

# Department of Agriculture

## Agency Overview

November 2017

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### For the Economic Affairs Committee

Department Head: Ben Thomas, Director (appointed by governor with Senate approval)

FTE / Main Administrative Divisions:

- 114.42 full-time equivalent positions (down 1.32 from FY 2016-2017)
- *Central Services Division*, funded with a mix of costs assessed to the other two divisions plus indirect cost reimbursement from federal grants, administrative assessment for state special and proprietary revenue accounts the division supports, and some general fund.
- *Agricultural Sciences Division*, primarily funded (86%) with state special revenue (from fees assessed for regulation or registration), with some general fund and some federal special revenue (including for noxious weed mitigation).
- *Agricultural Development Division*, funded 81% with state special revenue, 10% proprietary, plus some federal special revenue

Description and Responsibilities:

- Department constitutionally required for protecting, enhancing, and developing all agriculture. (Article XII, Section 1)
- Licenses and regulates produce/commodity dealers and commodity warehouses, including use of bonds and claims against bonds.
- Provides inspectors and graders for agricultural products.
- Maintains a testing laboratory for certifying grade or protein of grains.
- Licenses facilities that condition agricultural seed and assesses fees on certain sales.
- Registers and regulates apiaries.
- Licenses, inspects, regulates:
  - plant nurseries;
  - commercial feed; and
  - pet foods.
- Oversees and provides management help to control pests and weeds.
- Licenses commercial pesticide applicators and dealers.
- Regulates fertilizers and licenses distributors.
- Shares with the Department of Environmental Quality a duty to inspect and regulate hazardous waste pesticide and pesticide container recycling.
- Retains appraisers for losses insured by Board of Hail Insurance.
- May inspect produce under Montana Produce Act.
- Collects and publishes statistics on ag products' and allied interests' production/marketing.
- Assists and promotes the organization of farmers' institutes, societies, and the holding of fairs, livestock shows, or other ag exhibits.
- Helps devise and maintain distribution systems.
- May maintain a market news service and act as a clearinghouse for producers and consumers.

Administratively Attached Entities, with Governor appointments:

- Montana Agriculture Development Council, 2-15-3015 and 90-9-103, MCA
- Montana Alfalfa Seed Committee, 2-15-3004, MCA. Also see Title 80, ch. 11, part 3.
- Montana Pulse Crop Committee, 2-15-3007, MCA. Also see Title 80, ch. 11, part 10.
- Board of Hail Insurance, 2-15-3003, MCA, and Title 80, ch. 2, part 2
- Montana Wheat and Barley Committee, 2-15-3002, MCA. Also see Title 80, ch. 11, part 2.

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Advisory Councils and Committees, with Department appointments

- Noxious Weed Management Advisory Council, 80-7-805, MCA
- Montana Noxious Weed Seed Free Forage Advisory Council, 80-7-904, MCA
- Montana Cherry Advisory Committee created under 80-11-510, MCA (allowing department to set up)
- Organic Commodity Advisory Council, required under 80-11-601 once certification program created.
- Montana Potato Advisory Committee, created under 80-11-510, MCA
- Advisory Council on special pesticide problems, 80-8-108 allows department to create but it hasn't.

Legislative Audits:

- Financial Compliance Audit - [April 2016](#) - Three changes recommended. Of the two concurred-in recommendations, one related to recording of reinsurance liabilities for the Board of Hail Insurance and the other related to revising internal controls to ensure accurate recording of internal transfers. A partially concurred response for the recommendation to adopt rules regarding industrial hemp production related to adoption of rules after changes in federal law.
- Performance Audit, State Grain Laboratory Operations and Future Viability, [January 2008](#). [Followup](#)

Agency Bills Passed During 2017 Session:

- **HB 82** - Updates vertebrate pest management laws, revises list of vertebrate pests. Repeals vertebrate pest management advisory council. Effective 10/1/2017.
- **HB 91** - Revises food safety laws. Allows the Department of Agriculture to adopt by reference through rule regulations adopted federally under the Food Safety Modernization Act. Effective 10/1/2017.
- **HB 126** - Generally revises the Montana Pesticides Act. Effective 5/3/2017 except for the repeal of a liability section, which is effective 10/1/2019.
- **HB 130** - Revises commercial feed inspection fees and reporting requirements and incorporates term "supplier." Effective 10/1/2017.
- **HB 131** - Revises reports and fees for produce, seed, feed, and fertilizer. Effective 5/7/2017.
- **SB 55** - Revises nursery licensing, fees, inspections, and penalties. Clarifies license and certain nursery laws apply to landscape service engaged in nursery services. Sets license fees based on gross annual sales of nursery stock; landscape services have separate fee. Effective 5/19/2017.

