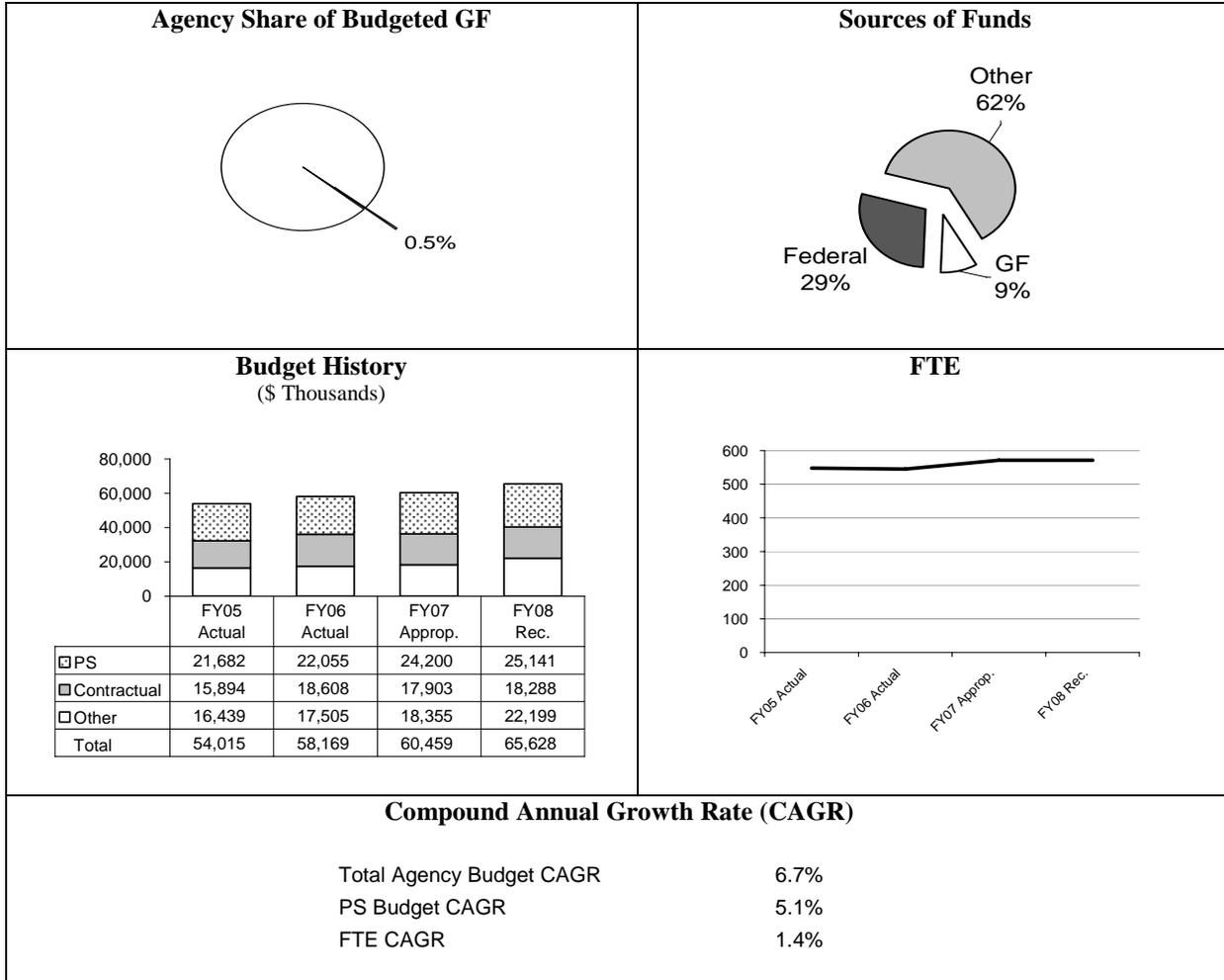


FY08 Budget Briefing

Department of Agriculture



Key Responsibilities

- To promote, protect, and advocate the interests of agriculture; to encourage wise management and protection of the state's soil, water, range and forest resources;
- To promote economically and environmentally sound agricultural practices;
- To protect, maintain, and develop market opportunities for SD crop and livestock industries; and
- To protect producer and consumer interests by inspecting and regulating agricultural products.

Key Personnel

- Department Secretary, Larry Gabriel
- Finance Officer, Chris Peterson
- State Veterinarian, Sam Holland, DVM

Department of Agriculture Total

For FY08, the Governor recommends an increase of \$3,021,060 from all funds and 1.0 FTE from FY07. The FY08 recommended budget consists of \$6,055,911 from general funds, \$6,732,739 in federal fund expenditure authority, and \$19,354,723 in other fund expenditure authority, for a total budget of \$32,143,373 and 198.8 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	8,620,352	9,555,203	9,725,724	10,172,825	617,622	6.5%
Travel	674,608	946,634	1,010,643	1,014,473	67,839	7.2%
Contractual Services	10,894,824	9,105,080	12,143,059	12,153,184	3,048,104	33.5%
Supplies & Materials	1,084,387	1,449,366	1,456,270	1,465,330	15,964	1.1%
Grants And Subsidies	3,973,352	6,907,044	6,114,605	6,114,605	(792,439)	(11.5%)
Capital Outlay	424,089	382,061	378,161	378,161	(3,900)	(1.0%)
Other	418,047	776,925	844,795	844,795	67,870	8.7%
Total	26,089,659	29,122,313	31,673,257	32,143,373	3,021,060	10.4%
Funding Types						
General	5,795,000	5,738,112	5,897,534	6,055,911	317,799	5.5%
Federal	5,342,362	6,772,398	6,626,768	6,732,739	(39,659)	(0.6%)
Other	14,952,297	16,611,803	19,148,955	19,354,723	2,742,920	16.5%
Total	26,089,659	29,122,313	31,673,257	32,143,373	3,021,060	10.4%
FTE	188.9	197.8	198.8	198.8	1.0	0.5%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan.

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	28,448	19,405	19,745	67,598
3% Across-the-Board	111,291	75,796	81,783	268,870
Health Insurance	14,642	9,611	8,715	32,968
Total	154,381	104,812	110,243	369,436

Major Expansions and Reductions

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds	FTE	State General Fund	All Funds	FTE
Administration	-	53,147	1.0	-	53,147	1.0
Fire Suppression						
Personal Services	-	5,517	0.0	-	83,182	0.0
Resource Conservation & Forestry						
Personal Services	-	(53,147)	(1.0)	-	(53,147)	(1.0)
Grants and Subsidies	-	(310,571)	0.0	-	(310,571)	0.0
Animal Industry Board						
Inspector	20,197	40,394	1.0	20,197	40,394	1.0
State Meat Inspection	127,000	127,000	0.0	127,000	127,000	0.0
Operating Expenses	4,542	184,184	0.0	4,542	184,184	0.0
Ag. Boards and Commissions	-	2,494,656	0.0	-	2,494,656	0.0
Governor's Salary Policy	-	-	0.0	154,381	369,436	0.0
Total	151,739	2,541,180	1.0	306,120	2,988,281	1.0

Administration:

- Personal Services- The agency requests an increase of \$53,147 in other fund expenditure authority and 1.0 FTE for an Agriculture Product Certification Manager. This position will help achieve the Governor's plan for a state certification program. The Governor has directed the Department of Agriculture to create a natural beef and turkey certification program in addition to the South Dakota Certified Enrolled Cattle program currently being administered by the agency. The agency plans to utilize an unfilled FTE within the Division of Resource Conservation and Forestry to meet this need. The Governor recommends this request.
- Travel- The agency requests an increase of \$7,000 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends this request.
- Contractual Services- The agency requests an increase of \$11,465 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends an increase of \$15,452 which includes an increase of \$3,987 to account for a recalculation in the method of recovering maintenance and repair funding for the Capitol Complex.
- Capital Outlay- The agency requests an increase of \$2,000 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends this request.

