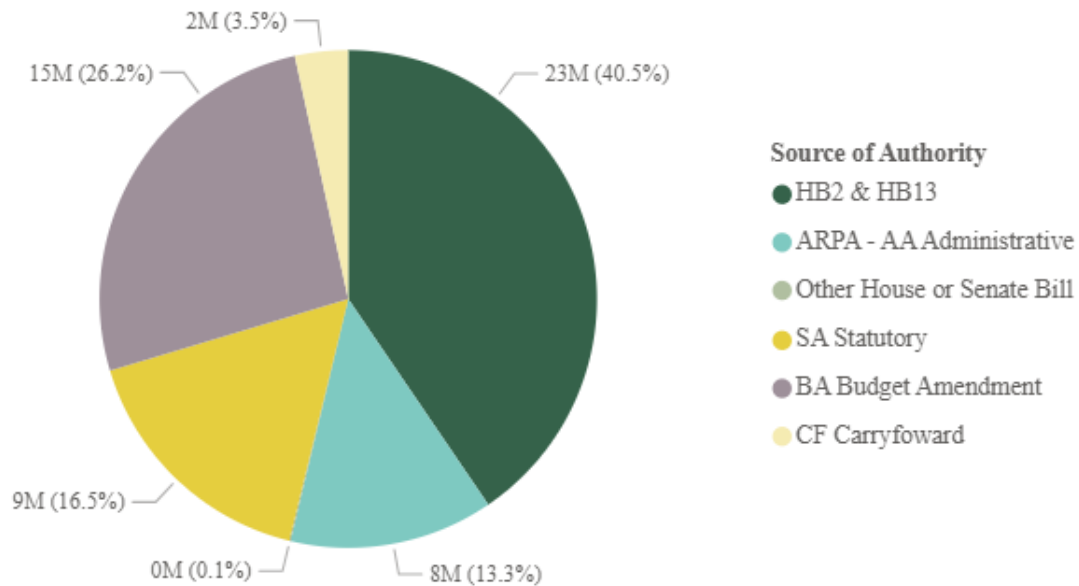


DEPARTMENT OF AGRICULTURE

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Agriculture is shown in the pie chart below. HB 2 and HB 13 provide 40.5% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	% Expended	
HB2 & HB13	22,911,215	5,316,798	23.2%	
BA Budget Amendment	14,826,723	2,987,239	20.1%	
CF Carryforward	1,953,806	63,267	3.2%	
Other House or Senate Bill	43,333			
SA Statutory	9,360,288	7,501,041	80.1%	
ARPA	7,500,000			
Total	56,595,366	15,868,345	28.0%	

Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(xii), MCA). Federal authority through budget amendments totals \$14.8 million and is 20.1% expended through November 30, 2025.

The federal Specialty Crop Block Grant Program (SCBGP) accounts for \$9.2 million or 61.8% of federal grants authorized by budget amendment. The purpose of the SCBGP is to enhance the competitiveness of specialty crops. Specialty crops are defined as fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops. The agency expended \$1.6 million or 17.6% of its SCBGP authority as of November 2025.

The agency received \$3.3 million in funding for the Resilient Food System Infrastructure (RFSI) Program. This program's goal is to strengthen the food supply chain as well as provide more and better markets to small farms and food businesses. For FY 2026 year to date, \$1.1 million or 33.6% of the RFSI budget has been expended.

The United States Department of Agriculture Regional Food Business Centers (RFBC) grant totaled \$880,100. The program strives to create new markets and expand current linkages throughout the supply chain as well as drive economic opportunities across the region for small and mid-tier food and farm businesses. In FY 2026, 16.6% or \$145,705 of this grant has been expended.

Other federal loan and grant awards include funding through the Rural Energy for America Program for energy efficiency improvements and renewable energy investments, support for noxious weed mitigation, infrastructure, and grants under the Food Safety Modernization Act for the prevention of foodborne illness. Additional federal funding supports noxious weed prevention efforts, and various marketing and program activities.

