

Iowa Department of Agriculture and Land Stewardship
Dairy Control Bureau

Budget	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 993,702	\$ 1,347	\$ 995,049	13.25
SFY08 Actuals	\$ 1,095,131	\$ 675	\$ 1,095,806	12.99
SFY09 Budget	\$ 1,068,500	\$ 700	\$ 1,069,200	13.35
SFY10 Estimated Budget	\$ 954,478	\$ 700	\$ 955,178	11.70

The Iowa Department of Agriculture and Land Stewardship's Dairy Products Control Bureau is on the front line of consumer safety as they inspect and ensure the safety of the milk supply from the farm all the way to retail shelf. The bureau's nine field staff conducted 5,447 inspections of the state's 2,151 dairy farms in 2008 and also conducted 100 inspections of milk bottlers and manufacturers in FY2008.

DAIRY BUREAU RESPONSIBILITIES: License and inspect all dairy farms (cow, goat, sheep), milk bottlers, manufacturers (cheese, dry milk, ice cream, butter and condensed milk products), milk haulers/samplers, sample couriers, milk trucks and tankers, single service companies (milk and milk product containers), receiving stations, transfer stations, dairy product distributors, and test all raw milk for anti-biotics before unloading (Appendix "N" facilities).

OTHER DUTIES CONSIST OF: Monitor dairy farm and plant records for FDA and survey compliance, pasteurization tests so milk or milk products can be shipped across state lines (174 tests in FY08), conduct evaluations, schooling and testing of milk haulers (280 evaluations in FY08), truck and tanker inspections (403 in FY08), single service container samples collected and delivered to State Lab (1488-FY08) and finished and raw milk samples collected and delivered to State Lab for analysis (approximately 1000-FY08).

In addition, the bureau consults with farmers on compliance issues; sends out compliance letters; attends hearings; Appendix "N" and general dairy investigations; customer complaint investigations; blue print reviews for construction, reconstructions and equipment installation; review new and updated private well construction; industry tanker inspector certification; monitor well water compliance dates (grade A-every 3 years), grade B (every year); conduct hauler and sampler evaluations (2 years), schooling (3 years) and testing of any new applicants. We have a partnership agreement with FDA (no funding involved) to do all of their manufacturing plant inspections.

These figures add up to over nine thousand inspections, samples, testing and evaluations per year.

PERSONNEL: The dairy bureau consists of 2 full time office staff. The field staff includes nine (9) dairy inspectors that average eleven (11) counties each and 2.35 laboratory personnel for a total of 13.35 FTE. The amount of paperwork that is involved with an inspector's job amounts to a minimum of six-eight hours per week plus all job duties.

GENERAL FUND: All the fees (\$668,179.03-FY08) generated by the Dairy Bureau go directly into the general fund.

Iowa Department of Agriculture and Land Stewardship
Feed & Fertilizer Bureau

Budget	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 942,335	\$ 264,207	\$ 1,206,542	16.40
SFY08 Actuals	\$ 983,390	\$ 343,393	\$ 1,326,783	17.14
SFY09 Budget	\$ 950,000	\$ 323,000	\$ 1,273,000	16
SFY10 Estimated Budget	\$ 848,623	\$ 288,532	\$ 1,137,155	14

Fertilizer & Soil Conditioners: The Bureau license manufacturers or distributors of these products; require registration of each brand or grade distributed unless specially formulated for a consumer; inspects, samples and analyzes fertilizers or soil conditioners for compliance; and conducts annual anhydrous ammonia safety inspections.

Bulk Dry Animal Nutrients (Dry Livestock Manure): The Bureau licenses distributors; register guaranteed analysis; track tons per farm and grade of manure distributed during the preceding 6-month period for each licensee which replaces a manure management plan under DNR regulation.

Agricultural Limestone: Is responsible for licensing manufacturers of agricultural liming material; takes samples, analyzes and issues effective calcium carbonate equivalent (ECCE) for all agricultural liming material distributed.

