



## **Background Briefing**

# **AGRICULTURE AND RURAL DEVELOPMENT**

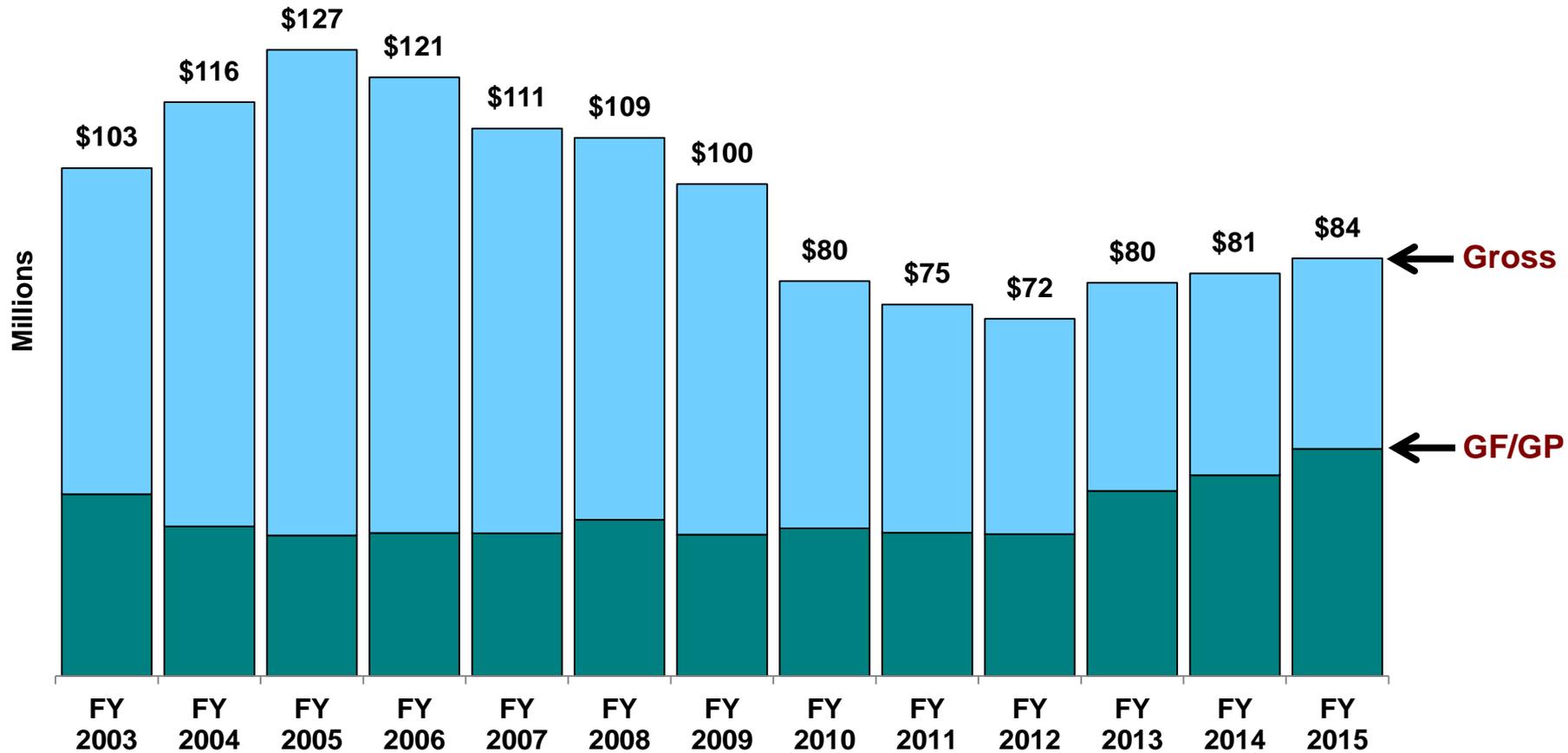
**William E. Hamilton, Senior Fiscal Analyst**

**December 2014**

# Department of Agriculture and Rural Development

- ***Public Act 13 of 1921 established the Michigan Department of Agriculture to "foster and promote in every possible way the agricultural interests of this state..." Public Act 13 also established the five-member bi-partisan Commission of Agriculture.***
- ***Executive Order 2011-2 renamed the department the Michigan Department of Agriculture and Rural Development (MDARD).***
- ***The Department's mission is: "Assure the food safety, agricultural, environmental, and economic interests of the people of the State of Michigan are met through service, partnership, and collaboration."***
- ***The Department's key programs and priorities are:***
  - Assure food safety
  - Protect animal and plant health
  - Sustain environmental stewardship
  - Provide consumer protection
  - Enable rural development
  - Foster efficient administrative operations