Fire Suppression:

- Personal Services- The agency requests an increase of \$5,517 in federal fund expenditure authority to convert six (6) Squad Bosses between the two hand crews to permanent full time employees. Squad bosses are the first line of supervision in any hand crew. Crews normally have five subordinates that answer directly to the Crew Boss. In order to ensure compliance with national standards each hand crew must have three (3) Squad Bosses assigned. Squad Bosses are responsible for ensuring that the assigned work is completed correctly and safely and that the Crew Boss is made aware of unsafe situations. The Governor recommends this request and an increase of \$77,665 in other fund expenditure authority to allow Wildland Fire Suppression to enter into negotiations with Custer State Park on how to fund the fire management coverage Wildland Fire Suppression is providing to Custer State Park. This is a

work in progress where the terms of the payment, are still to be negotiated between Custer State Park and Wildland Fire Suppression.

Special Projects:

- Personal Services- The agency requests a decrease of \$53,147 in federal fund expenditure authority and 1.0 FTE due to a reduction in federal funding. This FTE will be utilized by the Office of the Secretary for a Product Certification Manager. The Governor recommends this request.
- Grants and Subsidies- The agency requests a decrease of \$310,571 in other fund expenditure authority due to a reduction of federal funds for grants to municipalities (\$10,000), grants to other political subdivisions (\$200,571), and grants to individuals (\$100,000). The Governor recommends this request.

Animal Industry Board:

- Personal Services- The agency requests an increase of \$152,394 and 1.0 FTEs for FY08. The increase includes:
 - Inspector- \$40,394 (\$20,197 general, \$20,197 federal) and 1.0 FTE due to increased requests for state meat inspection.
 - State Meat Inspection Program- \$112,000 from general funds- South Dakota is one of 28 states operating a state meat inspection program under a cost-share grant from the U. S. Department of Agriculture - Food Safety Inspection Service (USDA-FSIS). For the past 38 years, FSIS has provided 50% of the state program's funding under a federal match program. In March 2006 a letter was received from FSIS with a reduction in allocation in federal matching funds. If federal fiscal year budget allocations are below the levels that South Dakota requested, the Animal Industry board is projecting a deficit of \$127,000 in the budget for FY08.

The Governor recommends this request. The Governor's recommended appropriation includes an increase of \$94,750 for the FY08 salary policy.

- Travel- The agency requests an increase of \$51,184 due to additional travel costs associated with the new requested FTE (\$4,542 general, \$4,542 federal), the State Meat Inspection Program (\$15,000 general), and for the USDA supplemental surveillance program to provide for early detection of avian influenza (\$27,100 federal). The Governor recommends this request.
- Contractual Services- The agency requests an increase of \$138,000 in federal fund expenditure authority for the USDA supplemental surveillance program to provide for early detection of avian influenza. The Governor recommends this request.
- Supplies and Materials- The agency requests an increase of \$10,000 in federal fund expenditure authority for the USDA supplemental surveillance program to provide for early detection of avian influenza. The Governor recommends this request.

Administration, Secretary of Agriculture

To provide policies and procedures, and maintain administrative functions for the department in an expedient and efficient manner; to provide leadership and direction for the future of South Dakota's number one industry; to work with farmers, ranchers, agricultural industry, the Legislature and South Dakota's congressional delegation, as well as other state and federal agencies to assist, evaluate, and respond to issues that affect South Dakota agriculture at the state, national, and international level; and, to provide assistance, public service, and information to the farmers, ranchers, the agricultural industry, and the public about agriculture, its opportunities, challenges, and needs.

The total recommended budget for Administration consists of \$634,825 from general funds, \$51,242 in federal fund expenditure authority, and \$110,276 in other fund expenditure authority, for a total budget of \$796,343 and 8.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	449,768	477,370	530,517	550,905	73,535	15.4%
Travel	27,941	33,000	40,000	40,000	7,000	21.2%
Contractual Services	137,071	158,947	170,403	174,399	15,452	9.7%
Supplies & Materials	6,558	21,184	21,184	21,184	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	3,357	7,855	9,855	9,855	2,000	25.5%
Other	-	-	-	-	-	0.0%
Total	624,695	698,356	771,959	796,343	97,987	14.0%
Funding Types						
General	592,011	614,182	614,182	634,825	20,643	3.4%
Federal	32,684	49,895	49,895	51,242	1,347	2.7%
Other	-	34,279	107,882	110,276	75,997	221.7%
Total	624,695	698,356	771,959	796,343	97,987	14.0%
FTE	6.9	7.5	8.5	8.5	1.0	13.3%

- Personal Services- The agency requests an increase of \$53,147 in other fund expenditure authority and 1.0 FTE for an Agriculture Product Certification Manager. This position will help achieve the Governor's plan for a state certification program. The Governor has directed the Department of Agriculture to create a natural beef and turkey certification program in addition to the South Dakota Certified Enrolled Cattle program currently being administered by the agency. The agency plans to utilize an unfilled FTE within the Division of Resource Conservation and Forestry to meet this need. The Governor recommends this request. The Governor's recommended appropriation includes an increase of \$20,388 (\$16,647 general, \$1,347 federal, \$2,394 other) for the FY08 salary policy.
- Travel- The agency requests an increase of \$7,000 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends this request.
- Contractual Services- The agency requests an increase of \$11,465 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends an increase of \$15,452 which includes an increase of \$3,987 to account for a recalculation in the method of recovering maintenance and repair funding for the Capitol Complex.

