

**COLORADO
DEPARTMENT OF
AGRICULTURE**



Department of Agriculture Briefing to the House & Senate Agriculture Committees

John Salazar
Commissioner of Agriculture

December 10, 2013

**COLORADO
DEPARTMENT OF
AGRICULTURE**



Today's Discussion

- ✓ Department Overview
- ✓ The State of Colorado's Agriculture Industry
- ✓ Strategic Plan Review
- ✓ FY2014-15 Budget Request
- ✓ 2014 Legislative Agenda
- ✓ Regulatory Agenda
- ✓ Questions



Cheryl Jacobson – 2012 CDA Photo Contest



About CDA

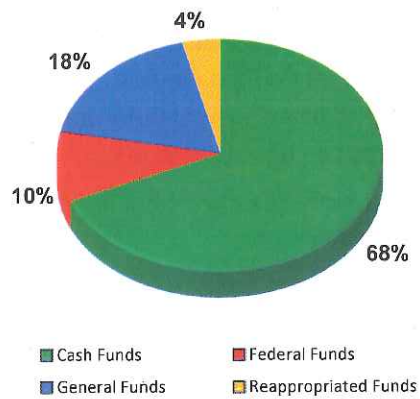


A Snapshot of CDA

- FY13-14 appropriation of \$42.6 million.
- 274.1 FTE across the Commissioner's Office and 7 operating divisions.

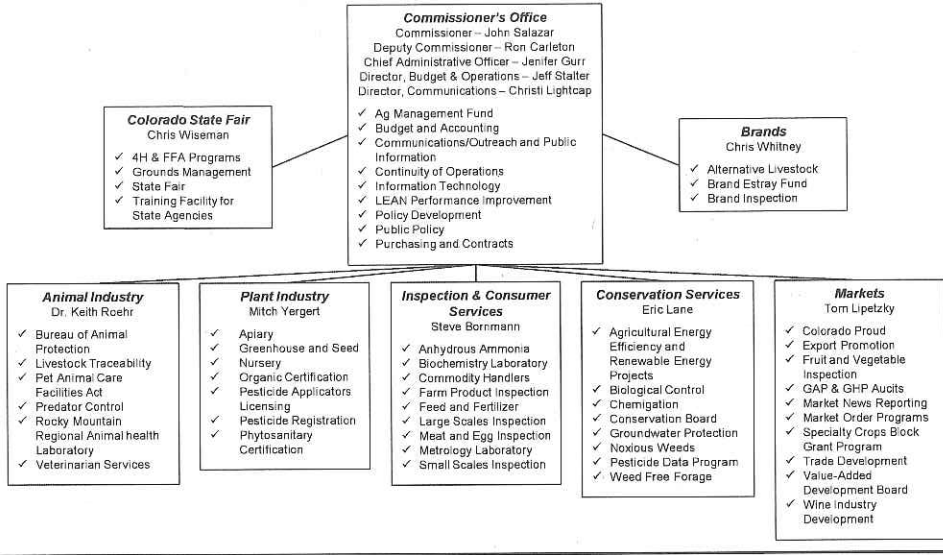
Animal Industry	Brands
Colorado State Fair	Conservation Services
Plant Industry	Markets
Inspection & Consumer Services	

FY13-14 Budget Appropriation





CDA Organization Chart



Colorado's Agriculture Industry



Flood Recovery

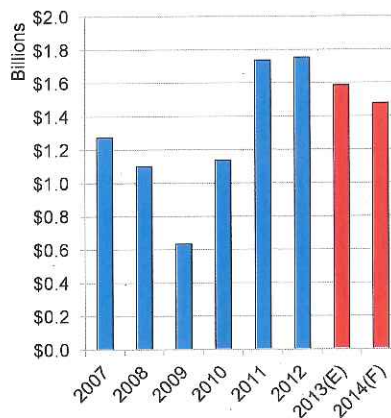
- Groundwater testing is being performed by CSU's Extension Service.
- Damage assessments of crops, farm land, equipment and structures is being handled by USDA's Farm Service Agency.
- Damage reported to date:
 - ✓ 1,200 farms have been impacted
 - ✓ 112 farm implements damaged
 - ✓ 150 structures damaged
 - ✓ Crops
 - 6,365 acres of alfalfa
 - 15,055 acres of corn
 - 150 acres of dry beans
 - 900 acres of sugar beets