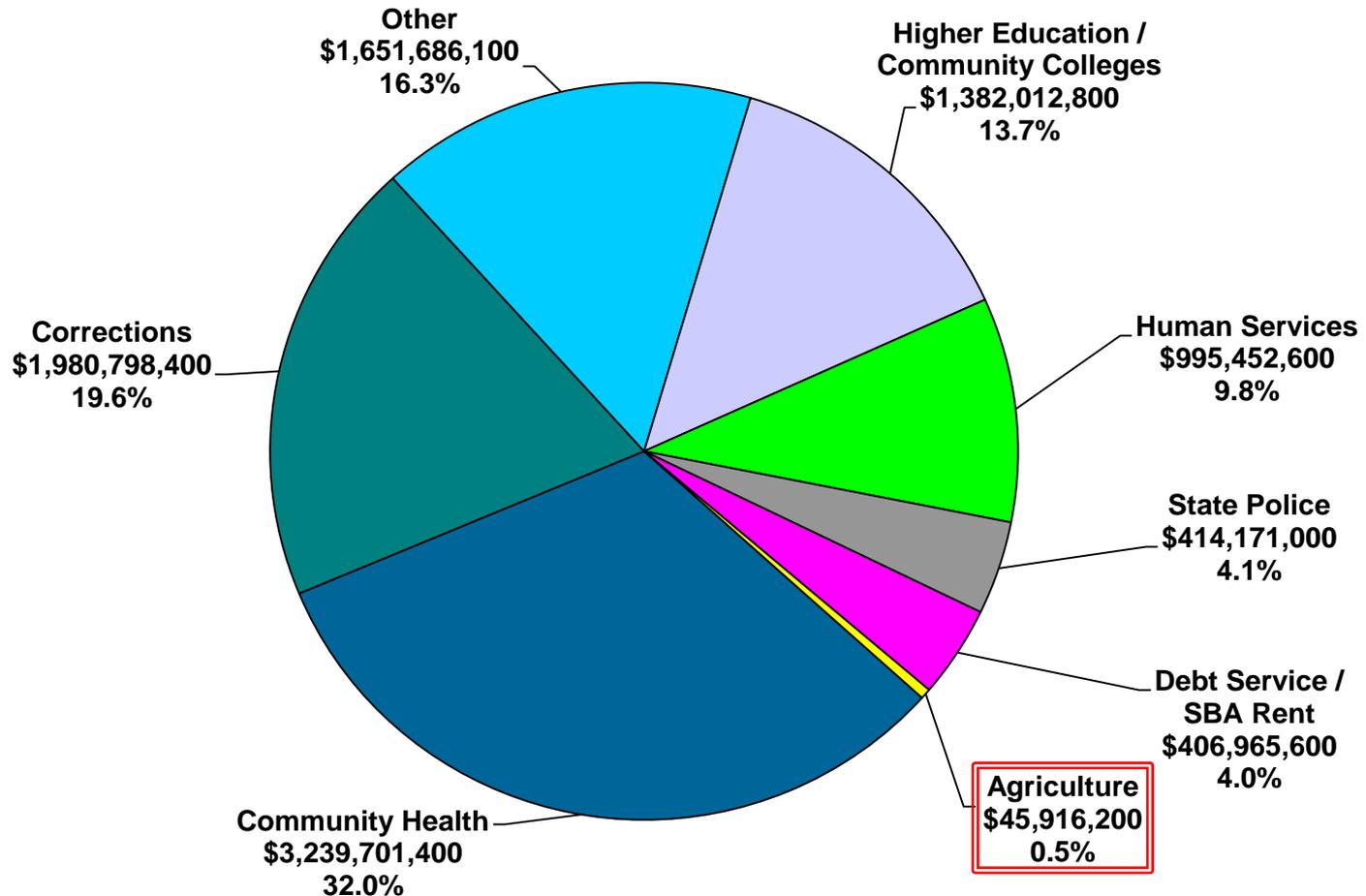
# Agriculture : Gross Appropriations



# Agriculture and Rural Development Share of State GF/GP

Agriculture and Rural Development makes up .5% of the total state GF/GP budget

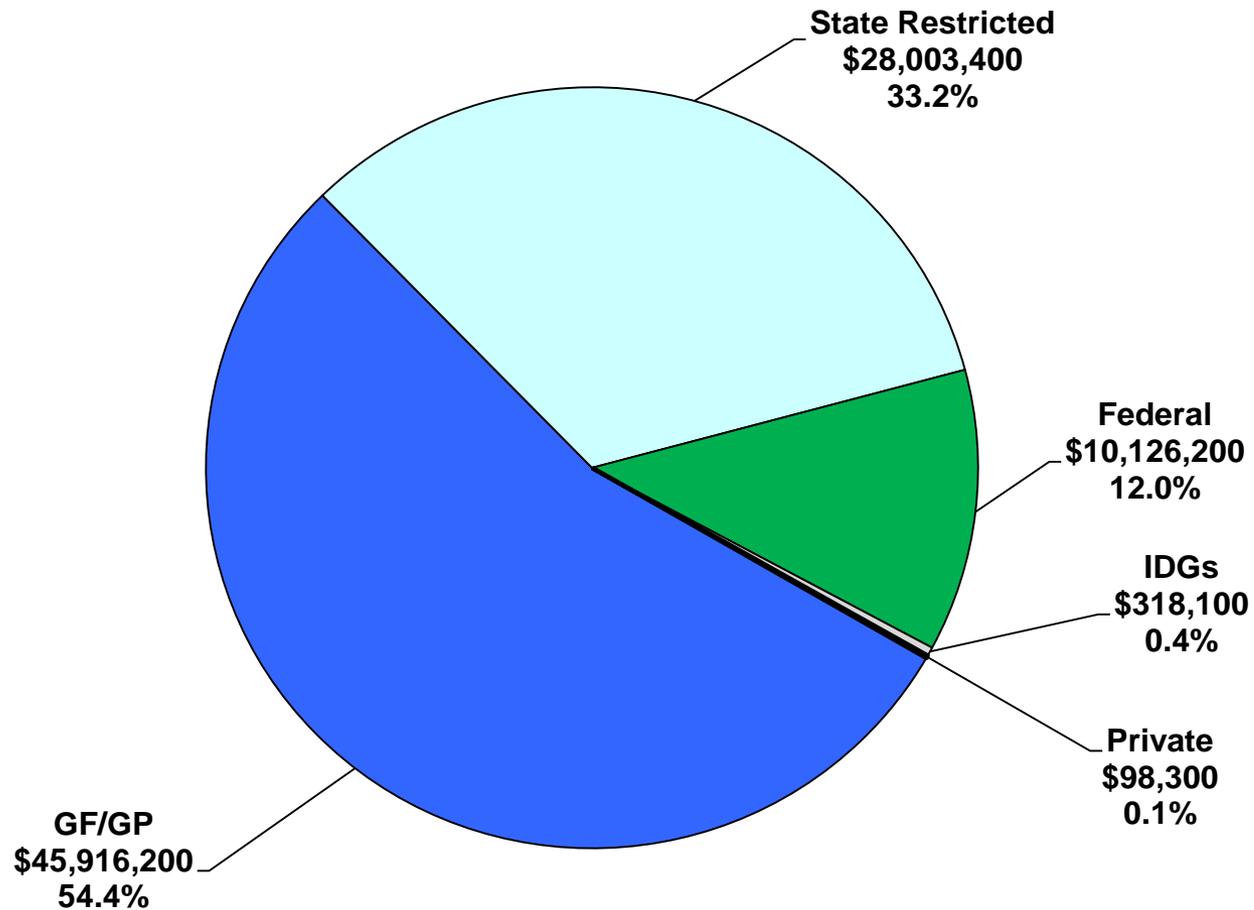
**FY 2014-15 GF/GP Total = \$10,116,704,100**