- Capital Outlay- The agency requests an increase of \$2,000 in other fund expenditure authority due to the new Product Certification Manager position. The Governor recommends this request.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Ag Policy:							
Ag News/Issues Website - (Hits)	119,200	119,200	0	119,250	119,250	0	119,250
Meetings/Hearings Attended:							
Public Meetings/Hearings	10	10	0	10	10	0	10
Legislative Meetings/Hearings	20	20	0	20	20	0	20
Congressional Meetings/Hearings	2	2	0	2	2	0	2
Workshops/Training--Grant Writing	6	6	0	6	6	0	6
Topics/Issues Researched	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing
Documents Compiled	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing

Agricultural Services & Assistance

The total recommended budget for Agricultural Services consists of \$2,263,226 from general funds, \$2,709,410 in federal fund expenditure authority, and \$2,688,234 in other fund expenditure authority, for a total budget of \$7,660,870 and 84.9 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	3,140,850	3,516,584	3,522,101	3,735,731	219,147	6.2%
Travel	193,532	279,722	279,447	283,277	3,555	1.3%
Contractual Services	1,807,412	1,824,676	1,835,053	1,841,182	16,506	0.9%
Supplies & Materials	544,532	750,889	753,259	762,319	11,430	1.5%
Grants And Subsidies	733,094	925,541	925,541	925,541	-	0.0%
Capital Outlay	288,239	112,820	112,820	112,820	-	0.0%
Other	282	-	-	-	-	0.0%
Total	6,707,941	7,410,232	7,428,221	7,660,870	250,638	3.4%
Funding Types						
General	2,165,531	2,216,209	2,216,209	2,263,226	47,017	2.1%
Federal	2,441,745	2,635,347	2,653,336	2,709,410	74,063	2.8%
Other	2,100,665	2,558,676	2,558,676	2,688,234	129,558	5.1%
Total	6,707,941	7,410,232	7,428,221	7,660,870	250,638	3.4%
FTE	80.4	84.9	84.9	84.9	-	0.0%

Revenues

	<u>FY06</u>		Difference Over (Under) Estim.	<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Pesticide Fund	359,000	364,153	5,153	84,000	237,000	153,000	366,000
Weed and Pest Fund	250,000	258,692	8,692	200,000	190,000	(10,000)	260,000
Recycling/Disposal Fund	20,000	13,276	(6,724)	20,000	11,500	(8,500)	8,500
Rodent Control Fund	190,000	142,400	(47,600)	190,000	175,000	(15,000)	145,000
Fertilizer Fund	112,000	122,132	10,132	105,000	100,000	(5,000)	121,500
Feed Fund	265,000	226,528	(38,472)	190,000	128,000	(62,000)	236,000
Honey Promotion Fund	7,000	7,051	51	7,000	7,000	0	7,000
Dairy Fund	103,000	76,125	(26,875)	80,600	80,600	0	
Nursery	59,500	59,594	94	8,500	7,750	(750)	59,250
Seed	28,000	24,646	(3,354)	10,500	76,750	66,250	26,000
Apiary	82,500	83,454	954	82,500	83,300	800	83,300
Fire Equipment Shop	268,000	144,672	(123,328)	268,000	268,000	0	268,000
Total	1,744,000	1,522,723	(221,277)	1,246,100	1,364,900	118,800	1,580,550

- The Agricultural Services and Assistance includes two divisions: Agricultural Services and Fire Suppression. Budget detail for these divisions can be found on the subsequent pages.

Agricultural Services

To protect the producers and consumers of agricultural products from unsafe practices, product misrepresentation, and unfair trade practices; to protect the public health; ensure agricultural commodities will be eligible for export from South Dakota by developing policy; and to ensure coordination and communication with producers, landowners/managers, and agricultural businesses to ensure effective enforcement of statutes and rules.

The total recommended budget for Agricultural Services consists of \$1,168,020 from general funds, \$791,560 in federal fund expenditure authority, and \$1,960,291 in other fund expenditure authority, for a total budget of \$3,919,871 and 34.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	1,506,363	1,789,842	1,789,842	1,859,046	69,204	3.9%
Travel	107,890	190,070	190,070	190,070	-	0.0%
Contractual Services	1,148,279	1,212,954	1,212,954	1,216,914	3,960	0.3%
Supplies & Materials	161,524	173,530	173,530	173,530	-	0.0%
Grants And Subsidies	243,105	450,541	450,541	450,541	-	0.0%
Capital Outlay	97,311	29,770	29,770	29,770	-	0.0%
Other	100	-	-	-	-	0.0%
Total	3,264,572	3,846,707	3,846,707	3,919,871	73,164	1.9%
Funding Types						
General	1,107,791	1,140,417	1,140,417	1,168,020	27,603	2.4%
Federal	721,163	776,882	776,882	791,560	14,678	1.9%
Other	1,435,618	1,929,408	1,929,408	1,960,291	30,883	1.6%
Total	3,264,572	3,846,707	3,846,707	3,919,871	73,164	1.9%
FTE	32.9	34.0	34.0	34.0	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
Pesticide Fund	359,000	364,153	5,153	84,000	237,000	153,000	366,000
Weed and Pest Fund	250,000	258,692	8,692	200,000	190,000	(10,000)	260,000
Recycling/Disposal Fund	20,000	13,276	(6,724)	20,000	11,500	(8,500)	8,500
Rodent Control Fund	190,000	142,400	(47,600)	190,000	175,000	(15,000)	145,000
Fertilizer Fund	112,000	122,132	10,132	105,000	100,000	(5,000)	121,500
Feed Fund	265,000	226,528	(38,472)	190,000	128,000	(62,000)	236,000
Honey Promotion Fund	7,000	7,051	51	7,000	7,000	0	7,000
Dairy Fund	103,000	76,125	(26,875)	80,600	80,600	0	
Nursery	59,500	59,594	94	8,500	7,750	(750)	59,250
Seed	28,000	24,646	(3,354)	10,500	76,750	66,250	26,000
Apiary	82,500	83,454	954	82,500	83,300	800	83,300
Total	1,476,000	1,378,051	(97,949)	978,100	1,096,900	118,800	1,312,550

- Personal Services- The Governor's recommended appropriation includes an increase of \$69,204 (\$27,203 general, \$13,519 federal, \$28,082 other) for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
FERTILIZER:							
Distribution License/Product Reg.	500/50	534/71	n/a	150/25	150/25	n/a	500/75
Routine Inspection/Investigation	325/30	286/22	n/a	325/30	285/25	n/a	285/25
Compliance Actions	125	141	16	125	140	15	140
Samples Taken/Not Passed	500/75	320/25	n/a	500/75	500/75	n/a	500/75
FEED:							
Distribution License/Product Reg.	700/1,150	700/1,074	n/a	150/400	150/400	n/a	700/1050
Routine Inspections/Investigations	400/2	511/4	n/a	400/2	400/2	n/a	400/2
Compliance Actions	150	114	(36)	150	115	(35)	115
Samples Taken/Not Passed	800/120	625/112	n/a	800/120	800/120	n/a	800/120
PESTICIDES:							
Distribution License/Product Reg.	4,000/3,000	4,163/3,766	n/a	1,500/3,000	1,500/7,500	n/a	4150/3750
Routine Inspections/Investigations	400/125	272/151	n/a	400/125	400/125	n/a	400/125
Compliance Actions	100	196	96	100	150	50	150
Samples Taken/Not Passed	300/1	330/0	n/a	300/1	300/1	n/a	300/1
DAIRY:							
Class A/Class B Permits	500/140	487/112	n/a	475/110	475/110	n/a	470/100
Class A - B Inspection/Reinspection	1,650/300	1549/149	n/a	1,400/145	1,400/145	n/a	1400/130
Pasteurization Units/Reinspection	71/30	19/23	n/a	18/30	18/30	n/a	19/20
Samples Taken/Not Passed	18,000/750	8902/629	n/a	12,000/650	12,000/650	n/a	9000/625

Fire Suppression

To protect South Dakota's natural resources from the ravages of wildfire, and to ensure that South Dakota's state wildland fire suppression firefighters and resources are prepared to meet this challenge.

