



FY 2017 Executive Budget Overview

Department of Agriculture and Rural Development
Director Jamie Clover Adams
February 16, 2016



Overview

- 🇺🇸 MDARD's Mission, Goals and Priorities
- 🇺🇸 2015 Accomplishments
- 🇺🇸 FY 2016 Fee Update
- 🇺🇸 FY 2017 Executive Budget
- 🇺🇸 Michigan's Food and Agriculture Sector



MDARD Mission

The Michigan Department of Agriculture and Rural Development's (MDARD) mission is to assure the food safety, agricultural, environmental, and economic interests of the people of the State of Michigan are met through service, partnership, and collaboration.



MDARD Priorities



- 🇺🇸 Assure Food Safety
- 🇺🇸 Protect Animal and Plant Health
- 🇺🇸 Sustain Environmental Stewardship
- 🇺🇸 Provide Consumer Protection
- 🇺🇸 Enable Rural Development



Opportunities and Challenges in Agriculture

🇺🇸 Food & Agriculture Sector Growth

- 🇺🇸 Research & innovation
- 🇺🇸 Value-added processing
- 🇺🇸 Exports

🇺🇸 Workforce Development

🇺🇸 Non-Transportation Infrastructure

🇺🇸 Food and Animal Safety

🇺🇸 Food Safety Modernization Act



MDARD. Striving for...



Single Licensing & Inspection System

- Increase productivity
- Improve customer service
- Enhance citizen access

24

Lean Process Analyses

Eliminate Waste
Increase Efficiency



Service
COLLABOARTION
CUSTOMER-CENTRIC
COMPLIANCE ASSISTANCE
PARTNERSHIP
Culture

100% of staff have a bi-weekly conversation with their supervisor to improve program and staff performance.

Operation Excellence

Individual model programs have experienced:

- >50% reduction in processing times
- >40% increase in quantity
- Confirmation of quality levels >90%

Removed 42% of impediments that stymie efforts to improve customer service.

Efficiency. Effectiveness. Value. Customer Focus.

MDARD 2015 Accomplishments



- Implemented “Operation Excellence”
- Completed 995 MAEAP verifications
- Protected consumers by recovering 29 “skimmer” devices from gas pumps
- Coordinated with DNR, DEQ & the MEDC to bring Chilean based Arauco to Grayling – adding 250 new manufacturing jobs
- Awarded an FDA group recognition award for MDARD staff efforts to remove a feed contaminant from the national supply chain



Early Success

- Decreased food license processing times 50%
- Processed 53% more farmland preservation agreements & reduced processing time
- Increased number of new MAEAP verifications by 16%
- Increased number of migrant labor housing inspections by 21%
- Increased number of food inspections by 7.6%, while complaints increased 7%
- Met timeliness & quality standards in bovine TB program 95% of time

Early Success








- Increased livestock dealer, trucker and market inspections by 14%
- Reduced cost of nursery inspections 10%
- Motor fuel quality sampling increased 40%
- Pesticide misuse case samples increased 80% unexpectedly – 98% of samples completed within expected turnaround time
- Weights & Measures device inspections increased 2%, while package labeling inspections increased 37%









FY 2016 Fee Update

Retail Establishment Food Safety Program

-  \$2.5 million over 3 years
 -  Added 4 Food Inspectors, and 1 Quality Assurance Specialist
 -  Adding Food Supervisor in June
 -  6 month training for inspectors completed in April
 -  Implementing Accela Licensing and Inspection IT solution





Pesticide Program

-  \$870,000 Annually
 -  Implementing computer-based testing at select locations around the state
 -  Working with MSU Pesticide Safety Education to develop web-based tutorials for certification exams
 -  Updating on-line certification exam scheduling system
 -  Consolidating registration activities in MDARD Central Licensing Unit
 -  Adding 3 inspectors & 1 exam monitor (March/April)





FY 2016 Fee Update







Fertilizer Program

-  \$350,000 (40% for research grants)
 -  Research Grant Committee held first meeting Jan. 2016
 -  Adding .5 inspector (March)
 -  Will achieve 50% inspection rate on bulk storage facilities

MAEAP

-  \$700,000
 -  Database requirements gathering and vendor showcases underway
 -  Tiered participation levels set for growers in Jan. 2016
 -  Coordinating with Treasury on out-state auditing