# **SOURCES OF FUNDING**

# Agriculture Funding Sources

**FY 2014-15 Agriculture Budget = \$84,462,200**



# **DEPARTMENT APPROPRIATIONS**

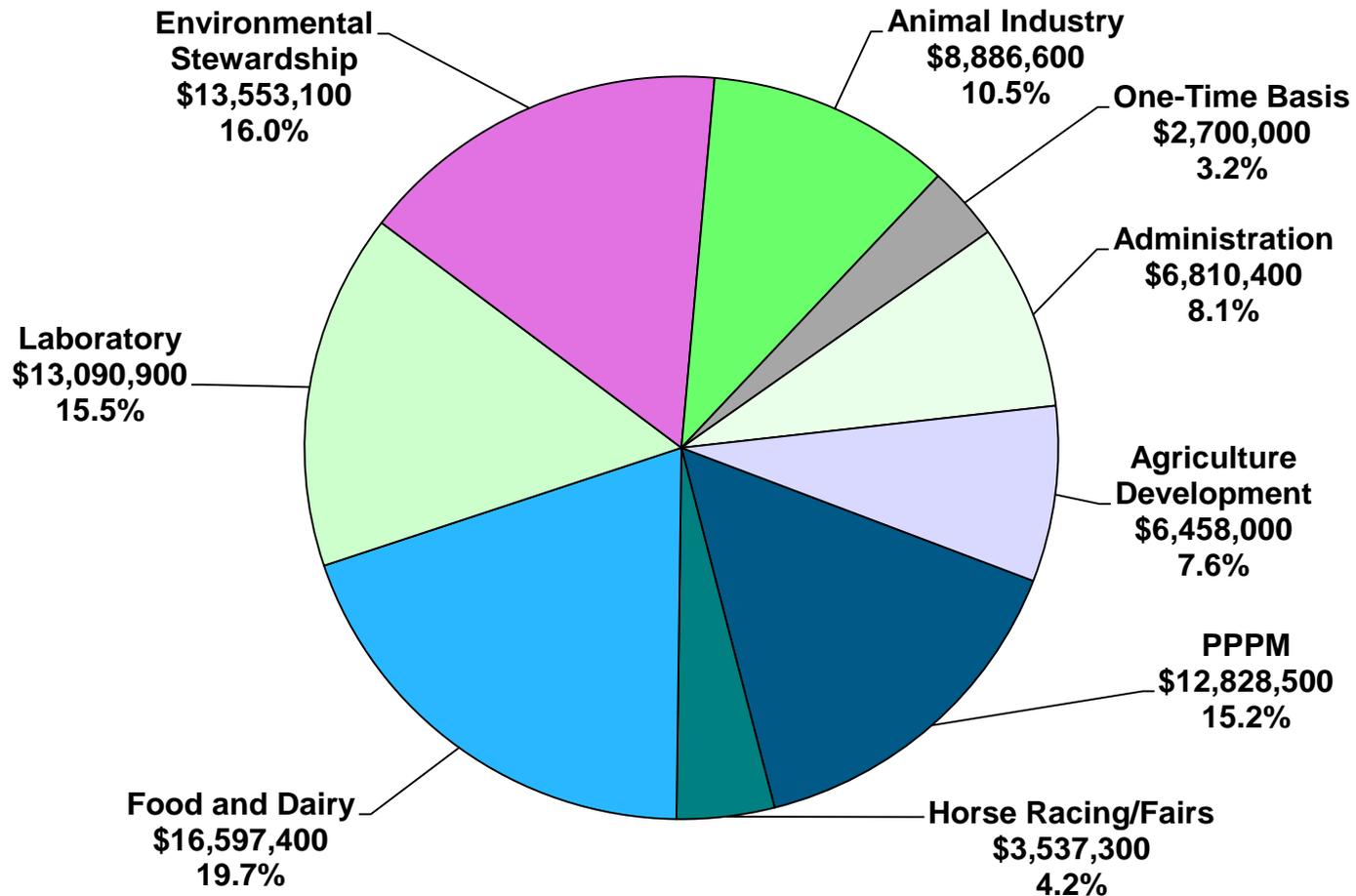
# Agriculture Appropriations

The agriculture budget is appropriated for the following major program areas:

- Administration
- Food and Dairy
- Animal Industry
- Pesticide and Plant Management (PPPM)
- Environmental Stewardship
- Laboratory
- Market Development
- Horse Racing/Fairs