The total recommended budget for Fire Suppression consists of \$1,095,206 from general funds, \$1,917,850 in federal fund expenditure authority, and \$727,943 in other fund expenditure authority, for a total budget of \$3,740,999 and 50.9 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	1,634,486	1,726,742	1,732,259	1,876,685	149,943	8.7%
Travel	85,642	89,652	89,377	93,207	3,555	4.0%
Contractual Services	659,134	611,722	622,099	624,268	12,546	2.1%
Supplies & Materials	383,008	577,359	579,729	588,789	11,430	2.0%
Grants And Subsidies	489,989	475,000	475,000	475,000	-	0.0%
Capital Outlay	190,928	83,050	83,050	83,050	-	0.0%
Other	182	-	-	-	-	0.0%
Total	3,443,369	3,563,525	3,581,514	3,740,999	177,474	5.0%
Funding Types						
General	1,057,741	1,075,792	1,075,792	1,095,206	19,414	1.8%
Federal	1,720,582	1,858,465	1,876,454	1,917,850	59,385	3.2%
Other	665,046	629,268	629,268	727,943	98,675	15.7%
Total	3,443,369	3,563,525	3,581,514	3,740,999	177,474	5.0%
FTE	47.5	50.9	50.9	50.9	-	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Fire Equipment Shop	268,000	144,672	(123,328)	268,000	268,000	0	268,000
Total	268,000	144,672	(123,328)	268,000	268,000	0	268,000

- Personal Services- The agency requests an increase of \$5,517 in federal fund expenditure authority to convert six (6) Squad Bosses between the two hand crews to permanent full time employees. Squad bosses are the first line of supervision in any hand crew. Crews normally have five subordinates that answer directly to the Crew Boss. In order to ensure compliance with national standards each hand crew must have three (3) Squad Bosses assigned. Squad Bosses are responsible for ensuring that the assigned work is completed correctly and safely and that the Crew Boss is made aware of unsafe situations. The Governor recommends this request and an increase of \$77,665 in other fund expenditure authority to allow Wildland Fire Suppression to enter into negotiations with Custer State Park on how to fund the fire management coverage Wildland Fire Suppression is providing to Custer State Park. This is a work in progress where the terms of the payment, are still to be negotiated between Custer State Park and Wildland Fire Suppression.

- The Governor's recommended appropriation includes an increase of \$66,761 (\$19,414 general, \$41,396 federal, \$5,951 other) for personal services for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Wild Fires Suppressed (Fires/Acres)	500/100,000	762/47,860	n/a	500/100,000	500/100,000	n/a	500/100,000
Burning Permits Issued	3,500	3,982	482	3,500	4,000	500	4
Prescribed Burn Plans	2/200	3/80.5	n/a	2/200	2/200	n/a	2/200
Hazardous Fuel Mitigation -projects/acres	50/600	88/1,830	n/a	50/600	50/600	n/a	50/800
Interagency Annual Fire Operating Plans	3	3	0	3	3	0	3
Fire Training (sessions/personnel)	75/2,500	93/1800	n/a	75/2,500	75/2,500	n/a	75/2500
Rural Fire Assistance:							
Rural VFD's Assisted	369	369	0	369	369	0	369
Rural Community Fire Grants	25	64	39	25	25	0	25
Rural Fire Equipment Inspections	412	412	0	412	412	0	412
Fire Shop:							
Fire Shop Vehicles Renovated	25	25	0	25	25	0	25
Pieces of Excess Property Acquired	25	27	2	25	25	0	25
Value of Excess Property Acquired	1,000,000	600,000	(400,000)	1,000,000	1,000,000	0	1,000,000

Agricultural Development & Promotion

The total recommended budget for Agricultural Development consists of \$1,191,347 from general funds, \$1,615,736 in federal fund expenditure authority, and \$1,422,685 in other fund expenditure authority, for a total budget of \$4,229,768 and 28.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	1,385,507	1,625,135	1,571,988	1,632,807	7,672	0.5%
Travel	103,817	129,912	129,912	129,912	-	0.0%
Contractual Services	732,693	1,223,582	1,223,582	1,223,582	-	0.0%
Supplies & Materials	121,640	142,722	142,722	142,722	-	0.0%
Grants And Subsidies	527,248	1,328,816	1,018,245	1,018,245	(310,571)	(23.4%)
Capital Outlay	83,516	82,500	82,500	82,500	-	0.0%
Other	-	-	-	-	-	0.0%
Total	2,954,421	4,532,667	4,168,949	4,229,768	(302,899)	(6.7%)
Funding Types						
General	1,123,913	1,161,338	1,161,338	1,191,347	30,009	2.6%
Federal	1,171,774	1,964,946	1,601,228	1,615,736	(349,210)	(17.8%)
Other	658,734	1,406,383	1,406,383	1,422,685	16,302	1.2%
Total	2,954,421	4,532,667	4,168,949	4,229,768	(302,899)	(6.7%)
FTE	27.2	29.0	28.0	28.0	(1.0)	(3.4%)

- The Agricultural Development and Promotion budget includes two divisions: Agriculture Development and Resource Conservation and Forestry. Budget detail for these divisions can be found on the subsequent pages.

Agriculture Development

To perform administrative functions for the department through policy formulation, implementation, and financial management; to work with individuals, agricultural groups, the Legislature, South Dakota's congressional delegation, and other state and federal agencies to evaluate and respond to issues that affect South Dakota agriculture at the state, national, and international level; to provide service to the public and inform them about agriculture, its opportunities, challenges and needs; to provide a leadership role in educating, assisting, and guiding the public to foster opportunities to add real value to South Dakota agricultural commodities, including livestock and crops; to evaluate and foster development of markets for South Dakota agricultural commodities and agricultural products derived from such commodities; to sustain the viability of South Dakota agriculture producers by providing access to capital at rates producers can reasonably be expected to pay; and to provide beginning farmers and ranchers access to capital at lower rates through the Value Added Finance Authority.