Farm & Ranch Income

- ✓ Colorado net farm income for 2013 is estimated to be \$1.59 billion – down from the 2012 record-high of \$1.75 billion.
- ✓ Net income for 2014 will further decline to about \$1.48 billion.
- ✓ Projected gains from higher livestock prices and the continued growth in Colorado's dairy sector will be more than offset by weaker crop prices.
- ✓ Farm and ranch balance sheets are strong after record net incomes in 2011 and 2012.

Colorado Total Net Farm Income

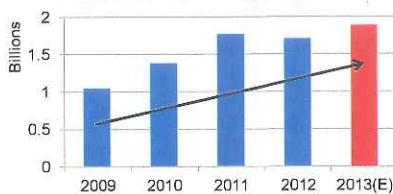




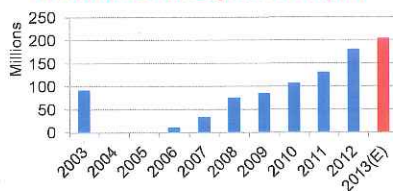
Exports are Increasingly Important

- Buyers from 126 countries imported \$1.7 billion of food and ag products from Colorado in 2012 – a 63% increase in value over 2009.
- Export values are estimated at \$1.9 billion for 2013.
- Total beef complex exports are on a pace to top \$1 billion for 2013.
- Expanded access for beef from cattle under 30 moa will further boost exports to Japan into 2014 and beyond.

Colorado Food & Ag Exports



Colorado Beef Exports to Japan



Strategic Plan Update



Agency Priorities for FY13

- Maintain a disease free status for our livestock industry.
- Foster continued growth of local marketing initiatives like Colorado Proud.
- Create opportunities for developing and expanding food and agricultural product exports.
- Develop ag-related opportunities for implementing energy efficiency and renewable energy technologies.
- Positioning the Colorado State Fair for longer-term sustainability.



Since Last Year's Briefing

- Assessed progress against the 30+ strategies outlined in last year's plan – both at mid-year and end-of-year .
- Revisited and reconfirmed the Department's Vision and Mission Statements.



Vision

That Colorado's agriculture industry be strong and vibrant, a key driver of the state's economy, and is recognized worldwide for its safe, affordable, and abundant supply of high quality food and agricultural products.

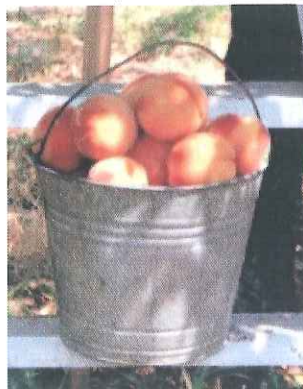


Kodi Diller – 2012 CDA Photo Contest



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.



Sarah Miller – 2012 CDA Photo Contest



Since Last Year's Briefing

- Considered the learnings from the prior year and objectives identified by the Food & Agriculture Key Industry Network.
- Reviewed the recommendations shared with us last year by the House and Senate Agriculture committees.
- Identified Strategic Policy Initiatives for FY14 and FY16.
- Developed specific strategies with performance measures capturing the key processes for each of the Department's Major Program Areas.



Strategic Policy Initiatives for 2014

- 1) Completing Phase 1 of the Department's office consolidation.
- 2) Creating broader awareness and understanding of CO's food and agriculture industry among CO consumers.
- 3) Enhancing the cash flow and financial position of the State Fair.
- 4) Expanding exports of CO food and agricultural products.
- 5) Improving direct and local marketing opportunities for CO's food and agriculture industry.
- 6) Launching Phase 1 of the Department's E-License project.