# Agriculture Appropriations

FY 2014-15 Agriculture Budget = \$84,462,200

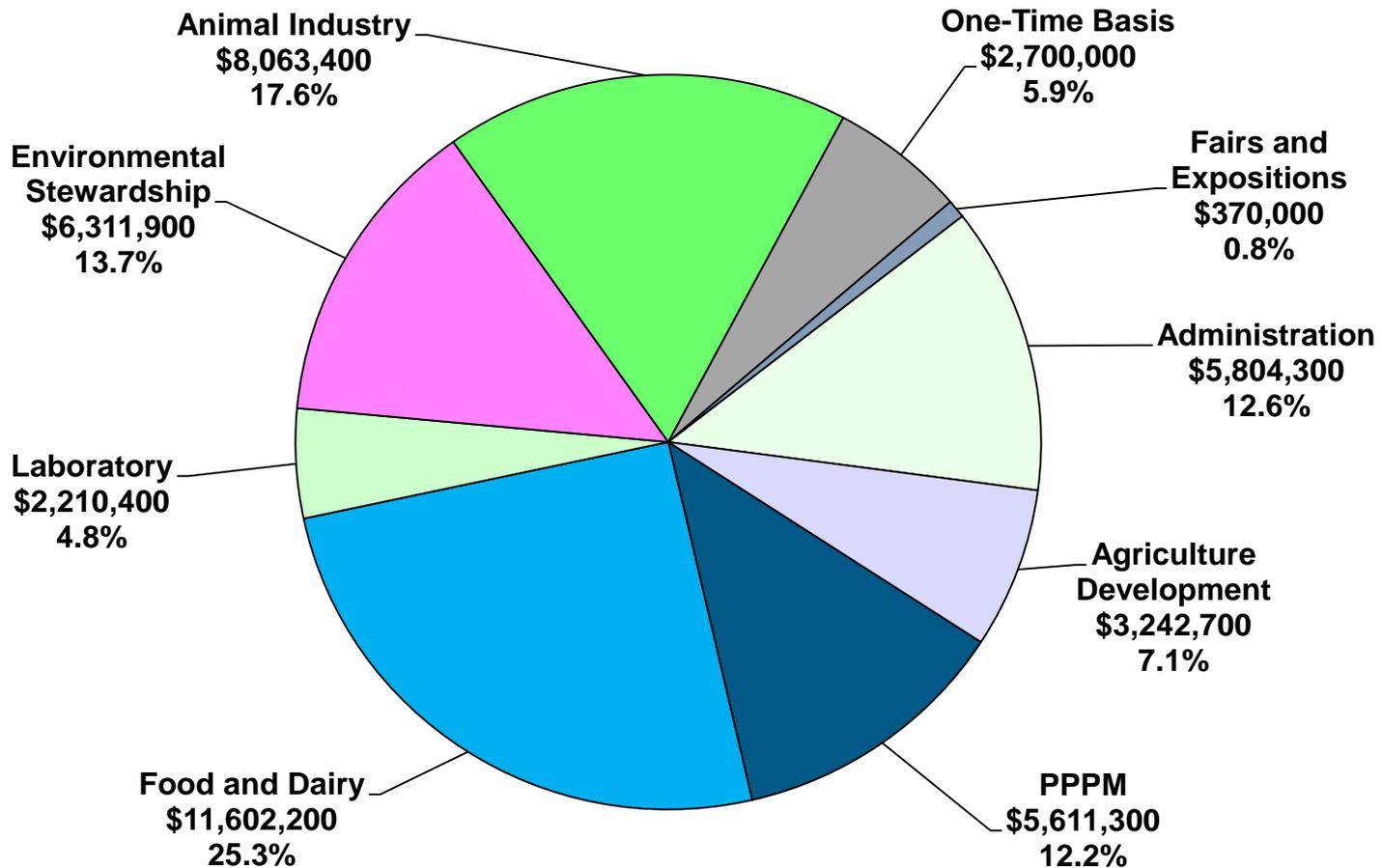


# Agriculture Appropriations

FY 2014-15 Agriculture Budget

GF/GP by Program

Total GF/GP = \$45,916,200



# **PROGRAMS**

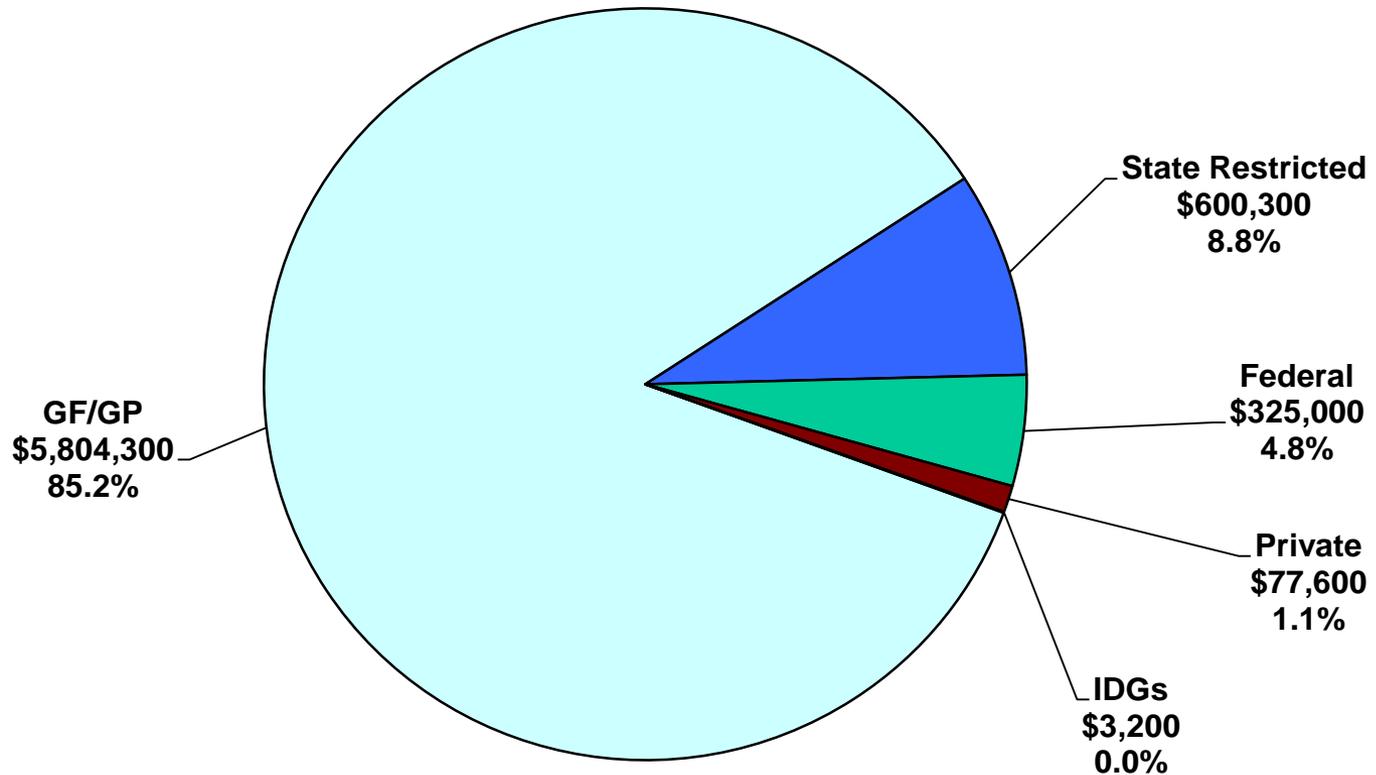
# Executive/Administration

- **Executive/Administrative** functions supported from the *Departmentwide* appropriations unit which includes funding for:
  - Commission of Agriculture and Rural Development
  - Michigan Department of Agriculture and Rural Development (MDARD) Executive Office
  - Emergency Management
  - Statistical Reporting Service
  - Other MDARD administrative functions
- Building rent and occupancy charges
- **Information Technology** appropriation supports information technology services and projects