The total recommended budget for Agriculture Development consists of \$151,630 from general funds, \$296,784 in federal fund expenditure authority, and \$1,051,909 in other fund expenditure authority, for a total budget of \$1,500,323 and 9.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	483,790	518,868	518,868	539,170	20,302	3.9%
Travel	44,296	67,912	67,912	67,912	-	0.0%
Contractual Services	353,825	770,828	770,828	770,828	-	0.0%
Supplies & Materials	83,557	61,568	61,568	61,568	-	0.0%
Grants And Subsidies	72,036	43,245	43,245	43,245	-	0.0%
Capital Outlay	25,835	17,600	17,600	17,600	-	0.0%
Other	-	-	-	-	-	0.0%
Total	1,063,339	1,480,021	1,480,021	1,500,323	20,302	1.4%
Funding Types						
General	139,971	146,886	146,886	151,630	4,744	3.2%
Federal	273,244	296,209	296,209	296,784	575	0.2%
Other	650,124	1,036,926	1,036,926	1,051,909	14,983	1.4%
Total	1,063,339	1,480,021	1,480,021	1,500,323	20,302	1.4%
FTE	8.8	9.0	9.0	9.0	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
Investment Council Interest	200,000	137,256	(62,744)	200,000	200,000	0	200,000
Certified Beef	0	6,184	6,184	128,100	128,100	0	128,100
Miscellaneous	1,000	15,000	14,000	2,000	2,000	0	2,000
Total	201,000	158,440	(42,560)	330,100	330,100	0	330,100

- Personal Services- The Governor's recommended appropriation includes an increase of \$20,302 (\$4,744 general, \$575 federal, \$14,983 other) for FY08 salary policy.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
New Loans Processed	30	13	(17)	30	30	0	30
New Loan Guaranties	50	2	(48)	40	40	0	30
Loans Serviced Annually	220	161	(59)	200	200	0	200
Loan Delinquency Rate (%)	3	1	(2)	3	3	0	3
BOSDRC Grants	50	33	(17)	50	50	0	50
New Ag Finance Counseling Clients	200	69	(131)	150	150	0	150
Applications for Mediation Service	250	68	(182)	200	200	0	150
Cases to Mediation	100	17	(83)	75	75	0	75
Cases Agreement Reached (%)	85	88	3	85	85	0	85
Potential Processor Contacts	125	95	(30)	100	100	0	100
Trade Shows	15	12	(3)	15	15	0	15
Marketing Consultations	300	220	(80)	300	300	0	300
Beginning Farmer Applications	25	10	(15)	25	25	0	25

Resource Conservation and Forestry

To conserve, protect, improve, and develop the natural resources of South Dakota for its citizens.

The total recommended budget for Resource Conservation and Forestry consists of \$1,039,717 from general funds, \$1,318,952 in federal fund expenditure authority, and \$370,776 in other fund expenditure authority, for a total budget of \$2,729,445 and 19.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	901,717	1,106,267	1,053,120	1,093,637	(12,630)	(1.1%)
Travel	59,521	62,000	62,000	62,000	-	0.0%
Contractual Services	378,868	452,754	452,754	452,754	-	0.0%
Supplies & Materials	38,082	81,154	81,154	81,154	-	0.0%
Grants And Subsidies	455,211	1,285,571	975,000	975,000	(310,571)	(24.2%)
Capital Outlay	57,683	64,900	64,900	64,900	-	0.0%
Other	-	-	-	-	-	0.0%
Total	1,891,082	3,052,646	2,688,928	2,729,445	(323,201)	(10.6%)
Funding Types						
General	983,942	1,014,452	1,014,452	1,039,717	25,265	2.5%
Federal	898,530	1,668,737	1,305,019	1,318,952	(349,785)	(21.0%)
Other	8,610	369,457	369,457	370,776	1,319	0.4%
Total	1,891,082	3,052,646	2,688,928	2,729,445	(323,201)	(10.6%)
FTE	18.4	20.0	19.0	19.0	(1.0)	(5.0%)

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Administration of Other Programs	45,000	11,015	(33,985)	45,000	45,000	0	10,000
Sales & Use Tax - Unrefunded Gas Taxes	450,000	457,547	7,547	395,000	395,000	0	355,000
Interest/Dividends	60,000	49,871	(10,129)	51,000	51,000	0	49,500
Refunds	150	1,620	1,470	150	150	0	150
Miscellaneous Revenue	0	0	0	0	500	500	500
Total	555,150	520,053	(35,097)	491,150	491,650	500	415,150

Special Projects:

- Personal Services- The agency requests a decrease of \$53,147 in federal fund expenditure authority and 1.0 FTE due to a reduction in federal funding. This FTE will be utilized by the Office of the Secretary for a Product Certification Manager. The Governor recommends this request. The Governor's recommended appropriation includes an increase of \$40,517 (\$25,265 general, \$13,933 federal, \$1,319 other) for FY08 salary policy.

- Grants and Subsidies- The agency requests a decrease of \$310,571 in other fund expenditure authority due to a reduction of federal funds for grants to municipalities (\$10,000), grants to other political subdivisions (\$200,571), and grants to individuals (\$100,000). The Governor recommends this request.

Selected Performance Indicators

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Conservation Programs:							
News/Radio Spots/TV	10	6	(4)	12	12	0	10
Public Involvement Award Programs	6	2	(4)	6	6	0	6
Nongrant Related Assists to Districts	400	375	(25)	400	400	0	400
New Loans to Conservation Districts	5/\$40,000	6/\$99,190	n/a	5/\$40,000	5/\$40,000	n/a	5/\$40,000
Active Loans to Conservation Districts	12/\$110,000	14/\$135,140	n/a	12/\$110,000	12/\$110,000	n/a	12/\$110,000
Technical Assists/Cost-Share to Districts	10/\$650,000	26/\$822,849	n/a	10/\$650,000	10/\$650,000	n/a	12/\$650,000
Reviewing District Long-Range Plans	5	5	0	5	5	0	20
Assist Districts with Grant Process	250	225	(25)	250	250	0	250
Range Management Assists	50	30	(20)	50	50	0	10
State Soil and Water Coordinated Plan	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing
Policy Reviews of Other Agencies	24	25	1	24	24	0	25
Urban Forestry:							
Community Forestry Assists	125	105	(20)	125	125	0	125
Tree City USA Designations	36	34	(2)	36	39	3	37
Shade Tree Assists	125	147	22	125	125	0	125
Coordinate Tree City USA Program	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing
Coordinate SD Big Tree Register	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing
Arbor Day Essay/Poster Contest	Ongoing	Ongoing	n/a	Ongoing	Ongoing	n/a	Ongoing
Forest Health:							
Insect and Disease Individual Assists	500	390	(110)	500	500	0	500
Publish Insect/Disease Tech. Reports	12	36	24	12	12	0	30
Forest Pest Diagnostics	500	850	350	500	500	0	500
Forest Pest Surveys	4	2	(2)	4	4	0	4
Dutch Elm Disease Community Surveys	4	6	2	4	4	0	6
Workshops/Training Session	10	14	4	10	10	0	10
Agro-Forestry/Prairie Forestry:							
Prairie Forestry Assists	250	216	(34)	250	216	(34)	216
Wildlife Habitat/Windbreaks-Projects/Acre	55/175	32/101	n/a	55/175	20/70	n/a	15/53
Shelterbelt Renovations (Projects/Acres)	25/50	11/12	n/a	25/50	8/16	n/a	8/16
Living Snow Fence Plans Prepared #/Acres	20/50	3/10	n/a	20/50	5/10	n/a	5/10
Living Snow Fences Completed #/Acres	20/30	10/22	n/a	20/30	3/12	n/a	5/10
Field/Farm/Feedlot Windbreaks Proj/Acres	10/20	15/40	n/a	10/20	20/50	n/a	15/40
Other Plantings (Projects/Acres)	10/20	0/0	n/a	10/20	2/10	n/a	2/10
Forest Management:							
Forestry Management Assists	300	306	6	300	200	(100)	200
Forest Mgmt. Plans (Acres)	400	231	(169)	400	200	(200)	200
Precommercial Thinning Prepared (Acres)	500	408	(92)	500	200	(300)	200
Commercial Thinning Prepared (Acres)	25	0	(25)	25	25	0	25
Tree Farm Inspections	49	34	(15)	50	50	0	50
Review State Timber Sale Appraisals	1	2	1	1	1	0	1
Tree Farm Program (Tree Farms)	195	192	(3)	205	197	(8)	202
Forest Industry Utilization/Marketing	30	34	4	10	15	5	10
Forest Stewardship Program:							
Stewardship Assists	100	353	253	100	200	100	200
Stewardship Projects (#/Acres)	20/3,000	10/1,751	n/a	20/3,000	10/2,000	n/a	10/2,000
SIP Tree Stand Improvement (Acres)	0	0	0	0	0	0	0
SIP Prescriptions Prepared (#/Acres)	0	0	0	0	0	0	0
SIP Practices Completed (Acres)	0	0	0	0	0	0	0
SIP Compliance Checks	5	5	0	0	5	5	5
SIP Recognition Certifications	30	0	(30)	30	30	0	30