The table below summarizes federal budget endowment authority and expenditures.

Department of Agriculture Budget Amendment Authority Through November 2025			
Federal Grants	Budgeted	Expended	% Expended
Specialty Crop Block Grant Program (SCBGP)	\$9,167,355	\$1,614,939	17.6%
Resilient Food System Infrastructure (RFSI)	3,281,434	1,103,481	33.6%
Regional Food Business Centers (RFBC)	880,092	145,705	16.6%
Rural Energy for America Program (REAP)	466,179	22,332	4.8%
USDA Infrastructure Grants	423,558	4,495	1.1%
Food Safety Modernization Act	282,766	90,810	32.1%
USDA Weed Control Grants	281,367	4,566	1.6%
Other Federal Grant	43,973	912	2.1%
Total Federal Budget Amendments	\$14,826,723	\$2,987,239	20.1%

Other Bills

The Legislature approved authority from the general fund, state special revenue, and capital accounts totaling \$43,300 for long-term information technology projects. To date this funding has not been expended.

Carryforward Authority

After each fiscal year, 30.0% of the unexpended and unencumbered HB 2 appropriations from the prior fiscal year for personal services, operating expenses, and equipment, may be re-appropriated in the two fiscal years following (17-7-304(4)(a), MCA).

The agency has \$811,900 in total authority carried forward from previous years. The carryforward authority consists primarily of state special revenue. As of November 30, 2025, 3.2% or about \$63,300 of carryforward authority has been expended.

Statutory Appropriations

Expenditures of statutory appropriations totaled \$7.5 million as of November 30, 2025.

HB 52 was passed by the 2019 Legislature. The bill created annual statutory appropriations of interest income from the coal severance tax permanent fund. In the bill, \$65,000 was designated for the Montana Cooperative Development Center, and this appropriation has been fully expended. Additionally, \$900,000 was allocated for Growth Through Agriculture Programs; as of November 30, 2025, \$80,600 or 9.1% has been spent. Finally, the Montana Food and Agricultural Development Program received \$600,000, of which about \$84,000 or 14.1% has been expended.

Other expenditures of statutory appropriations include \$3.3 million from state special revenue designated for research and marketing programs related to potatoes, pulse crops, and other agricultural development initiatives, as well as \$4.0 million in proprietary revenue allocated for hail insurance claims.

ARPA

In FY 2026, \$7.5 million has been earmarked for Hail insurance supplementing the authority mentioned above. This authority has not been expended.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget from July 1, 2025, through November 30, 2025. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
MT Dept of Agriculture	22,911,215	22,911,215	0
15 CENTRAL MANAGEMENT DIVISION	2,618,098	2,482,292	-135,806
30 AGRICULTURAL SCIENCES DIVISION	11,825,500	11,961,306	135,806
50 AGRICULTURAL DEVELOPMENT DIV	8,467,617	8,467,617	
Total	22,911,215	22,911,215	0

Expenditure Type	HB 2 Budget	Modified Budget	Net Modifications
61000 Personal Services	10,872,910	10,872,910	0
62000 Operating Expenses	6,089,303	6,089,303	
63000 Equipment & Intangible Assets	338,889	338,889	
66000 Grants	5,342,856	5,342,856	
68000 Transfers-out	189,757	189,757	
69000 Debt Service	77,500	77,500	
Total	22,911,215	22,911,215	0

