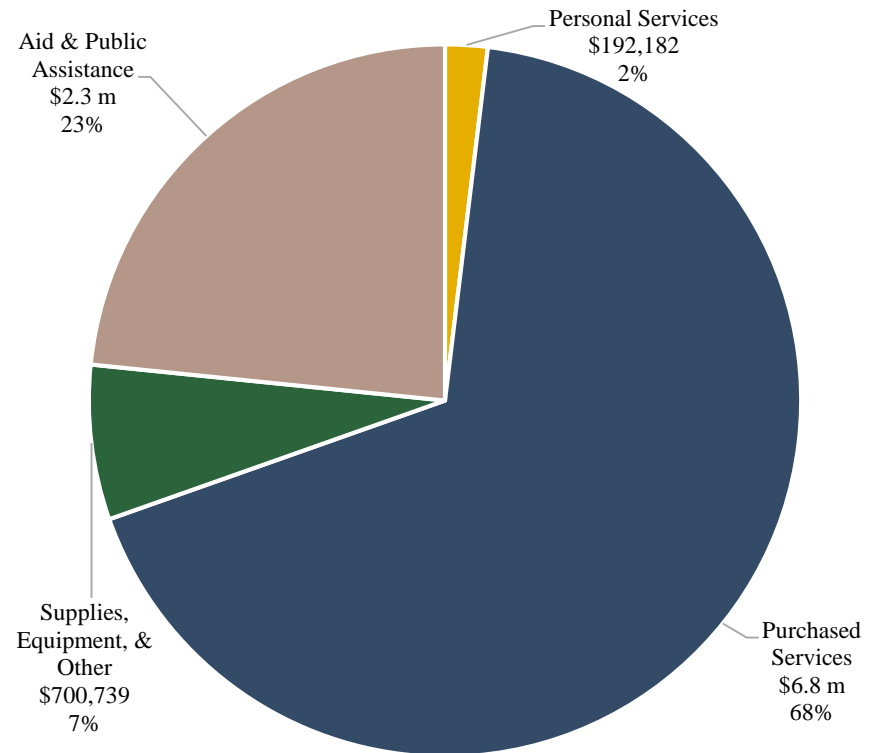
Change in Fund Balance: (\$1,925,421)

FTE: 2.00

Cash Balance as of 2/28: \$17,013,558

Source: BD701s and Base Budget (Worksheet I)

Total Requirements FY 2019-20



Agricultural Services: 2017-19 Budget Actions

2017 Budget

- **Marketing:**
 - Increased funding for domestic marketing – \$523,461 NR
 - Increased funding for international marketing – \$250,000 R, \$523,461 NR
 - Provided funds for the Food Science Processing and Innovation Center – \$250,000 NR
 - Provided funds for the Healthy Food Small Retailers program – \$250,000 NR
 - Provided funds for the Southeastern NC Ag Events Center – \$75,000 NR
- **Research Stations:** Provided funding for seasonal labor – \$400,000 NR
- **Soil and Water:** Supplemented cost-share funding for AgWRAP – \$250,000 NR

2018 Budget

- **Soil and Water:** Created three additional engineer positions – \$300,000 R
- **Marketing:** Provided funds for the Healthy Food Small Retailers program – \$250,000 NR



Questions?