Commercial Feed: The Bureau licenses manufacturers and distributors of commercial feed and pet food; inspects, takes samples, and analyzes each feed product; registers pet food and reviews labels for compliance; inspects commercial feed dealers for compliance with current Good Manufacturing Practices and for compliance with federal law which prohibits the use of protein derived from mammalian tissue in feed for ruminant animals; and investigates illegal drug residues in meat, poultry, seafood, and other animal-derived foods. In addition, the Bureau has inspectors under a contract with the Food and Drug Administration (FDA) to prevent bovine spongiform encephalopathy (BSE), commonly called mad cow disease. These contracted inspectors ensure compliance with the feed ban, support education efforts and participate in a rigorous inspection program of establishments involved in the production of animal feed.

Personnel: The feed and fertilizer bureau is made up of 4 full-time and 1 temporary office staff. Field staff includes 7 agriculture products inspectors and 3 agriculture compliance investigators. The agriculture products inspectors were once a staff of 14 and assigned the above-described duties. Now 6 inspectors perform the same amount of work in territories expanded to include 15 to 17 counties.

Two agriculture compliance investigators split the state of Iowa and conduct FDA inspections at federally licensed feed mills. The third agriculture compliance investigator works primarily on a program covered by an EPA grant and then switches to FDA obligations in the last quarter of the fiscal year.

Although staff has been downsized, two new programs have been added to the bureau. The paper work associated with the new programs has been absorbed by current office staff.

The feed & fertilizer laboratory and vitamin lab had 18 positions in 1978. In 2009 the two labs share 1 supervisor, 3 chemists, and 2 microbiologists.

Fees Collected: The Feed and Fertilizer Bureau deposited nearly \$2.8 million last year in the State's general fund. An additional \$1.1 million was deposited in the Ag management account of the groundwater protection fund.

Iowa Department of Agriculture and Land Stewardship
Grain Warehouse Bureau

Budget	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 1,261,672	\$ 248,734	\$ 1,510,406	19.68
SFY08 Actuals	\$ 1,477,245	\$ 238,000	\$ 1,715,245	20.13
SFY09 Budget	\$ 1,422,000	\$ 288,000	\$ 1,710,000	20.00
SFY10 Estimated Budget	\$ 1,270,255	\$ 257,267	\$ 1,527,522	17.35

Grain Warehouse Bureau Functions: The bureau licenses and regulates warehouse operators and grain dealers. A warehouse operator is generally anyone who stores or handles agricultural products for other people. A grain dealer is generally anyone who purchases grain from producers for the purposes of resale or processing.

The bureau regulates warehouse operators for the protection of individuals and businesses who hold title to grain stored in the warehouse operator's facilities. The bureau regulates grain dealers for the protection of grain producers. There are presently 402 licensed business operations being regulated by the bureau.

The typical country grain elevator would have both types of licenses with the warehouse operator license being issued either by IDALS or the U.S. Department of Agriculture. Processors, including ethanol plants, typically have just a grain dealer license.

The bureau regulates warehouse operators and grain dealers with a two point approach. The first point involves oversight of the licensee's financial position through review of annual financial statements prepared by a CPA and monthly or quarterly financial statements in those cases where closer scrutiny is justified. There are currently 72 companies who are required to submit financial statements on a monthly or quarterly basis.

The second point is the examination of the licensee's grain records and, in the case of a state licensed warehouse operator, examination of the grain inventory. Grain records are examined to ascertain that the licensee is keeping accurate records and making payment for grain as required. Grain inventories are checked for quantity and quality to ascertain that it is sufficient to cover the grain obligations on the licensee's records, as required by law.

The bureau is also charged with administration of the Grain Indemnity Fund. This \$8,000,000 fund provides coverage for grain stored in a warehouse licensed by IDALS and for grain sold and delivered to a grain dealer licensed by IDALS. The coverage is 90% of a loss up to a maximum of \$150,000 per claimant. Grain sold on credit-sale contracts is not covered. The fund reimburses IDALS for expenses connected with administration and protection of the fund. The expense reimbursement rate is currently \$288,000, which is used, along with general fund appropriations to fund bureau operations.

