



Briefing for the Joint Budget Committee

December 1, 2014



Mission

To strengthen and advance Colorado's agriculture industry; promote a safe, high quality, and sustainable food supply; and protect consumers, the environment, and natural resources.



Organization

Commissioner's Office
 Commissioner - John Salazar
 Deputy Commissioner - Ron Carleton
 Chief Administrative Officer - Jenifer Gurr
 Director, Budget & Operations - Jeff Stalter
 Director, Communications - Christi Lightcap
Ag Management Fund
Budget and Accounting
Communications/Outreach and Public Information
Continuity of Operations
Human Resources
Information Technology
LEAN Performance Improvement
Policy Development
Public Policy
Purchasing and Contracts

Animal Industry
 Dr. Keith Roehr
Bureau of Animal Protection
Livestock Traceability
Pet Animal Care
Facilities Act
Predator Control
Rocky Mountain Regional Animal Health Laboratory
Veterinarian Services

Brands
 Chris Whitney
Alternative Livestock
Brand Estray Fund
Brand Inspection

Conservation Services
 Eric lane
Agricultural Energy Efficiency and Renewable Energy Projects
Biological Control
Chemigation
Conservation Board
Groundwater Protection
Noxious Weeds
Pesticide Data Program
Weed Free Forage

Colorado State Fair
 Chris Wiseman
4H & FFA Programs
Grounds Management
State Fair
Training Facility for State Agencies

Inspection & Consumer Services
 Steve Bornmann
Anhydrous Ammonia
Biochemistry Laboratory
Commodity Handlers
Farm Product Inspection
Feed and Fertilizer
Large Scale Inspection
Meat and Egg Inspection
Metrology Laboratory
Small Scale Inspection

Markets
 Tom Lipetzky
Colorado Proud
Export Promotion
Fruit and Vegetable Inspection
GAP and GIP Verification Audits
Market News Reporting
Market Order Programs
Specialty Crops Block Grant Program
Trade Development
Value-Added Development Board
Wine Industry Development

Plant Industry
 Mitch Yergert
Apiary
Greenhouse and Seed
Nursery
Organic Certification
Pesticide Applicators Licensing
Pesticide Registration
Phytopathology Certification



SMART Act

- Performance Plan Update
 - Creates each Division as a Major Program Area (MPA)
 - Establishes key strategies for each MPA
 - Tracks critical processes for each strategy, to include inputs and outputs for each process
 - Develops base performance metrics
 - Metrics are reported quarterly to leadership
 - Strategies are further evaluated for Lean opportunities to flush out greater efficiencies
 - Efficiency savings are reinvested into struggling programs to improve performance



Infrastructure Needs

- The Department has no immediate infrastructure needs outside of the State Fair operating Decision Item



CORE Update

- Training
 - Initial training was useful for navigation however, specific training related to system tables, processing documents, and workflows would have been helpful.
 - Department training was led by the internal accounting staff, which was very useful for programs.
- Transition
 - The transition was as smooth as it could be for CDA. The Department spent 18 months preparing for the transition.
 - CDA initiated CORE slowly in the first few weeks to ensure programs and accounting staff were comfortable with the system
- Workload
 - The Department experienced an increased workload during the first few weeks of implementation. At this time, most programs have assimilated CORE in to their normal duties.



Colorado State Fair

- CDA Philosophy for the CSF:
 - *The philosophy of the Department and the Fair is that the Fair be the main attraction for agriculture throughout the State. While providing an enjoyable experience through education, entertainment, and attractions, the Fair aims to educate and showcase agriculture to all patrons of the Fair.*
 - *The Department believes that the Fair, as a showcase for Agriculture (and other industries) statewide, should receive some level of support from the General Fund to sustain critical educational programs such as 4H and FFA in addition to providing support for the maintenance and operations of the State owned facilities.*



Colorado State Fair Cont.

- Figures from the 2010 economic impact report of the Colorado State Fair, National Little Britches Rodeo, and Off-Season Events:

	CSF	NLBRF	OSE	Total
Colorado	\$ 1,498,363	\$ 121,461	\$ 77,224	\$ 1,697,048
Pueblo County	\$ 828,161	\$ 62,386	\$ 43,496	\$ 934,043
City of Pueblo	\$ 1,678,717	\$ 140,701	\$ 84,582	\$ 1,904,000
Total	\$ 4,005,241	\$ 324,548	\$ 205,302	\$ 4,535,091

- The Fairgrounds generate approximately \$1.6 million of General Fund revenue for the State. Currently, the Fairgrounds only receive \$250,000 of this General Fund revenue.