State Fair

To regulate and administer the South Dakota State Fair to the greatest public benefit.

The total recommended budget for the State Fair consists of \$1,885,948 in other fund expenditure authority and 19.5 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	932,028	852,880	852,880	879,287	26,407	3.1%
Travel	15,038	4,900	4,900	4,900	-	0.0%
Contractual Services	1,309,830	565,161	565,161	565,161	-	0.0%
Supplies & Materials	274,547	293,450	293,450	293,450	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	12,046	108,150	108,150	108,150	-	0.0%
Other	22,951	35,000	35,000	35,000	-	0.0%
Total	2,566,440	1,859,541	1,859,541	1,885,948	26,407	1.4%
Funding Types						
General	260,000	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	2,306,440	1,859,541	1,859,541	1,885,948	26,407	1.4%
Total	2,566,440	1,859,541	1,859,541	1,885,948	26,407	1.4%
FTE	21.1	19.5	19.5	19.5	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Admissions	217,120	217,120	0	200,000	254,711	54,711	260,000
Attractions	442,237	442,237	0	530,000	214,993	(315,007)	240,000
Carnival	95,001	95,001	0	95,000	82,678	(12,322)	95,000
Concessions	192,569	192,569	0	179,050	146,870	(32,180)	160,000
Entry Fees	35,685	35,685	0	35,993	43,941	7,948	45,000
Beer Sales	144,567	144,567	0	127,500	77,853	(49,647)	85,000
Camping	157,287	157,287	0	135,000	143,870	8,870	145,000
Parking	2,719	2,719	0	10,000	15,149	5,149	15,300
Miscellaneous	107,550	107,550	0	114,600	58,640	(55,960)	60,000
Total	1,394,735	1,394,735	0	1,427,143	1,038,705	(388,438)	1,105,300

- Personal Services- The Governor's recommended appropriation includes an increase of \$26,407 in other fund expenditure authority for FY08 salary policy.

➤ Breakdown of funds appropriated during the 1998-2006 Legislative Sessions.

<u>Legislative Session</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>	<u>Special Approp.</u>
1998	\$0	\$0	\$1,796,948	\$1,796,948	Special Approp. HB1145(1997) \$127,000
1999	\$0	\$0	\$1,815,737	\$1,815,737	No Special Appropriation
2000	\$0	\$0	\$2,065,167	\$2,065,167	No Special Appropriation
2001	\$700,000	\$0	\$1,766,302	\$2,466,302	No Special Appropriation
2002	\$0	\$0	\$1,872,945	\$1,872,945	Special Approp. HB1120 \$900,000
2003	\$0	\$0	\$1,732,000	\$1,732,000	No Special Appropriation
2004	\$1,630,000	\$0	\$1,790,325	\$3,420,325	Special Approp. SB19 \$1,370,000
2005	\$913,944	\$0	\$1,815,772	\$2,729,716	Special Approp. HB1058 \$653,944
2006	\$0	\$0	\$1,859,541	\$1,859,541	Special Approp. SB143 \$750,000

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	<u>Original Estimate</u>	<u>Actual</u>	<u>Difference Over (Under) Estim.</u>	<u>Original Estimate</u>	<u>Current Estimate</u>	<u>Change in Estimate</u>	<u>Estimate</u>
State Fair Attendance	158,000	158,000	0	160,000	133,700	(26,300)	140,000
State Fair Exhibitors/Exhibits:							
Agriculture	3/5	3/5	n/a	3/5	1/2	n/a	3/5
Beef	139/554	139/554	n/a	450/1,794	130/484	n/a	150/600
Dairy	46/253	46/253	n/a	250/1,375	35/243	n/a	50/260
Dairy/Goat	39/772	39/772	n/a	400/7,918	38/753	n/a	40/760
Domestic Arts	311/1,438	311/1,438	n/a	325/1,503	418/2,165	n/a	350/1,600
Education	33/4,269	33/4,269	n/a	33/4,269	31/3,494	n/a	35/4,300
FFA	264/796	264/796	n/a	250/754	182/442	n/a	275/800
4-H	3,774/16,013	3,774/16,013	n/a	3,750/16,000	3,750/16,000	n/a	3,800/16,300
Horse	109/964	109/964	n/a	275/2,432	92/956	n/a	115/1,000
Horticulture	80/1,505	80/1,505	n/a	80/1,505	72/1,328	n/a	80/1,525
Poultry, Pigeons, and Rabbits	83/1,395	83/1,395	n/a	1,400/23,530	67/1,062	n/a	85/1,400
Sheep	83/1,139	83/1,139	n/a	800/10,978	93/1,173	n/a	95/1,200
Swine	116/367	116/367	n/a	120/380	83/254	n/a	115/370

Animal Industry Board

To prevent the importation of animal diseases in the state by requiring health certificates, permits, and tests on all imported animals; to provide animal identification systems for maintenance of animal health and food safety; to maintain an adequate surveillance system for disease by testing blood and tissue samples for brucellosis and tuberculosis from cattle and swine slaughtered; to test swine for pseudorabies; to inspect and test for emerging diseases, emergency diseases, and eradicated diseases; to conduct and control eradication programs both mandatory and voluntary certification programs in brucellosis and pseudorabies in the state; to regulate the livestock auction markets and livestock dealers by inspecting, licensing, and bonding; to license and inspect rendering plants and enforce the disposal of dead animals; to enforce the animal welfare laws (inhumane treatment) of livestock; to regulate the breeding, raising, producing, marketing, and distribution of certain nondomestic animals; to give an ante mortem and post mortem inspection of slaughtered animals; to perform processing inspection; and to inspect each custom exempt facility for sanitation.