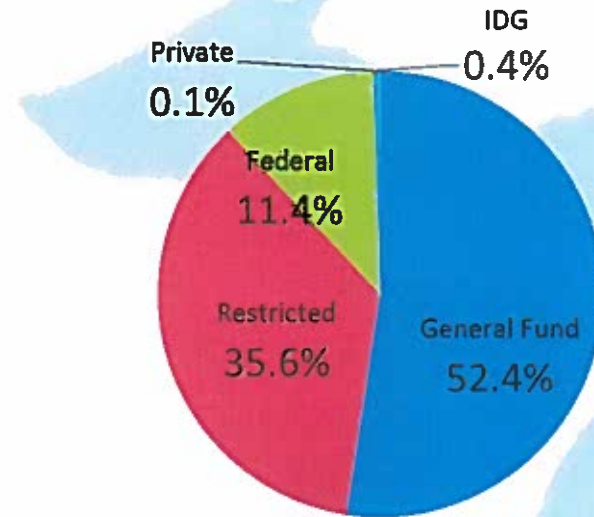
Feed Safety Program

-  \$520,000
 -  Coordinating with Treasury on out-state auditing
 -  Added in-state auditor (Dec) and .5 inspector (March)
 -  Increasing sample collection - 200

FY 2017 Proposed Budget

(Oct 1, 2016 – Sept 30, 2017)

FY 2017 Budget Funding by Source



Funding Source	Amount
General Fund/General Purpose (GF/GP)	\$ 48,036,900
Restricted	\$ 32,629,300
Federal	\$ 10,471,200
Private	\$ 130,700
Interdepartmental Grants (IDGs)	\$ 323,200
Total Funding	\$ 91,591,300






FY 2017 Investment Highlights



Laboratory Division - \$3.1M GF

Geagley Laboratory - \$2.1M

-  Replace 5 Laboratory Scientists and Technicians
-  Transfer equine testing to MGCB
-  Support equipment and building upgrades





Heffron Laboratory - \$1.0M

-  Replace 1 Consumer Protection field inspector
-  Fund shift from Refined Petroleum Fund to GF
-  Replace depleted restricted revenue carryforward balances

FY 2017 Investment Highlights

Laboratory Division – Cont.

Replace Refined Petroleum Fund - \$1.5M GF

-  Phase out the use of this fund for motor fuel inspection program
-  Will return \$3.4M back to DEQ for tank clean up activity
-  Maintains current funding level for Consumer Protection Programs
-  Increases program flexibility and allow for better oversight of retail scales and prepackaged goods











FY 2017 Investment Highlights

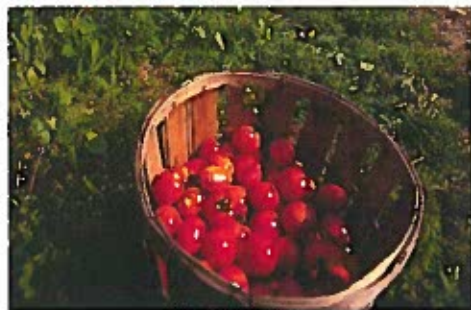
- Farmland Preservation - \$0.5M GF**
 - Eliminate 9-16 month filing backlog
 - Replace 2 staff eliminated in 2013 due to declining revenue
- On-Farm Produce Safety - \$1.2M GF**
 - Implement largest reform of food safety laws in 70 years (FSMA)
 - Create a state/local collaborative program with MSU and local conservation districts
 - Provide outreach and education to the 6,000 growers affected



FY 2017 Investment Highlights

Rural Development Fund - \$2.0 M Restricted Revenue

-  Implement the requirements of P.A. 411 of 2012 (Nonferrous Metallic Minerals Extraction Severance Tax)
-  Award and monitor grants and/or loans under the following requirements:
 -  Expand and sustain land based industries
 -  Address worker training for land based industries
 -  Address infrastructure issues in rural areas
-  Provide staff support to the Rural Development Fund Board



FY 2017 GF/GP Reductions

Program Reductions

- Value-Added Grants – (\$150,000)
- Administrative reductions – (\$99,100)

Program and Grant Eliminations

- Final Payment for Commercial Forest Audit Program – (\$300,000)
- County Fair Capital Improvement Grants – (\$300,000)
- Shows and Expositions Grants – (\$20,000)

Fund Shift

- Qualified Forest - GF to Restricted – (\$130,000)

Total Reductions – (\$999,100) GF/GP

FY 2017 Budget Adjustments



Elimination of One-Time Funding

- Value Added Grants – (\$550,000)
- Tree Fruit Commission – (\$500,000)
- Geagley Laboratory Equipment – (\$150,000)

Other GF/GP Adjustments

- Economics & Funding Adjustments – (\$883,400)