Colorado State Fair Cont.

- Solvency plan for the Fairgrounds:
 1. Increase sponsorships
 - Sponsorships increased approximately \$90 thousand in 2014 and continues to trend upwards.
 2. Reduce expenditures
 - The Department restricted approximately \$800 thousand of the total FY 2013-14 CSF appropriation.
 - The 2014-15 restriction is approximately \$500 thousand.



Colorado State Fair Cont.

- Solvency plan for the Fairgrounds cont.:
 3. 4H and FFA program funding
 - Received a \$250 thousand General Fund appropriation for 4H and FFA program costs
 - HB 14-1300 provided an additional \$300 thousand General Fund for FY 2014-15
 4. Modernize systems
 - Moved to a new ticketing system with Altitude tickets
 - Gate increased 7%, Carnival increased 17%, and concerts increased approximately \$200 thousand since 2012 (the final year of the old system)



Colorado State Fair Cont.

- Is the plan working?
 - The preliminary 2014 State Fair net income is approximately \$750 thousand; making the 2014 one of the most profitable Fairs in its' history.
 - The Fair deficit is projected to be reduced by nearly \$1 million by the end of 2015 with solvency to be achieved by the end of FY 2016.
 - Solvency cannot be achieved without support from the General Fund.
 - No new revenues are needed from the General Fund since the Fair currently generates \$1.6 million of General Fund on its own.



Colorado State Fair Cont.

- **Status of the Naval Reserve**
 - The facility has been completely remediated of asbestos and lead.
 - The building has been demolished. The CSF intends to use the vacant space for additional parking during events.



Industrial Hemp

- Farm Bill
 - Met the needs of CU and CSU. DEA is still unclear with regards to federal funding therefore; CU and CSU has not requested CDA to obtain hemp seed under its license.
 - The Farm Bill limits access to hemp seed to institutions of higher education. To CDA's knowledge, DEA has not issued controlled substance licenses to individuals.
- Transport
 - Hemp seed may not be transported via USPS or other mail couriers. Hand-to-hand couriers may be used within the State only.
- Other State Programs
 - Other states are still in the early processes of regulation. CDA remains in contact with these states and works collaboratively with them.



Long Bill Format Change

- Staff recommendation to eliminate bottom-line funding of the Ag Services Division and rename lines to specific divisions:
 - The Department supports the staff recommendation



Groundwater Study in the South Platte

- Specifics are provided in the written responses to the Committee.
- Selenium leaching
 - The results for the split samples collected for CDPHE during the third round of sampling were analyzed for selenium as part of their dissolved metals analysis. The Clean Water Program at CDPHE has more information for specific questions on this data. However, from what was provided to our program, none of the dissolved selenium concentrations for the 22 monitoring wells sampled were above the EPA MCL of 50 ppb. The median concentration was 3.0 ppb and concentrations ranged from 0.97 to 10 ppb. All 22 wells contained dissolved selenium above the reporting limit of 0.17 ppb.



Potato Trade Agreement with Mexico

- The US and Mexico reached agreement in early 2014 that allowed for US fresh potatoes to be imported beyond the existing 26 kilometer border area, to include all cities throughout Mexico with populations greater than 100,000.
- Within weeks, lawsuits were filed in Mexico claiming that Mexico's Ag Ministry did not sufficiently protect Mexico's potato industry from US borne pests and diseases.
 - International panels had previously determined that the new agreement would not result in any new pests or diseases being introduced to the Mexican market



Potato Trade Agreement with Mexico cont.

- US and Mexico will operate under the old agreement (with the previous restrictions) until the lawsuits are resolved.
- CDA's Markets Division continues to work with Colorado potato producers and shippers to support sales to the border region.
- Despite the restrictions, Colorado's potato exports to Mexico have increased.



Conclusion

- With less than one-tenth of one percent of the State General Fund, the Department of Agriculture works to sustain and enhance Colorado's \$40 Billion agricultural industry, supports an approximate 170,000 jobs, and protects consumers, animals, and the environment.



Questions/Discussion