The staff consists of 5 office employees (2 accountants, 1 bureau chief and 2 support staff) and 15 field examiners (1 of which is a supervisor).

Iowa Department of Agriculture and Land Stewardship
Horticulture & Farmers Markets Bureau

Horticulture Budget	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 180,168	\$ 0	\$ 180,168	2.00
SFY08 Actuals	\$ 193,661	\$ 0	\$ 193,661	2.00
SFY09 Budget	\$ 205,000	\$ 0	\$ 205,000	2.00
SFY10 Estimated Budget	\$ 183,124	\$ 0	\$ 183,124	1.68

Overview: The Bureau is lead by the State Horticulturalist and serves as the Department's liaison to the horticultural producers in the state, including fruit and vegetable growers, Christmas tree producers, ornamental plant growers, landscapers and retail nurseries, turf producers and service companies, vineyards and wineries, greenhouse growers, and other specialty crop producers, marketers, and retailers. The Bureau assists individual producers and specialty crop organizations though educational activities and marketing and promotional programs. The Bureau provides information and referral service, conducts surveys and publishes industry data, maintains and publishes producer directories, and coordinates communication and activities between industry organizations, other agencies, universities, noncommercial horticultural groups, and the agriculture community.

Personnel: Over the past ten years staff levels have been reduced from seven full time and four seasonal positions to three full time and two season positions. Staff has been downsized as recently as December 2008 due to a retirement in conjunction with the hiring freeze. The Bureau's responsibilities have increased with the expansion of the Farmers Market Nutrition Program and the addition of the Iowa Sensitive Crops Registry and the Specialty Crops Block Grant Program.

State Horticulturalist: The State Horticulturalist fields all queries from the public about horticultural matters, provides assistance with events through marketing, speaking engagements, event coordination and assistance, and participation on boards and committees.

Farmers Markets: The Bureau actively assists in the development of new farmers markets, holds an annual educational workshop for market managers and vendors, and provides promotions materials and marketing assistance to expand the awareness and use of farmers markets.

Farmers Market Nutrition Program: The Bureau has administered the Farmers Market Nutrition Program (FMNP) since its inception in 1989. Through a combination of 70% federal funds and 30% state funds, the Bureau annually issues over a million dollars in benefits to 30,000 Women, Infants, and Children (WIC) and 20,000 low income seniors. The Bureau trains and certifies more than 750 fruit and vegetable growers to participate in the FMNP and monitors almost 200 authorized farmers markets and farm stands.

WIC/Srs Farmers' Market	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 411,152	\$ 947,988	\$ 1,359,140	2.11
SFY08 Actuals	\$ 177,402	\$ 1,035,290	\$ 1,212,692	2.42
SFY09 Budget	\$ 300,000	\$ 953,000	\$ 1,253,000	2.00
SFY10 Estimated Budget	\$ 267,986	\$ 851,303	\$ 1,119,289	1.50

Specialty Crops Block Grants: Since 2002, the Bureau has administered federal Specialty Crops Block Grants to increase the competitiveness of specialty crops grown in Iowa. Through a competitive process, approximately 40% of the funds are passed on to organizations representing specialty crop producers for research, education, marketing, and promotion. The Bureau currently administers over \$100,000 of Specialty Crops Block Grants which will annually increase to \$183,000 by the end of the 2008 Farm Bill.