# Executive/Administration Share of Agriculture Budget

Executive/Administrative Support = \$6,810,400

8.1% of FY 2014-15 Agriculture Budget



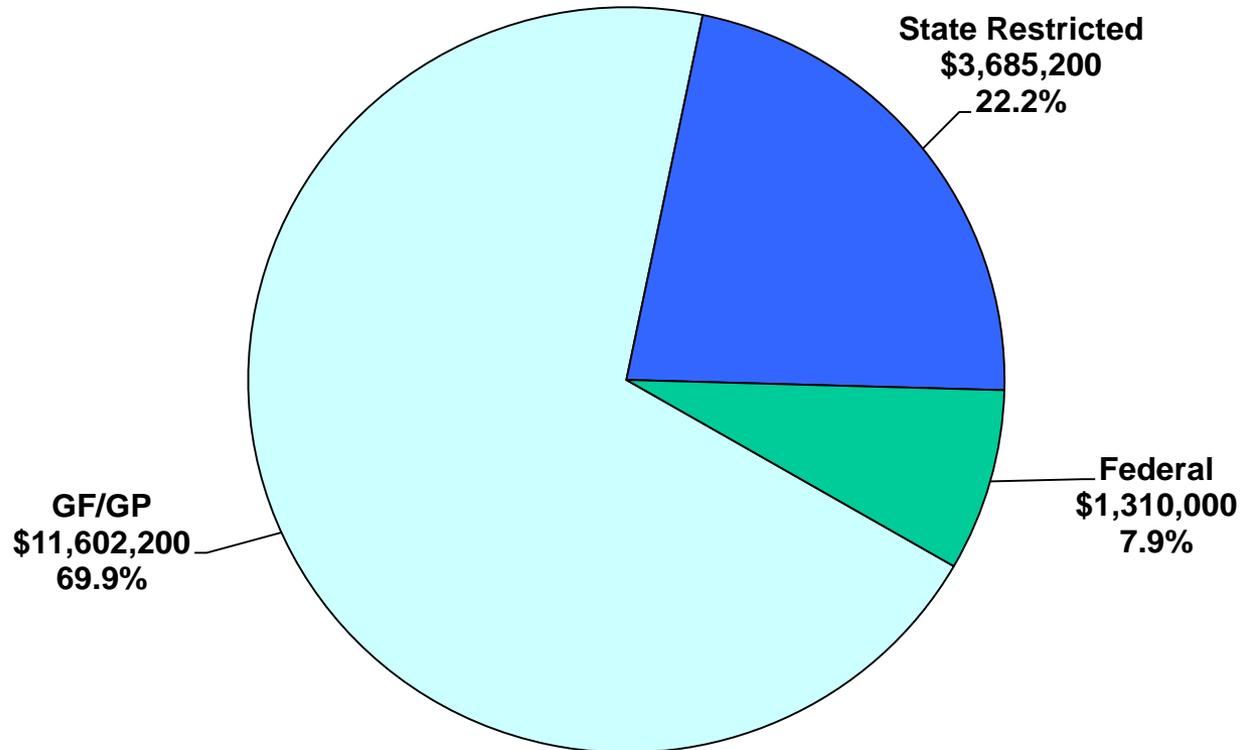
# Food and Dairy

- **Food and Dairy Division** administers a comprehensive program to protect public from food-borne illness, farm to table food regulation under the Food Law of 2000
- Protects against sale of adulterated food products, and fraud and deception in the sale of food products
- Regulates production and sale of dairy products under the Grade A Milk Law of 2001 and the Manufacturing Milk Law of 2001
- Oversees local public health food safety inspection programs – administered in conjunction with the Department of Community Health

# Food and Dairy Share of Agriculture Budget

Food and Dairy = \$16,597,400

18.0% of FY 2014-15 Agriculture Budget



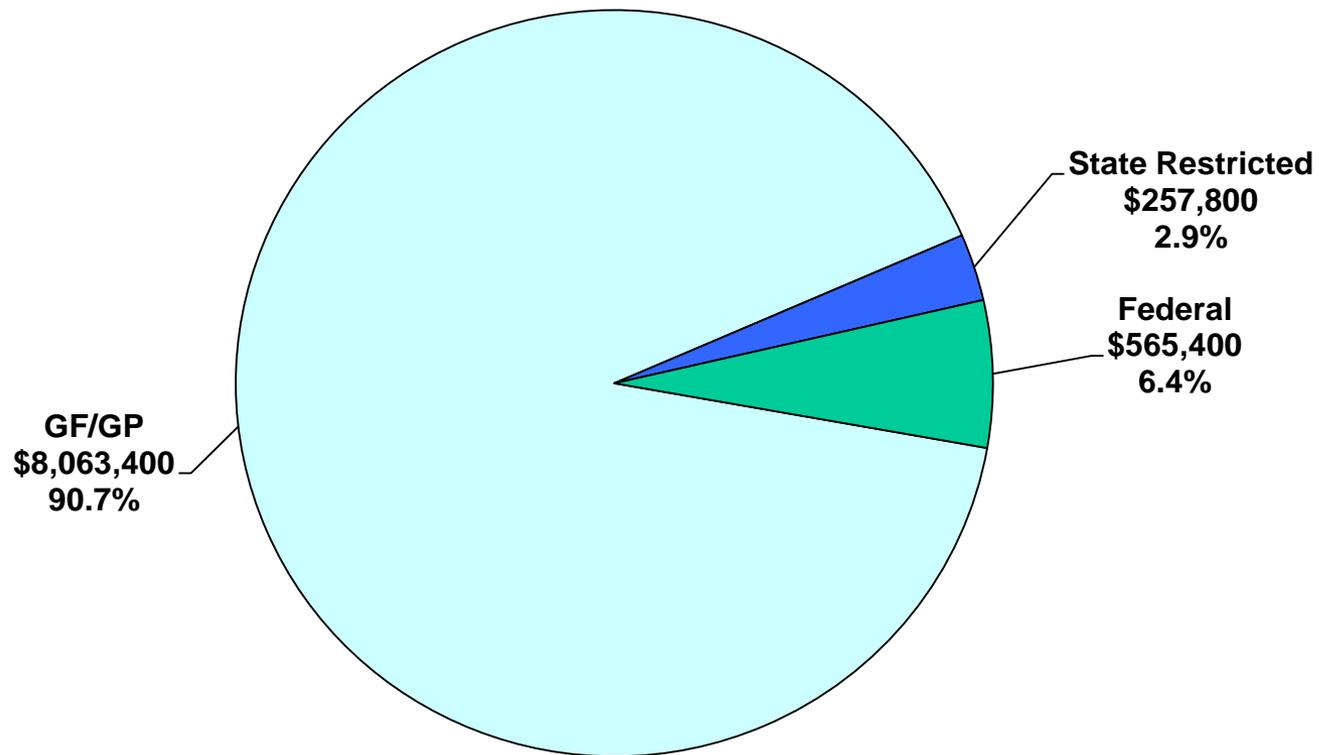
# Animal Industry

- **Animal Industry Division** programs protect public health and health of domestic animals under authority of the Animal Industry Act
- State Veterinarian has authority over livestock and poultry disease programs
- Division programs work to detect and eradicate animal disease, including Bovine TB, Chronic Wasting Disease, Rabies, Pseudorabies, and Eastern Equine Encephalitis