Total Change to GF/GP : \$5.0M

Food and Agricultural Sector in Michigan

Michigan produces over 300 commodities

First

- Blueberries
- Cucumbers for pickles
- Tart Cherries
- Squash
- Dry navy beans

Third

- Apples
- Dry, light red kidney beans

Second

- Asparagus
- Dry Beans
- Fresh Carrots
- Celery

Top 10

- Sugar Beets
- Sweet Cherries
- Milk
- Potatoes
- Egg Production

Rankings based on 2014 data





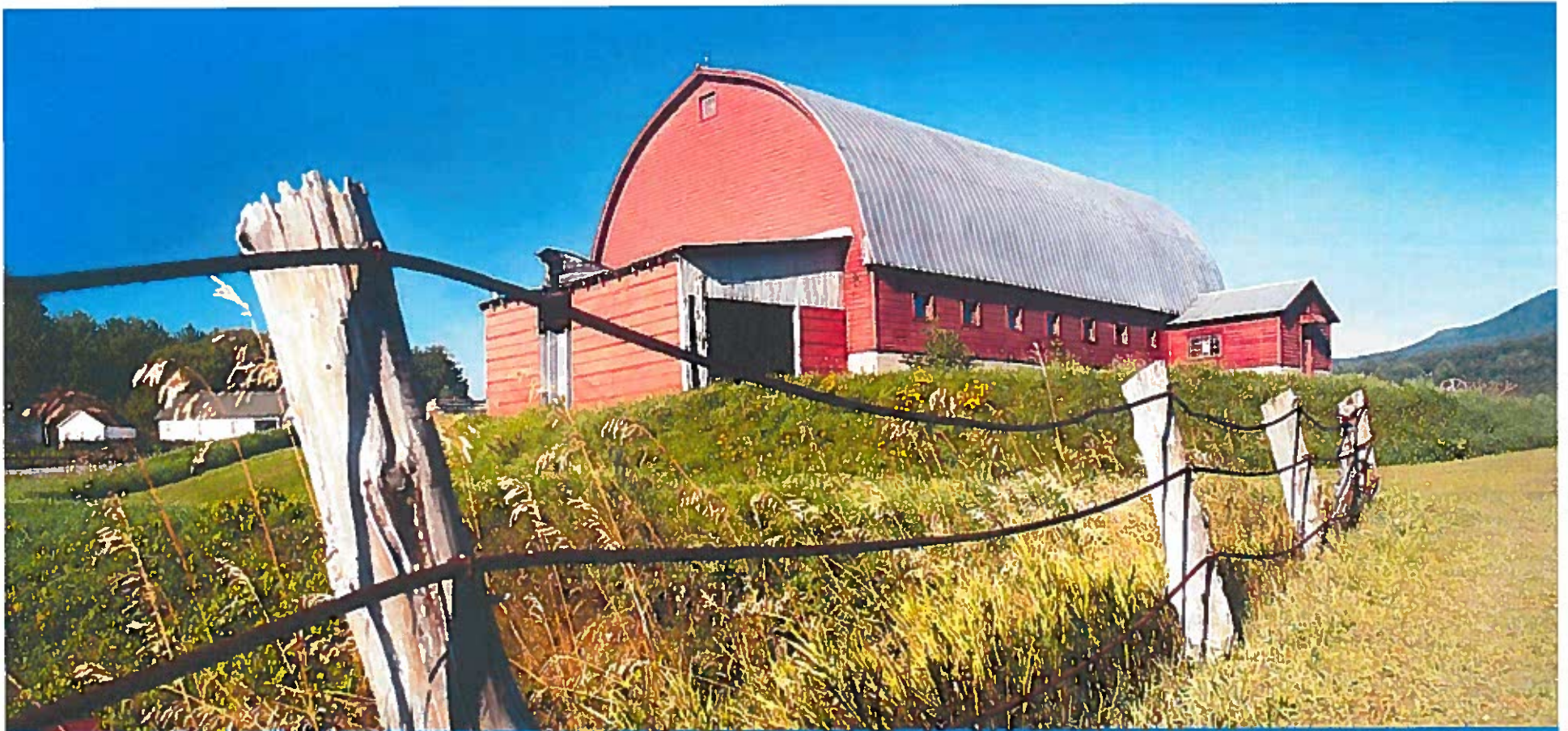
Food and Agricultural Sector in Michigan

- ❖ One quarter (\$25 billion) of agriculture economic activity is generated by the food processing sector
 - ❖ Michigan Food Processors - 2000+
 - ❖ Dairy Processing Facilities - 86
 - ❖ Fruit Packing Facilities - 484
- ❖ Diversity (both in production & processing) means more opportunity for growth
- ❖ Leads to stronger communities and jobs

Michigan Agriculture Magazine

Check out the Michigan Agriculture Magazine at www.miagriculture.com!





Questions?