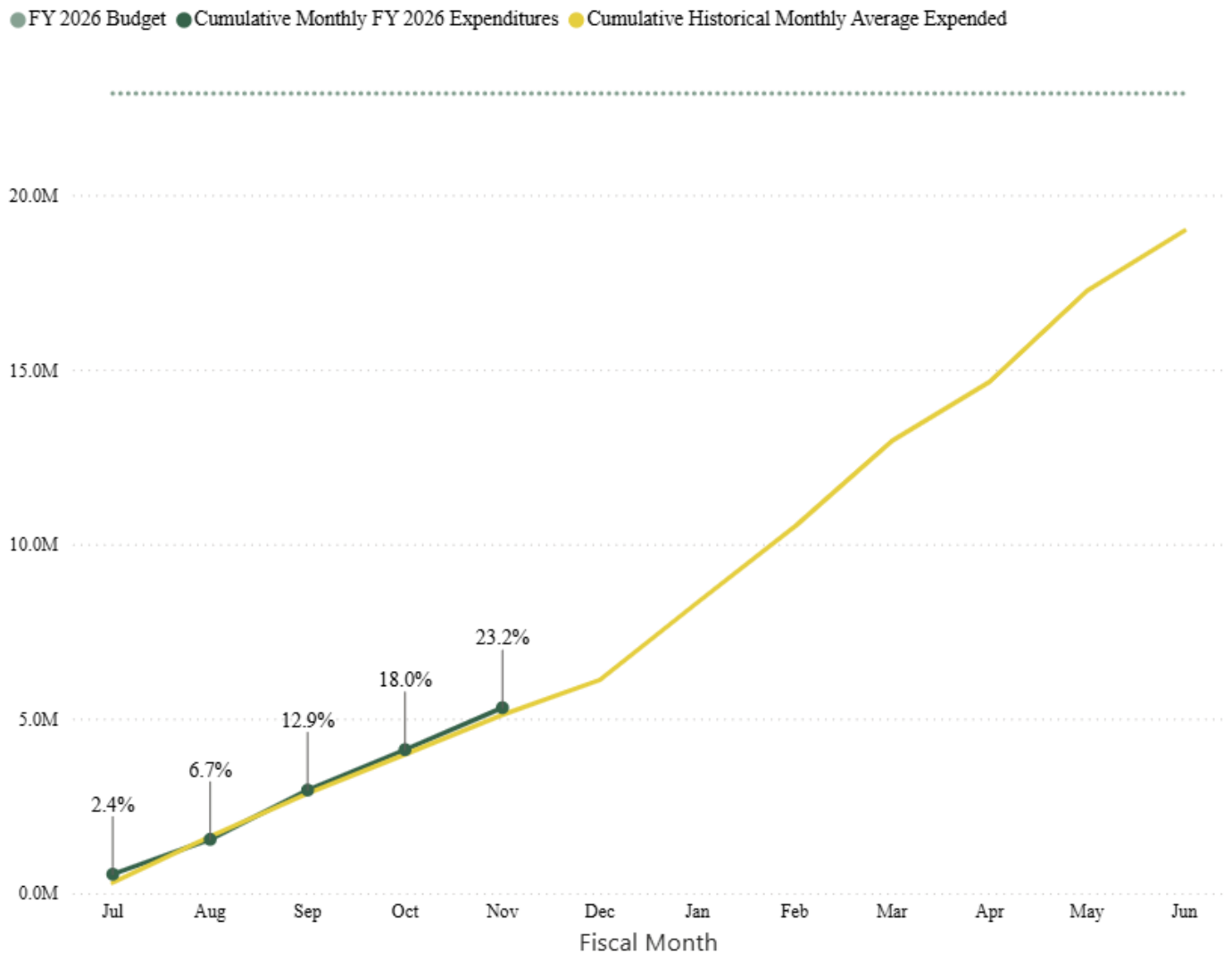
Fund Type	HB 2 Budget	Modified Budget	Net Modifications
01 General	1,156,507	1,156,507	
02 State/Other Spec Rev	19,264,404	19,264,404	0
03 Fed/Other Spec Rev	1,838,401	1,838,401	
06 Enterprise	651,903	651,903	
Total	22,911,215	22,911,215	0

The total modified budget did not change in the first quarter. The agency transferred \$135,800 in state special revenue authority for personal services from the Central Management Division to the Agricultural Sciences Division.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures for FY 2026.