The total recommended budget for the Animal Industry Board consists of \$1,966,513 from general funds, \$2,356,351 in federal fund expenditure authority, and \$126,640 in other fund expenditure authority, for a total budget of \$4,449,504 and 44.9 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	2,085,114	2,282,654	2,442,991	2,537,741	255,087	11.2%
Travel	277,503	316,150	367,334	367,334	51,184	16.2%
Contractual Services	479,843	1,189,722	1,327,722	1,327,722	138,000	11.6%
Supplies & Materials	79,837	157,871	167,871	167,871	10,000	6.3%
Grants And Subsidies	402,994	-	-	-	-	0.0%
Capital Outlay	31,638	48,836	48,836	48,836	-	0.0%
Other	-	-	-	-	-	0.0%
Total	3,356,929	3,995,233	4,354,754	4,449,504	454,271	11.4%
Funding Types						
General	1,653,544	1,746,383	1,905,805	1,966,513	220,130	12.6%
Federal	1,696,159	2,122,210	2,322,309	2,356,351	234,141	11.0%
Other	7,226	126,640	126,640	126,640	-	0.0%
Total	3,356,929	3,995,233	4,354,754	4,449,504	454,271	11.4%
FTE	41.7	43.9	44.9	44.9	1.0	2.3%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Rendering Plant License*	125	100	(25)	125	125	0	125
Livestock Dealer License*	13,000	13,450	450	13,000	13,000	0	13,000
Auction Agency Inspection 90% of Fees**	500,000	498,169	(1,831)	500,000	500,000	0	500,000
Auction Agency 10% of Fees	55,000	55,554	554	55,000	55,000	0	55,000
Auction Agency License	4,000	4,200	200	4,000	4,000	0	4,000
Federal Clerical	8,054	8,054	0	8,054	8,054	0	8,054
Veterinary Medical Exam Board*	22,500	22,500	0	22,500	22,500	0	22,500
Nondomestic Animal Permits*	7,000	6,730	(270)	7,000	7,000	0	7,000
Federal PRV Slaughter Surveillance	150,000	52,210	(97,790)	150,000	150,000	0	150,000
Meat Establishment License*	14,500	12,780	(1,720)	14,500	14,500	0	14,500
Federal Reimbursement- Meat Inspection Johnes	675,000	765,689	90,689	675,000	750,000	75,000	750,000
Emergency Preparedness	200,000	243,923	43,923	200,000	200,000	0	200,000
Animal Production Food Safety	150,000	132,369	(17,631)	150,000	120,000	(30,000)	120,000
Swine Health Protection*	50,000	50,000	0	50,000	50,000	0	50,000
Animal Identification	30,000	36,000	6,000	30,000	30,000	0	30,000
Scrapie	0	242,358	242,358	0	500,000	500,000	350,000
Avian Influenza	110,000	107,841	(2,159)	40,000	50,000	10,000	50,000
	0	0	0	0	175,000	175,000	150,000
Total	1,989,179	2,251,927	262,748	1,919,179	2,649,179	730,000	2,474,179

➤ **Personal Services-** The agency requests an increase of \$152,394 and 1.0 FTE for FY08. The increase includes:

- Inspector- \$40,394 (\$20,197 general, \$20,197 federal) and 1.0 FTE due to increased requests for state meat inspection.
- State Meat Inspection Program- \$112,000 from general funds- South Dakota is one of 28 states operating a state meat inspection program under a cost-share grant from the U. S. Department of Agriculture - Food Safety Inspection Service (USDA-FSIS). For the past 38 years, FSIS has provided 50% of the state program's funding under a federal match program. In March 2006 a letter was received from FSIS with a reduction in allocation in federal matching funds. If federal fiscal year budget allocations are below the levels that South Dakota requested, the Animal Industry board is projecting a deficit of \$127,000 in the budget for FY08.

The Governor recommends this request. The Governor's recommended appropriation includes an increase of \$94,750 for FY08 salary policy.

- **Travel-** The agency requests an increase of \$51,184 due to additional travel costs associated with the new requested FTE (\$4,542 general, \$4,542 federal), the State Meat Inspection Program (\$15,000 general), and for the USDA supplemental surveillance program to provide for early detection of avian influenza (\$27,100 federal). The Governor recommends this request.
- **Contractual Services-** The agency requests an increase of \$138,000 in federal fund expenditure authority for the USDA supplemental surveillance program to provide for early detection of avian influenza. The Governor recommends this request.
- **Supplies and Materials-** The agency requests an increase of \$10,000 in federal fund expenditure authority for the USDA supplemental surveillance program to provide for early detection of avian influenza. The Governor recommends this request.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Livestock Disease Control:							
% Counties Designated Class Free Status	100%	100%	0	100%	100%	0	100%
% Cattle Reacting to Brucellosis Testing	0.01%	0.01%	0	0.01%	0.01%	0	0.01%
Cattle Herds Infected with TB/Backtagged	0/350,000	0/318,876	n/a	0/350000	0/350,000	n/a	0/350,000
Pullorum Typhoid- Poultry Breeding Flocks	0	0	0	0	0	0	0
Sheep Flocks Infected with Scrapies	4	5	1	4	4	0	4
Sheep Flocks Enrolled in Scrapie Plan	30	15	(15)	30	30	0	30
Brucellosis Ovis Free Sheep Flocks	35	32	(3)	35	35	0	35
Percent of Slaughtered Swine Reactors to Brucellosis Testing	1%	0%	0	1%	0%	0	0%
Percent Swine Reactors to Tuberculosis	0%	0%	0	0%	0%	0	0%
Pseudorabies Cases	0	0	0	0	0	0	0
Pseudorabies Surveillance Tests	75,000	18,017	(56,983)	75,000	75,000	0	75,000
Inhumane Treatment Investigations	100	113	13	100	100	0	100
Nondomestic Animal Permits	110	93	(17)	110	110	0	110
Meat Inspection:							
Pounds Reinspected State and Federal	14,000,000	10,295,058	(3,704,942)	14,000,000	14,000,000	0	14,000,000
Pounds of Processed Product Under State Inspection	5,000,000	7,065,100	2,065,100	5,000,000	5,000,000	0	5,000,000
Pounds Inspected	19,000,000	18,281,888	(718,112)	19,000,000	19,000,000	0	19,000,000
Pounds Condemned	400,000	725,913	325,913	400,000	400,000	0	400,000
Animals Slaughtered- State Establishments	40,000	41,403	1,403	40,000	40,000	0	40,000
Slaughter Processing and Custom Meat Establishments	100	88	(12)	100	100	0	100
Retail Meat Processing Establishments	230	207	(23)	230	230	0	230

American Dairy Association--Informational

To promote the purchase of dairy products through advertising, merchandising, research, public relations, and nutrition education; and to comply with the intent of SDCL 40-31.

The total recommended budget for the American Dairy Association consists of \$1,545,650 in other fund expenditure authority and 0.0 FTE.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	-	-	-	-	-	0.0%
Travel	-	-	-	-	-	0.0%
Contractual Services	1,296,654	1,408,100	1,545,600	1,545,600	137,500	9.8%
Supplies & Materials	297	50	50	50	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	1,296,951	1,408,150	1,545,650	1,545,650	137,500	9.8%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	1,296,951	1,408,150	1,545,650	1,545,650	137,500	9.8%
Total	1,296,951	1,408,150	1,545,650	1,545,650	137,500	9.8%
FTE	-	-	-	-	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Dairy Assessment	1,430,500	1,430,500	0	1,405,000	1,405,000	0	1,487,000
Investment Council Interest	4,300	4,300	0	4,500	4,500	0	8,000
Miscellaneous	25	25	0	25	25	0	25
Total	1,434,825	1,434,825	0	1,409,525	1,409,525	0	1,495,025

- Contractual Services- The association requests an increase of \$137,500 in other fund expenditure authority to align base budget with the association's approved budget. The Governor recommends this request.