FY14-15 Budget Request



FY 2014-15 Budget Request

- **\$700K Capital Request for eLicense**
 - ✓ Result of an October 2012 LEAN process
 - ✓ Same system in use by DORA
 - ✓ Automates the application, renewal, payment, and some enforcement functions
 - ✓ Real-time reporting
 - ✓ Needed efficiency for greater customer service
 - ✓ Eliminates wasteful use of tens of thousands of paper applications, postage, staff and customer time



FY 2014-15 Budget Request Cont.

- \$250K General Fund request for 4H and FFA programs at the State Fair.
 - ✓ Funding will be in a new Long Bill line item specifically dedicated for this purpose.
 - ✓ Very little revenue generated from these programs.
 - ✓ Colorado State Fair Foundation to raise funds for facility improvements; State Fair operating budget is responsible for operating costs.
- Budget request includes a base reduction of \$321,558, of which \$188,817 is General Fund, for the elimination of leased space due to office consolidation.
 - ✓ Office consolidation is saving the General Fund approximately \$340K annually.
 - ✓ Office Consolidation is saving the CDA operating budget approximately \$185K annually.



2014 Legislative Agenda



Regulation of Sodium Hypochlorite

- The proposed legislation concerns the inspection of pesticides stored at public water systems and domestic wastewater treatment works facilities.
- Statute currently provides that the Department is responsible for regulating the bulk storage of all pesticides in Colorado.
 - The statute's broad definition for a pesticide requires the Department to regulate not only agricultural, but non-agricultural facilities as well.
 - Legislative intent was more so for the Department to regulate pesticide storage in agronomic environments.



Legislation

- The legislation would eliminate the requirement for the Department to regulate pesticide storage at water treatment facilities, allowing the Department to focus its resources on agricultural facilities.
- Inspections at water treatment facilities would shift to CDPHE which already inspects water treatment facilities and can, through cooperation with the Department, incorporate pesticide storage into their existing inspection protocols.
- Eliminates the need for two separate State of Colorado agencies to visit the same facilities.



Regulatory Agenda



2013 Rulemaking Activities

- In 2013 the Department conducted 17 rulemaking hearings.
- 2 new rules were adopted.
- 6 of the rules were amended as part of the regulatory efficiency review process.
- 2 rules were repealed.



Variations from the 2013 Regulatory Agenda

- Added 2 new hearings for revisions not planned.
- Added 1 new rule and 1 emergency rule.
- Action on 3 rules was started and suspended.
 - ✓ Complexity of rules and the need for additional time, further review.
 - ✓ Program was undergoing a Sunset Review and the advisory committee recommended the rule revision process be postponed.
- 2 rules were pulled from the Regulatory Agenda



2014 Regulatory Agenda

- Plan is to conduct 16 rulemaking hearings to revise existing rules.
- 10 regulatory efficiency review processes.
- Permanently adopt emergency rule from 2013.
- No new rules are anticipated.
- No rules are scheduled for repeal.



Questions



For More Information:

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Samantha Kujala – 2012 CDA Photo Contest



Supplementary Information



Colorado's Agriculture Industry

- ✓ Colorado's farmers and ranchers ...
 - Help feed the nation, as well as consumers around the world,
 - Provide wildlife habitat and protect the environment, and
 - Support Colorado's rural communities.
- ✓ Agriculture used to be thought of as **f**ood, **f**iber, and **f**eed. Today, it's also about **f**uel as rural landowners are increasingly engaged in new energy development and about **f**un with agritourism presenting farmers and ranchers unique opportunities for increased revenues.
- ✓ Colorado's diverse agricultural and food industry contributes significantly to the state's economy – generating economic activity of more than \$40 billion annually.
- ✓ Supports more than 170,000 jobs.