Monthly Expenditures Compared to Historical Average



The tables on the following page show expenditure rates for FY 2026 for the agency compared to average expenditure rates over the previous five years.

Department of Agriculture Expenditures				
July 1 through November 30, FY 2026				
Program Name	Modified	Expended	Percent Expended	
	Budget	Budget	FY 2025	Last 5 Years
Central Management Division	\$2,482,292	\$842,069	33.9%	35.1%
Agricultural Sciences Division	11,961,306	3,119,474	26.1%	26.1%
Agricultural Development Div	8,467,617	1,355,255	16.0%	12.9%
Total	\$22,911,215	\$5,316,798	23.2%	22.3%
Expenditure Category			Percent Expended	
			FY 2025	Last 5 Years
Personal Services	\$10,872,910	\$3,766,303	34.6%	33.6%
Operating Expenses	6,089,303	1,488,798	24.4%	23.3%
Equipment & Intangible Assets	338,889	-	0.0%	1.7%
Grants	5,342,856	20,844	0.4%	0.3%
Transfers-Out	189,757	-	0.0%	5.9%
Debt Service	77,500	40,853	52.7%	44.6%
Total	\$22,911,215	\$5,316,798	23.2%	22.3%
Funding Source			Percent Expended	
			FY 2025	Last 5 Years
General Fund	\$1,156,507	\$382,697	33.1%	33.1%
State/Other Spec Rev	\$19,264,404	\$4,329,058	22.5%	20.7%
Fed/Other Spec Rev	1,838,401	474,347	25.8%	25.0%
Enterprise	651,903	130,696	20.0%	25.8%
Total	\$22,911,215	\$5,316,798	23.2%	22.3%

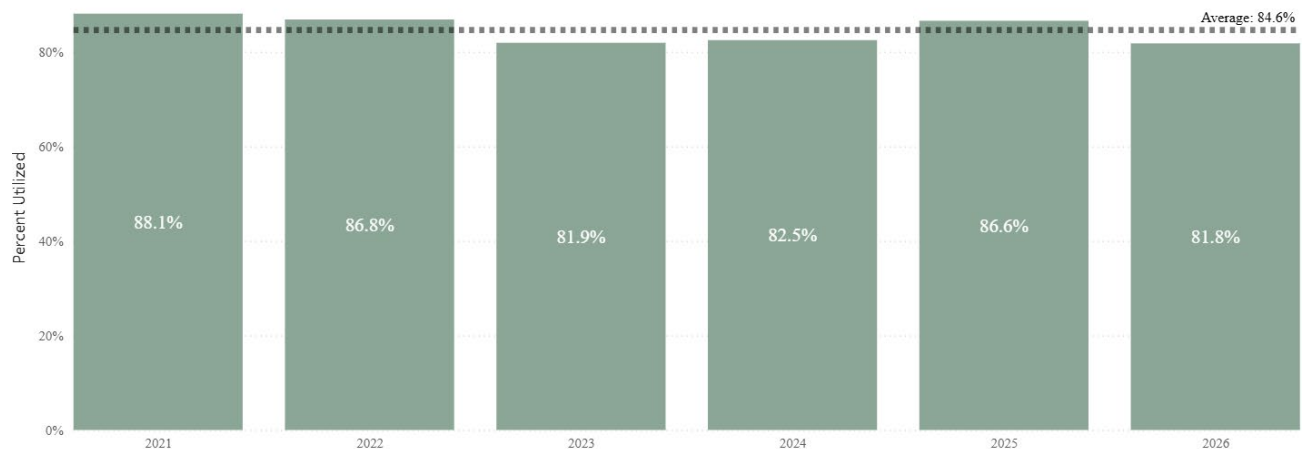
The Department of Agriculture expended 23.2% of its \$22.9 million HB 2 modified budget for FY 2026, which is about \$208,000 more than expected based on the five-year historical average expenditure rate of 22.3%. The higher rates were primarily state special revenue expenditures for personal services and operating expenses in the Agricultural Development Division.