Iowa Department of Agriculture and Land Stewardship
Meat and Poultry Inspection Bureau

Budget	State	Federal/Other	Total Cost of Program	FTE
SFY07 Actuals	\$ 1,339,281	\$ 1,464,017	\$ 2,803,298	33.68
SFY08 Actuals	\$ 1,279,869	\$ 1,779,716	\$ 3,059,585	34.77
SFY09 Budget	\$ 1,656,400	\$ 1,656,400	\$ 3,312,800	33.95
SFY10 Estimated Budget	\$ 1,479,641	\$ 1,479,641	\$ 2,959,282	28.80

Purpose: The purpose of the Meat and Poultry Inspection Bureau is to assure a safe, wholesome, and truthfully labeled supply of meat and poultry products from state inspected establishments. The Meat and Poultry Inspection Bureau has adopted federal meat and poultry inspection regulations for the administration of the mandatory inspection requirements. Three cooperative agreements with USDA Food Safety and Inspection Service (FSIS) cover mandatory daily inspection of the establishments under the Bureau's charge, cross utilization of employees with USDA/FSIS, and compliance activities. USDA/FSIS completes ongoing oversight of the Department's efforts to assure that the state program provides a system of inspection that is "equal to" the provisions found in the Federal acts.

The Bureau also cooperates with industry, academia, government, and the citizens of the State to enhance their knowledge of producing safe food and safe food handling practices at all levels in the food chain.

Establishments Under Inspection as of March 9, 2009: There are currently 165 licensed plants under inspection. There are 76 official establishments that slaughter and/or process red meat and/or poultry under inspection for intrastate commerce distribution. There are 89 custom, red-meat and/or poultry establishments that slaughter and/or process red meat and/or poultry for the livestock owner's exclusive use and are not for sale.

Staff: Four Field Veterinary Supervisors, 20 Field Meat Inspectors, Five Part-Time Field Meat Inspectors, Two Part-Time Enforcement Investigative Analysis Officers, Two Compliance Officers, Two Program Planner Threes, One Clerk Specialist, One Secretary Two, One Bureau Chief. Thirty-one full time, seven part-time employees.

Staff conducted 14,183 inspections in FY2008. And, under state inspection 5,931,934 lbs of red meat products were processed and 235,506 lbs of poultry products produced during federal FY2008.

Field Inspection Staff Duties: Field Veterinary Supervisors, Field Meat Inspectors and Part-time Field Meat Inspectors provide frontline daily inspection to ensure meat and poultry products are safe, wholesome and all regulatory requirements are met. Staff is mandated to officially inspect livestock and poultry at slaughter that are to be sold for food. Additionally, mandated daily routine official inspection of processing and facilities are conducted by field staff. Staff provides routine risk based inspection of facilities that slaughter and process meat/poultry food products on custom basis.

Part-time meat inspectors are a crucial part of the field inspection team. They ensure mandatory inspections are conducted during full-time inspectors leave and when the seasonal poultry slaughter plants operate.

Micro-Testing/Economic Testing Programs: The Field staff collects product samples to ensure plant food safety programs are in control of pathogenic bacteria. With the support of the Department's Food Laboratory, carcasses and ground beef are tested for the presence of Salmonella as part of a Salmonella Performance Standard; Ready-to-eat meat and poultry products are tested for the presence of *Salmonella* and *Listeria monocytogenes* and surface trim and ground beef are tested for *E. coli 0157:H7*. During FY2008 2,204 samples were taken and submitted for analysis. USDA/FSIS is considering more testing programs to address additional pathogens, such as *Campylobacter*.



IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

Bill Northey, Secretary of Agriculture

To: Joint Agriculture and Natural Resources Budget Sub-Committee

From: Bill Northey, Secretary of Agriculture

Date: March 10, 2009

RE: FY2010 Budget priorities

As you know, IDALS has already received a 1.5% across the board this Fiscal Year, FY2009, and is managing this cut by leaving open approximately 12 positions and by restricting travel and supply requisitions. IDALS is facing an additional \$422,000 deappropriation before the end of the Fiscal Year, for a total cut of \$755,202 since July 1, 2008. We are currently in the process of developing a plan to deal with this additional \$422,000 cut. We are looking at every option available including furlough days during the current Fiscal Year.