# Animal Industry Share of Agriculture Budget

**Animal Industry = \$8,886,600**

**12.3% of FY 2014-15 Agriculture Budget**



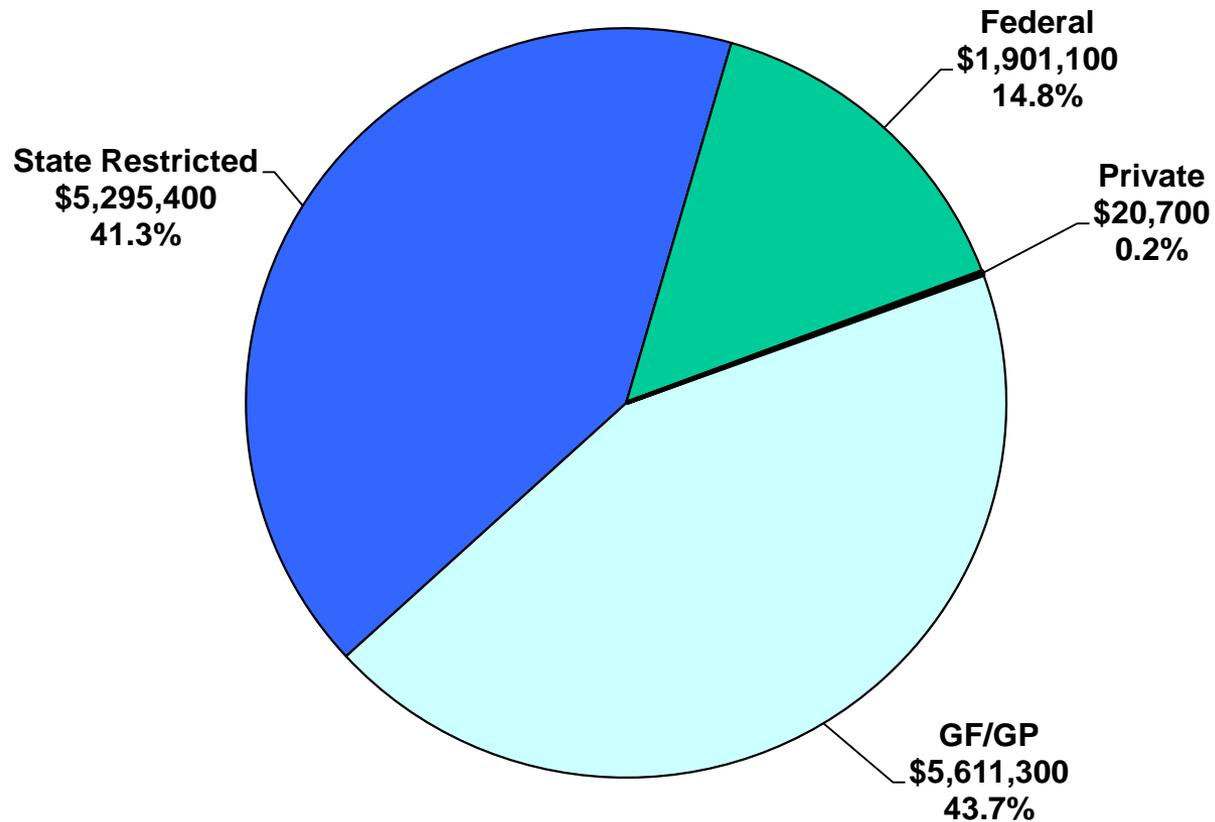
# Pesticide and Plant Pest Management (PPPM)

- **PPPM Division** regulatory programs oversee pesticide registration, use, and application certification and testing
- Develops strategies to monitor and control pests that are harmful to the state's horticulture and timber industry, including Emerald Ash Borer and other invasive species
- Administers Grain Dealer/Producer Security programs

# PPPM Share of Agriculture Budget

**PPPM = \$12,828,500**

**8.4% of FY 2014-15 Agriculture Budget**



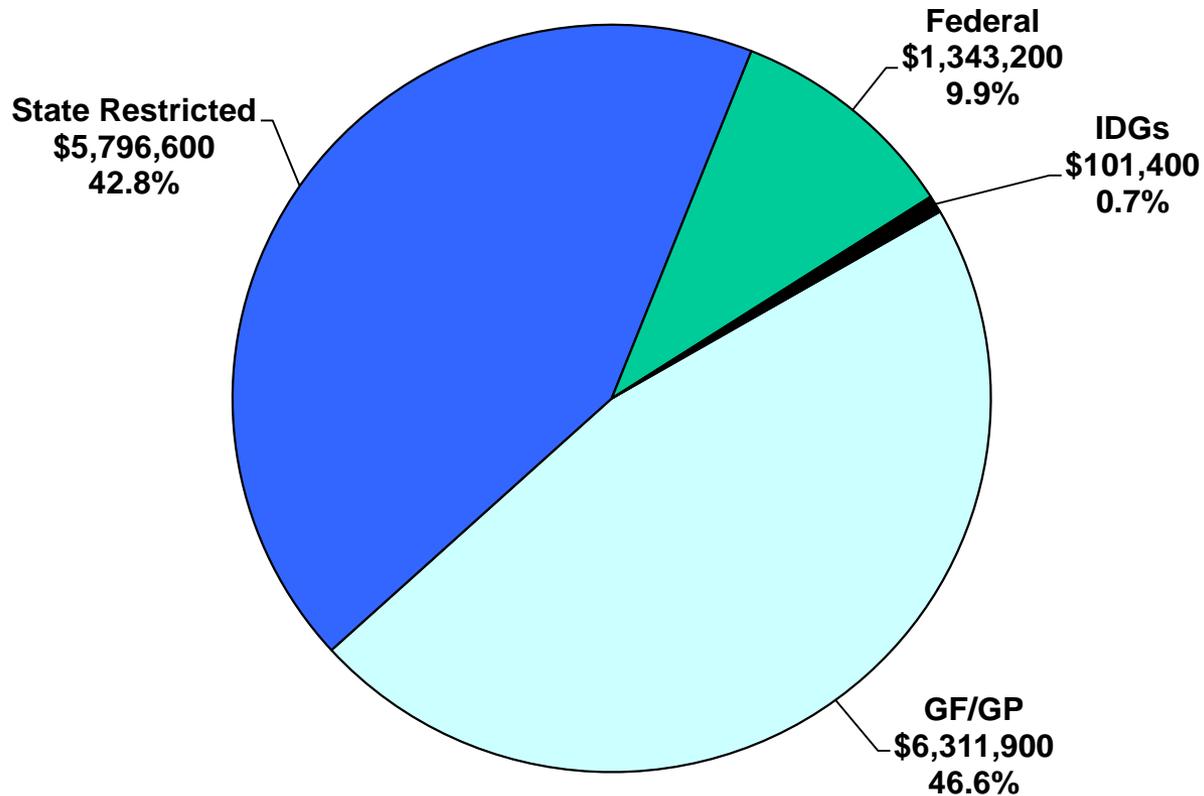
# Environmental Stewardship

- **Environmental Stewardship Division** supports programs to:
  - Prevent agriculture-related pollution
  - Preserve farmland
  - Promote environmentally sound farming practices
  - Enhance groundwater protection
  