Personal Services

Appropriations for personal services in the Department of Agriculture total \$10.9 million and were 27.5% expended as of November 30, 2025. The department has 119.56 HB 2 positions budgeted (PB), of which 13.69 are classified as aggregate positions. Aggregate positions are historically more seasonal or temporary in nature. Multiple people may be employed under these position numbers throughout the year. The table below shows the budgeted PB for the department.

Department of Agriculture HB 2 PB			
Program	Regular	Aggregate	Total HB 2
Central Management Division	18.00	-	18.00
Agricultural Sciences Division	58.37	4.42	62.79
Agricultural Development Division	29.50	9.27	38.77
Total	105.87	13.69	119.56

The chart below displays the Department of Agriculture's hourly utilization rates for FY 2026 and the preceding five fiscal years. Overall, the department has used 81.8% of its budgeted hours to date in FY 2026, 2.8% below the historical average of 84.6%. The Central Management Division had the highest utilization at 86.4%, followed by Agricultural Sciences Division at 84.8%, while the Agricultural Development Division rate was 74.7%.



As of November 1, 2025, the agency had 19.99 positions budgeted (PB) vacant. This compares to 14.22 PB vacant at the beginning of the year. On average, positions have remained open for about 10.3 months. Since the start of FY 2026, three employees have left state government.

The chart on the following page shows the vacant PB in each division, the number of months each position has been vacant, and the midpoint hourly pay rate.

Department of Agriculture Vacancies November 1, 2025							
<u>Division</u>	<u>PB</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>		<u>PB</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
Agricultural Development Div							
Administrative Assistant 3	1.00	2.8	\$21.48	Central Management Division			
Agricultural Inspector 3	1.00	5.6	27.19	Business Executive	1.00	46.4	\$75.89
Sampler	1.00	0.8	21.76	Chief Attorney	1.00	14.2	55.14
Rural Dev Specialist	1.00	34.0	36.25	Division Total / Average¹	2.00	30.3	\$65.51
Insurance Claims Adjuster	0.30	2.1	18.85	Agricultural Sciences Division			
Insurance Claims Adjuster	0.25	0.5	18.85	Divisional Technical Compliance	1.00	29.8	\$18.85
Insurance Claims Adjuster	0.25	0.5	18.85	Plant Science Specialist	1.00	8.3	43.75
Insurance Claims Adjuster	0.25	1.6	18.85	Plant Science Specialist	1.00	4.9	43.75
Insurance Claims Adjuster	0.25	1.6	18.85	Commodities Technician	1.00	1.4	23.12
Insurance Claims Adjuster	0.25	0.9	18.85	License & Regis Spclst	1.00	2.3	28.03
Insurance Claims Adjuster	0.25	13.9	18.85	Agricultural Science Specialis	0.52	31.7	43.75
Insurance Claims Adjuster	0.25	12.4	18.85	Short Term Worker	1.00	12.3	16.05
Insurance Data Entry Support	0.25	2.8	13.63	Agricultural Inspector 2	0.45	5.8	21.76
Insurance Claims Adjuster	0.25	12.4	18.85	Agricultural Inspector 2	2.97	0.5	21.76
Insurance Claims Adjuster	0.25	12.4	18.85	Division Total / Average¹	9.94	8.0	\$27.24
Insurance Claims Adjuster	0.25	12.9	18.85				
Grants Specialist	1.00	4.1	24.51				
Division Total / Average¹	8.05	8.2	\$23.28	Grand Total¹	19.99	10.3	\$29.47

¹ Averages for months vacant and pay rate are weighted by PB

OTHER ISSUES

Information Technology Project Expenditures

The Department of Agriculture is advancing several IT system projects.