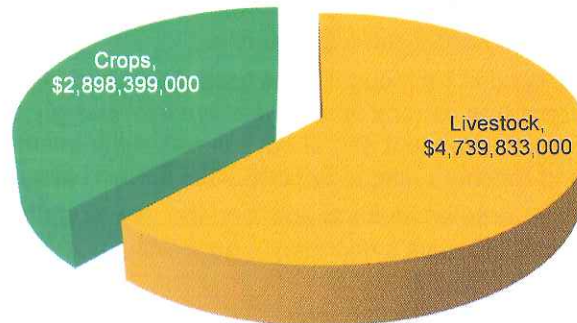
Colorado is an Industry Leader

- ✓ Recognized as a leader in organic and natural foods.
- ✓ #1 producer of millet and a leading producer of barley, cantaloupe, fresh market potatoes, lettuce, sweet corn, and winter wheat.
- ✓ Milk production per dairy cow is among the highest in the U.S.
- ✓ Leader in the number of cattle and lambs fed, meat processing technology, and animal welfare.
- ✓ Colorado is a hub for national agricultural associations.
- ✓ CSU's College of Agriculture is globally recognized.
- ✓ Home to the National Western Stock Show.
- ✓ #1 in the U.S. in beer brewing and home to a growing number of wine, craft beer and spirits producers.



2012 Colorado Farm & Ranch Cash Receipts

\$7.6 Billion



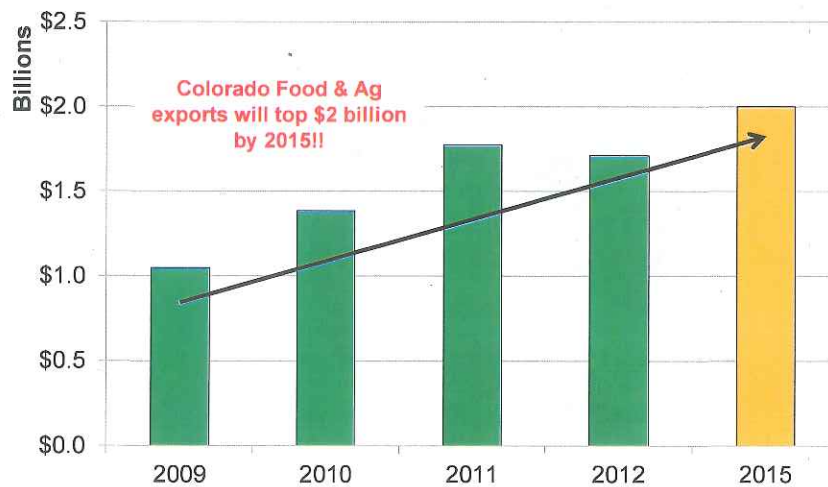


Colorado's Top 10

Rank	Product(s)	2012 Cash Receipts (Million \$)
#1	Cattle & Calves	\$3,663
#2	Corn for Grain	\$939
#3	Dairy	\$594
#4	Wheat	\$532
#5	Hay	\$462
#6	Greenhouse & Nursery	\$253
#7	Hogs	\$225
#8	Potatoes	\$180
#9	Other Livestock (including sheep & lambs)	\$152
#10	Poultry & Eggs	\$106
The Top 10 account for 93% of total cash receipts!		\$7,106

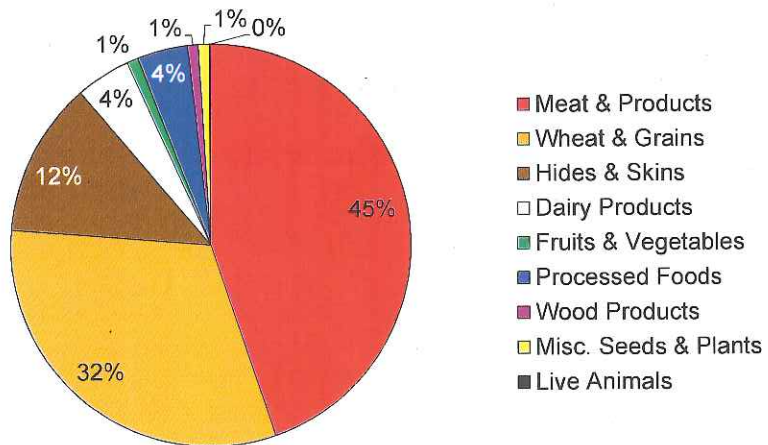


Colorado Food & Ag Exports





Colorado's 2012 Food & Ag Exports



**Leading Importers of Colorado
Food & Ag Products - 2012**