- Administers Right-to-Farm Law
  
- Supports Michigan Agriculture Environmental Assurance Program (MAEAP)
  
- Supports Farmland and Open Space Preservation Program
  
- Administers Intercounty Drain Program
  
- Administers Migrant Labor Housing Program

# Environmental Stewardship Share of Agriculture Budget

Environmental Stewardship = \$13,553,100

13.5% of FY 2014-15 Agriculture Budget



# Laboratory Program

- **The Department operates two laboratories:**

  - Geagley Laboratory in East Lansing
  - E. C. Heffron Metrology Laboratory in Williamston

- Department laboratories provides analytical, diagnostic, and technical services for other MDARD programs, as well as other state and federal agencies

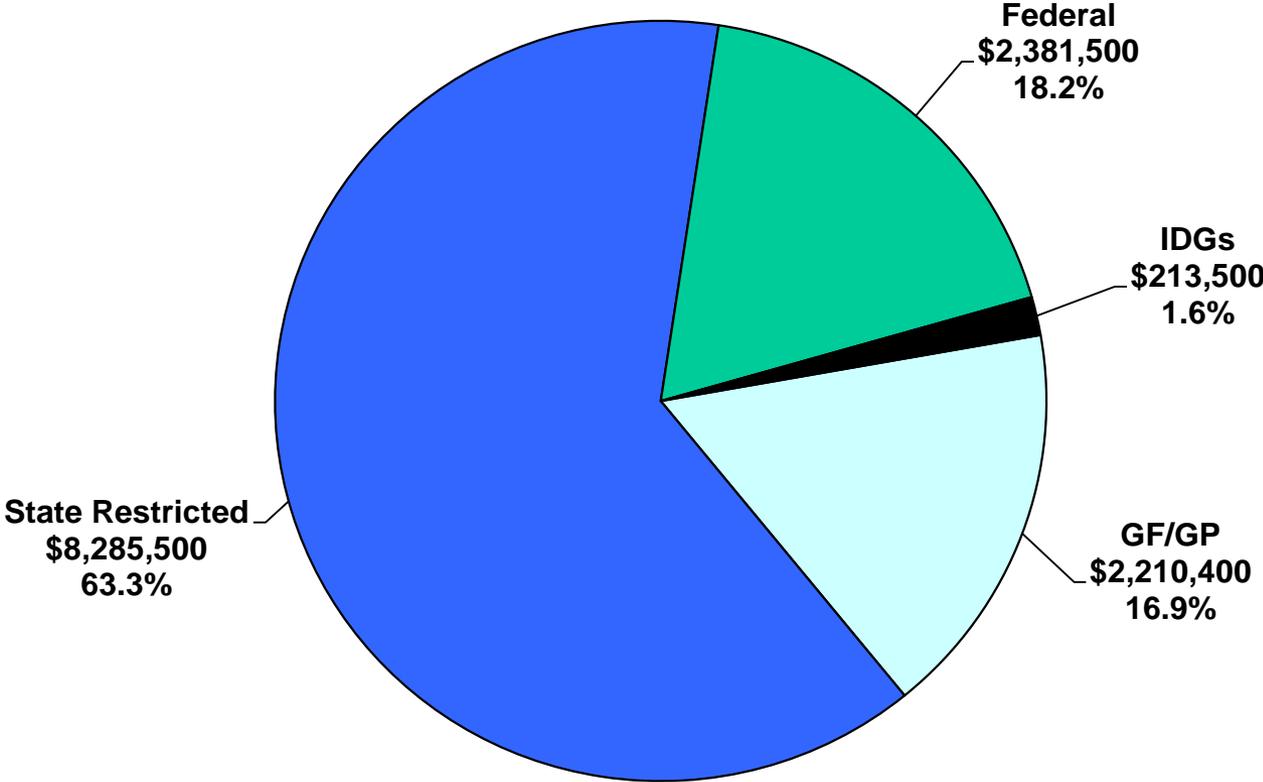
- Supports Motor Fuel Quality testing

- Consumer protection program helps protects consumers from food-borne illnesses, toxic substances contamination, and economic deception