The anticipated 7.5% budget cut for IDALS for FY2010 equates to approximately a \$1.6 million reduction on top of the \$755,202 in deappropriations during FY2009. This total cut of \$2.35 million is very severe to an agency that is already 35 FTEs smaller than it was in 2001.

To manage the deappropriation for FY 2009, I asked, and the Legislature voted, to allow the Department added flexibility to manage the cuts.

Today, I am asking this committee for flexibility in dealing with the FY 2010 budget. In the presentation to your committee in February, I highlighted many "essential functions" that directly impact food safety and public health. I remain committed to maintaining these functions even with the significant cuts facing the Department this year and next.

In an effort to be as proactive as possible in managing these cuts, I have now undertaken a process to evaluate all services performed by IDALS.

1. I have met with the industries regulated by IDALS, to help determine essential functions and the impact of budget cuts on the regulated communities.
2. In an effort to make better decisions about the "essential functions" of the Department of Agriculture, each bureau chief has been asked to provide the following information based on the expected additional \$1.6 million cut:
 - What impact will this budget reduction have on your ability to deliver services to the public? How will the public be impacted by these cuts?
 - What is the impact on federal dollars and partnerships, considering contracts, matches and cooperative agreements, if your program is cut dramatically?
 - Is your bureau currently providing services that are not code required?

Priorities for FY2010 will be set once this information is collected and evaluated.

Iowa Department of Agriculture Land Stewardship
Appropriation Summary

	SFY09		SFY09				SFY10		Projected Total Cut
	Beginning Appropriation	1.5% Cut	Current Adjusted Appropriation (with 1.5% cut)	Suggested Additional SFY09 Deappropriation	Suggested Appropriation w/ Deappropriation	7.5% Cut	Legislative Target Budget	Total Cut	
Department of Agriculture and Land Stewardship	\$ 19,737,891	\$ 296,153	\$ 19,441,738	\$ 397,559	\$ 19,044,179	\$ 1,428,313	\$ 17,615,866	-10.75%	
G41 Administration	\$ 50,000	\$ 3,115	\$ 46,885	\$	\$ 46,885	\$ 3,516	\$ 43,369	-13.26%	
G42 Avian Influenza	\$ 100,000	\$ 1,500	\$ 98,500	\$	\$ 98,500	\$ 7,388	\$ 91,113	8.89%	
G50 Chronic Wasting Disease	\$ 75,000	\$ 1,125	\$ 73,875	\$	\$ 73,875	\$ 5,541	\$ 68,334	-8.89%	
G51 Senior Farmers Market Nutrition Program	\$ 950,000	\$ 14,250	\$ 935,750	\$ 19,135	\$ 916,615	\$ 68,746	\$ 847,869	-10.75%	
G52 Dairy Products Control Bureau	\$ 75,000	\$ 1,125	\$ 73,875	\$	\$ 73,875	\$ 5,541	\$ 68,334	-8.89%	
G53 Apiary Regulation	\$ 400,000	\$ 6,000	\$ 394,000	\$	\$ 394,000	\$ 29,550	\$ 364,450	-8.89%	
G55 Soil & Water Conservation Districts	\$ 50,000	\$ 750	\$ 49,250	\$	\$ 49,250	\$ 3,694	\$ 45,556	-8.89%	
G62 Gypsy Moth Program	\$ 50,000	\$ 750	\$ 49,250	\$	\$ 49,250	\$ 3,694	\$ 45,556	-8.89%	
G63 Emerald Ash Borer Awareness	\$ 130,000	\$ 1,950	\$ 128,050	\$	\$ 128,050	\$ 9,604	\$ 118,446	-8.89%	
G64 Emergency Vet Rapid Response Services	\$ 50,000	\$ 750	\$ 49,250	\$	\$ 49,250	\$ 3,694	\$ 45,556	-8.89%	
G65 Organic Agricultural Products	\$ 280,000	\$ 4,200	\$ 275,800	\$ 5,640	\$ 270,160	\$ 20,252	\$ 249,898	-10.75%	
G66 Grape & Wine Development Fund	\$ 80,000	\$ 1,200	\$ 78,800	\$	\$ 78,800	\$ 5,910	\$ 72,890	-8.89%	
G68 Farm to School	\$ 22,027,891	\$ 332,868	\$ 21,695,023	\$ 422,334	\$ 21,272,689	\$ 1,595,452	\$ 19,677,237		