Bills Passed During 2017 Session Impacting the Department of Agriculture:

- **SB 155** - Prohibits local government regulation of agricultural or vegetable seeds. Effective 5/22/2017.

Agency Bills That Failed During 2017 Session:

None

Economic Affairs Interim Committee Areas of Interest

- Sunset on June 30, 2019, of the Growth through Agriculture funding program, which has provided \$1 in matching funds to every \$1 invested through grants up to about \$50,000. Loans are available up to about \$100,000. In 2017 the Growth through Agriculture program funded 21 projects ranging from \$2,500 to a Bigfork company to purchase labeling for cherry juice bottles to \$40,000 for equipment for a meat

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- processing plant in Forsyth. Information on grants is available [here](#).
- Budget cuts specified in SB 261 include a 50% general fund reduction to the department's agricultural marketing programs, resulting in a reduction of one employee position and a refocusing of work to areas funded by state or federal special funds.

### Budgets

The budgets below show the FY2018 and FY2019 budget (first table) approved by the 2017 Legislature and the proposed budget with 10% general fund reductions and revisions if the governor orders general fund cuts under 17-7-140, MCA. The proposed cuts would shift some personnel services costs from the general fund to state special revenues in the Central Services Division, the State Grain Lab, and the feed testing and monitoring program for bovine spongiform encephalopathy (also known as mad cow disease). The BSE program is in the Ag Sciences Division. Grants to mitigate the impact of noxious weeds also could be reduced.

Department of Agriculture Divisions, Selected Programs, FTE, and FY 2018-19 Funding*									
Program	FTE	General Fund		State Other		Proprietary		Federal	
		FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Central Services	15.10	156,637	110,345	1,228,750	1,235,995	77,158	78,145	74,702	79,256
Ag Sciences	61.42	228,898	229,454	7,668,885	7,719,051	0	0	1,020,497	1,028,561
Ag Development	37.90	1,086,508	1,088,744	11,286,507	9,329,324	1,217,292	1,220,181	99,686	100,233
Growth Through Ag**		625,000	625,000	390,557	429,364	0	0	0	0
Wheat & Barley**		0	0	6,807,093	4,810,698	0	0	0	0
Grain Lab**		126,118	126,748	1,308,960	1,316,778	0	0	0	0
Pulse**		0	0	2,713,005	2,713,009	0	0	0	0
* HB 2 & Statutory Funding; after application of SB 261 and SB 294									
** Growth Through Ag, Wheat & Barley, Grain Lab, and Pulse are included in Ag Development Funding									

Department of Agriculture Divisions, Selected Programs, FTE, and FY 2018-19 Funding*									
Program	FTE	General Fund		State Other		Proprietary		Federal	
		FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019
Central Services	15.10	140,973	99,310	1,228,750	1,235,995	77,158	78,145	74,702	79,256
Ag Sciences	61.42	206,008	206,509	7,668,885	7,719,051	0	0	1,020,497	1,028,561
Ag Development	37.90	1,046,858	1,048,870	11,286,507	9,329,324	1,217,292	1,220,181	99,686	100,233
Growth Through Ag**		625,000	625,000	390,557	429,364	0	0	0	0
Wheat & Barley**		0	0	6,807,093	4,810,698	0	0	0	0
Grain Lab**		86,468	86,874	1,308,960	1,316,778	0	0	0	0
Pulse**		0	0	2,713,005	2,713,009	0	0	0	0
* HB 2 & Statutory Funding; after application of SB 261 and SB 294 and after 17-7-140, MCA 10% general fund reductions									
** Growth Through Ag, Wheat & Barley, Grain Lab, and Pulse are included in Ag Development Funding									

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