# Laboratory Share of Agriculture Budget

Laboratory = \$13,090,900

18.8% of FY 2014-15 Agriculture Budget



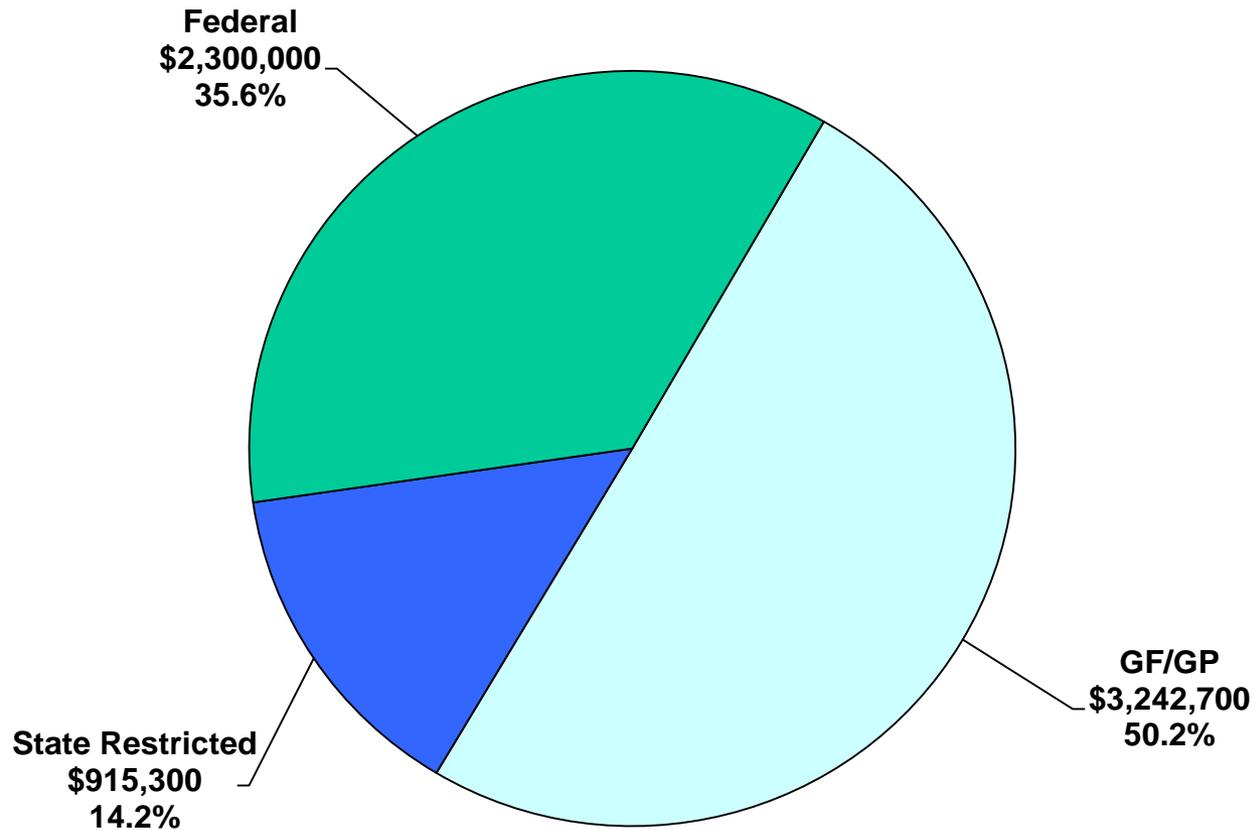
# Agriculture Development

- **Office of Agriculture Development** supports programs related to marketing and promoting Michigan food and agricultural products through the. Office administers two line-item grant programs:
  - \$1.0 million for Strategic Growth Initiative grant program
  - \$1.0 million Rural Development Value-Added grant program
- Supports Grape and Wine Industry programs
- Oversees 15 legislatively authorized commodity organizations

# Agriculture Development Share of Agriculture Budget

Agriculture Development = \$6,458,000

3.8% of FY 2014-15 Agriculture Budget



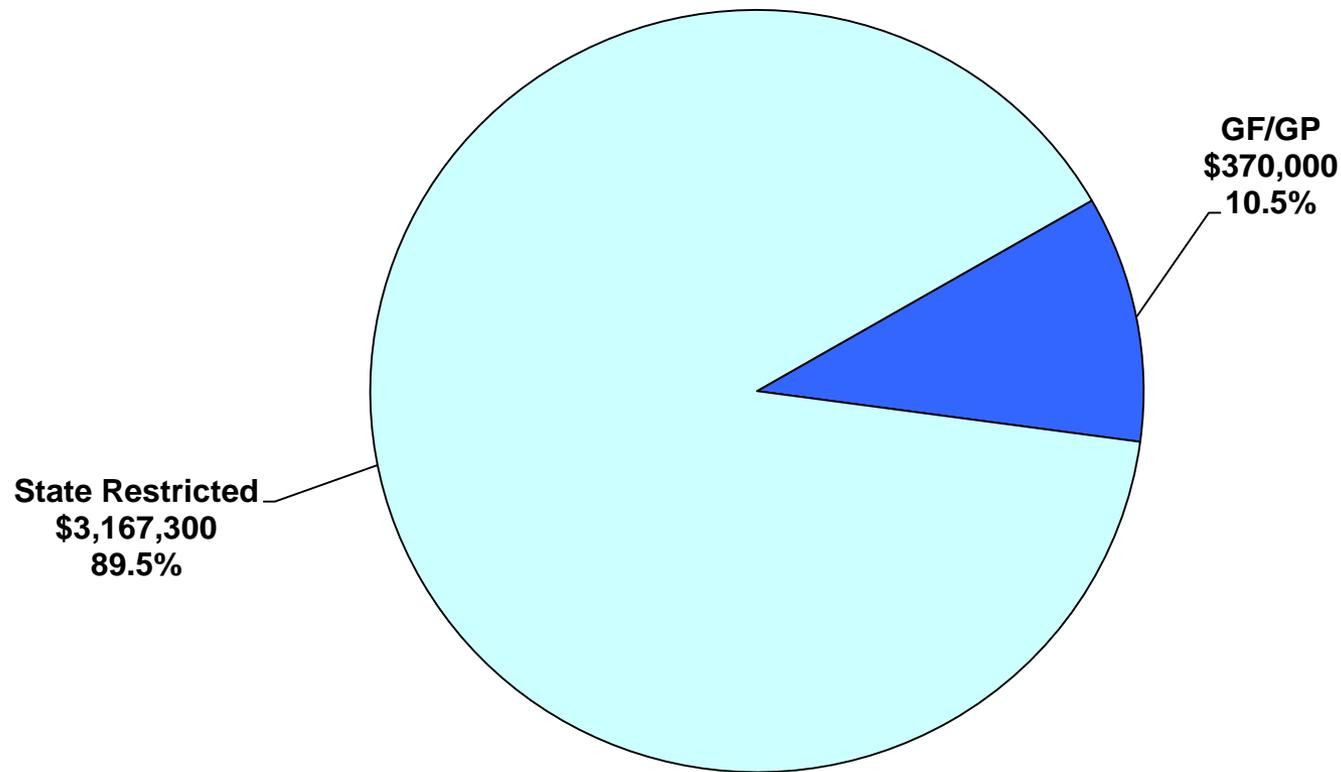
# Horse Racing/Fairs

- **Fairs and Racing Unit**
  - Administers grants for horse racing at pari-mutuel tracks and county fairs
  
- **Shows and Expositions**
  - \$50,000 GF/GP competitive grant program
  
- **County Fair Capital Improvement**
  - \$320,000 GF/GP competitive grant program
  
- **Horse Racing Purses and Purse Supplements**
  - \$2.8 million from Agriculture Equine Industry Development Fund per the Horse Racing Law of 1995

# Horse Racing/Fairs Share of Agriculture Budget

Horse Racing/Fair Programs = \$3,537,300

4.3% of FY 2014-15 Agriculture Budget



# One-Time Basis

- There are three one-time GF/GP funded grant programs authorized in the FY 2014-15 Agriculture and Rural Development budget:
  - \$2.0 million for Strategic Growth Initiative
  - \$200,000 grant to Muskegon Farmer's Market
  - \$500,000 grant to Ottawa County to establish Ag-Tech Business Incubator

**For more information about the  
Agriculture and Rural Development  
budget, contact:**

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