Total Cut: \$ 2,350,654
Net Cut: 10.67%

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FY 2009 DNR Approved Land Purchases

County	Area	REAP	Wildlife Hab Stamp	NAWCA	Fed. Other	State Other	Donation	Acres*
CLAY	Little Sioux WMA	\$213,519						160
HANCOCK	Eagle Lake WMA			\$135,000				129
HANCOCK	Lake Edwards / 8 Mile Pits			\$232,000		\$100,000		174
BUTLER	Big Marsh WMA	\$22,500						15
HAMILTON	Boone Forks WMA	\$25,000	\$108,500	\$75,000				60
HAMILTON	Boone Forks WMA		\$26,250					10
WINNESHIEK	Bluffton Fir Stand	\$80,000	\$127,500		\$149,000		\$71,000	86
WOODBURY	Stone State Park						\$0	38
EMMET	Tuttle Lake Complex			\$170,712				155
WOODBURY	Table Marsh WMA			\$91,000		\$48,920		140
DICKINSON	Elinor Bedell St. Park						\$0	0
WINNESHIEK	Upper Iowa River WMA	\$95,000						27
ALLAMAKEE	Waterloo Creek				\$342,750	\$114,250		80
BREMER	Sweet Marsh WMA			\$41,000				41
RINGGOLD	Kellerton BCA	\$81,000			\$81,000			80
HARRISON	Loess Hills State Forest				\$124,800	\$31,200		80
WOODBURY	Stone State Park	\$48,750						24
TAMA	Otter Creek Marsh			\$175,200				146
JONES	Muskkrat Slough WMA	\$70,375			\$211,125			78
RINGGOLD	Kellerton BCA	\$662,300						358
MONONA	Loess Hill WMA	\$330,000						138
TOTALS		\$1,605,944	\$284,750	\$919,912	\$908,675	\$294,370	\$71,000	2,018

The DNR has not used any money allocated from the State General Fund to purchase land.

*While the DNR has purchased some land, given the current state of the economy, the acres amount to about half of what is acquired during normal economic times. The DNR has used money dedicated for the specific purpose which is to acquire land from willing sellers.

REAP Allocation NOTE: REAP can only be used according to the purposes laid out in code; REAP cannot be used for staff Open Spaces
 Private / Public Grant **\$0** NOTE: DNR REAP Open Spaces is being used for Parks in FY 09
 (Partners: IA CCBs & Iowa Natural Heritage Foundation)
 Protected Waters **\$687,269** NOTE: This fund can only be used for this purposes laid out in code
 License Plate / Wildlife Diversity **\$105,000** NOTE: This fund can only be used for this purposes laid out in code
\$813,675 NOTE: This fund can only be used for this purposes laid out in code

Wildlife Habitat Stamp: Money dedicated specifically for increasing/improving/enhancing wildlife habitat. These dollars are used to leverage additional Federal dollars. Legislative intent for this fund was the permanent protection of habitat.

NAWCA: Federal Aid grant dollars for the acquisition of wetland areas. The state of Iowa averages over \$1.5 million in NAWCA grants per year. If the decision to halt land purchases using this fund is made, \$1.5 million would be turned away from Iowa; in addition, since each recreation acre translates into \$402 for the local economy annually, the 845 NAWCA acres represented above would bring in \$400,000 annually to local economies.

Fed. Other: Other Federal acquisition funding sources include: State Wildlife Grant (SWG, Non-game), Sport Fish Restoration, Endangered Species, Transportation Improvement and Pittman/Robertson.

State Other: Other State acquisition funding sources include: Lake Restoration and Fish Habitat Stamp