The Commodity Assessment System will add licensed commodity dealer reporting, payments, and management to the Department of Revenue's GenTax platform. The Grants Management System will manage all aspects of grants and integrate with SABHRS. The Hail Insurance System will support application, processing, and reporting for the Hail Insurance Program. In partnership with the Department of Labor & Industry, the Pesticide Licensing System will use the Accela platform to streamline pesticide licensing, certification, education, and compliance enforcement.

The table below summarizes the status and expenditures for IT projects.

Large Information Technology Projects Original and Revised Budgets						
<u>Project</u>	<u>Start Date</u>	<u>Status</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Expended</u>	<u>Percent Expended</u>
Commodity Assessment System	8/14/2023	Closing	\$370,000	\$370,000	\$175,000	47.3%
Grants Management System	9/13/2023	On-Hold	60,000	60,000	-	0.0%
Hail Insurance Program	3/1/2023	Closing	95,064	95,064	95,604	100.6%
Accela System IT System	9/6/2023	Executing	695,565	695,565	667,761	96.0%

Status of Line-Itemed Decision Packages, 2025 Legislature

The table below summarizes the agency's expenditures against legislative appropriations for decision packages that appear as line items in HB 2. A detailed discussion of each decision package is provided below.

Department of Agriculture Legislative Appropriation and Expenditures for the 2027 Biennium				
<u>Decision Package</u>	<u>Legislative Appropriation</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Percent Expended</u>
DP 30001 - Analytical Lab Equipment (OTO)	\$561,000	\$561,000	\$0	0.0%
DP 30003 - Produce Digital Inspections (OTO)	87,500	87,500	-	0.0%
DP 30004 - Organic Program System (OTO)	45,000	45,000	1,142	2.5%
DP 30009 - Stationary Granulator Locations (OTO)	250,000	250,000	-	0.0%
DP 50007 - Ag Development CRM System (OTO)	49,000	49,000	-	0.0%
Total of HB 2 Line Itemed Decision Packages	\$992,500	\$992,500	\$1,142	0.1%

DP 30001 - Analytical Lab Equipment (OTO)

FY 2026 – \$519,400 State Special Revenue

FY 2026 - \$41,600 Federal Special Revenue

The legislature adopted a one-time-only increase in state and federal special revenue to fund the replacement of equipment at the Bozeman Analytical Laboratory. This new equipment will support the department's programs in pesticide enforcement, groundwater monitoring, fertilizer regulations, and feed regulations.

DP 30003 - Produce Digital Inspections (OTO)

FY 2026 – \$87,500 State Special Revenue

The legislature adopted a one-time increase in state special revenue to transition the produce inspection process from paper to digital. This proposal is primarily funded by revenue generated from produce assessment fees.

DP 30004 - Organic Program System (OTO)

FY 2026 – \$45,000 State Special Revenue

The legislature adopted a one-time-only increase in state special revenue to support the operations of the organic inspection program. This program ensures compliance with organic regulations, allowing products to be sold, labeled, and represented as organic. The increase will be funded from licensing and permit fees for organic certification.

DP 30009 - Stationary Granulator Locations (OTO)

FY 2026 – \$125,000 State Special Revenue

FY 2027 – \$125,000 State Special Revenue

The legislature adopted a one-time-only increase in state special revenue to set up granulator stations. Granulators are used in the pesticide container recycling program. This will be funded primarily with groundwater pesticide registration fees.

DP 50007 - Ag Development CRM System (OTO)

FY 2026 – \$49,000 General Fund

The legislature adopted a one-time-only increase in general fund allocation to support the implementation of a Customer Relationship Management (CRM) system. This system would assist in marketing grants and enable the analysis and tracking of data related to customer interactions.

This decision package is related to DP 50008 - Ag Development CRM System Maintenance.

Required Reports

Required reports for the agency can be found by clicking the link below.

[Required Reports](#)