Selected Performance Indicators

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
TRP's (Total Rating Points)	3,300	3,300	0	3,300	2,000	(1,300)	2,000

Wheat Commission--Informational

To optimize South Dakota's wheat production, marketing and utilization through research, market development, education, and promotion.

The total recommended budget for the Wheat Commission consists of \$1,682,858 in other fund expenditure authority and 3.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	173,769	186,852	186,513	193,608	6,756	3.6%
Travel	34,844	54,500	53,500	53,500	(1,000)	(1.8%)
Contractual Services	291,242	303,192	413,478	413,478	110,286	36.4%
Supplies & Materials	13,104	22,500	20,500	20,500	(2,000)	(8.9%)
Grants And Subsidies	757,777	657,427	557,427	557,427	(100,000)	(15.2%)
Capital Outlay	-	-	-	-	-	0.0%
Other	384,358	429,675	444,345	444,345	14,670	3.4%
Total	1,655,094	1,654,146	1,675,763	1,682,858	28,712	1.7%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	1,655,094	1,654,146	1,675,763	1,682,858	28,712	1.7%
Total	1,655,094	1,654,146	1,675,763	1,682,858	28,712	1.7%
FTE	3.1	3.0	3.0	3.0	-	0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Wheat Assessment	1,419,525	1,892,994	473,469	1,600,000	1,412,700	(187,300)	1,600,000
Investment Council Interest	12,000	16,379	4,379	13,000	16,000	3,000	16,000
Miscellaneous	3,000	1,179	(1,821)	3,000	3,000	0	3,000
Total	1,434,525	1,910,552	476,027	1,616,000	1,431,700	(184,300)	1,619,000

- The commission requests an increase of \$110,286 in contractual services and a corresponding decrease of \$100,000 in grants and subsidies due to a reduction in grants. The Governor recommends this request.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Trade Servicing Programs	10	10	0	10	10	0	10
Research Grants	25	25	0	36	21	(15)	21
Other Contracts and Grants	10	10	0	15	10	(5)	10
Education & Promotional Programs	20	20	0	25	25	0	25
Producer Education Meetings & Activities	25	25	0	25	25	0	25
Refunds	8%	8%	0%	10%	10%	0%	10%

Oilseeds Council--Informational

To promote better methods of producing, processing, and marketing sunflower, canola, safflowers, and flax in South Dakota.

The total recommended budget for the Oilseeds Council consists of \$194,100 in other fund expenditure authority and 0.0 FTE.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	-	-	-	-	-	0.0%
Travel	166	1,000	4,000	4,000	3,000	300.0%
Contractual Services	17,199	25,200	19,000	19,000	(6,200)	(24.6%)
Supplies & Materials	34	1,100	100	100	(1,000)	(90.9%)
Grants And Subsidies	129,795	142,000	156,000	156,000	14,000	9.9%
Capital Outlay	-	-	-	-	-	0.0%
Other	10,000	12,000	15,000	15,000	3,000	25.0%
Total	157,194	181,300	194,100	194,100	12,800	7.1%

Funding Types

General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	157,194	181,300	194,100	194,100	12,800	7.1%
Total	157,194	181,300	194,100	194,100	12,800	7.1%

FTE - - - - - 0.0%

Revenues

	FY06		Difference Over (Under) Estim.	FY07			FY08 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
Sunflower Assessment	160,000	160,000	0	160,000	200,000	40,000	160,000
Safflower Assessment	4,000	4,000	0	4,000	1,000	(3,000)	1,000
Canola Assessment	1,000	1,000	0	1,000		(1,000)	
Flax Assessment	1,000	1,000	0	1,000	1,000	0	1,000
Investment Council Interest	8,000	8,000	0	7,000	4,000	(3,000)	4,000
Total	174,000	174,000	0	173,000	206,000	33,000	166,000

Selected Performance Indicators

	FY06		Difference Over (Under) Estim.	FY07			FY08 Estimate
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	
National Sunflower Association Refund %	60%	60%	0%	60%	65%	5%	65%
Research Support	\$40,000	\$40,000	\$0	\$40,000	36,000	-\$4,000	40,000
Grower Meetings	3	3	0	3	3	0	3
Other Grants	1	1	0	1	1	0	0
Maximum Refund Percentage	10%	10%	0%	10%	10%	0%	10%

Soybean Research & Promotion Council--Informational

Create more opportunities for the South Dakota soybean producer to be more competitive while maximizing profits.

The total recommended budget for Soybean Research and Promotion consists of \$3,062,208 in other fund expenditure authority and 3.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	165,130	185,108	185,108	192,316	7,208	3.9%
Travel	586	2,000	1,000	1,000	(1,000)	(50.0%)
Contractual Services	1,681,763	1,560,000	1,400,000	1,400,000	(160,000)	(10.3%)
Supplies & Materials	9,043	14,000	13,000	13,000	(1,000)	(7.1%)
Grants And Subsidies	1,421,444	1,851,760	1,455,892	1,455,892	(395,868)	(21.4%)
Capital Outlay	-	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	3,277,966	3,612,868	3,055,000	3,062,208	(550,660)	(15.2%)
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	3,277,966	3,612,868	3,055,000	3,062,208	(550,660)	(15.2%)
Total	3,277,966	3,612,868	3,055,000	3,062,208	(550,660)	(15.2%)
FTE	3.0	3.0	3.0	3.0	-	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Carryover from Previous Year	863,755	0	(863,755)	650,000	696,567	46,567	0
Soybean Assessment	2,730,000	3,129,468	399,468	2,900,000	2,433,200	(466,800)	3,000,000
Less United Soybean Board	0	0	0	0	0	0	0
Less Qualified State Soybean Boards	0	0	0	0	0	0	0
Less Committed Dollars	0	0	0	0	0	0	0
Investment Council Interest	50,000	56,760	6,760	55,000	58,000	3,000	55,000
Other Income	0	79,425	79,425	0	0	0	0
Refund of Prior Year's Expenditures	0	0	0	0	0	0	0
Total	3,643,755	3,265,653	(378,102)	3,605,000	3,187,767	(417,233)	3,055,000

- The council requests a decrease of \$160,000 in contractual services and \$395,868 in grants and subsidies for FY08. The council is projecting less income and as a result are budgeting fewer expenses. The Governor recommends this request.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Research - Other	2	1	(1)	0	1	1	1
Consumer Education and Promotion: Programs/Activities	10	6	(4)	0	6	6	6
Producer Education and Promotion: Programs/Activities	10	11	1	0	10	10	8
Research - SDSU	12	12	0	0	10	10	10
Industry/Value Added	8	10	2	0	10	10	10
International Marketing--Domestic	2	1	(1)	0	1	1	1

Brand Board--Informational

To issue, record, and maintain a record of livestock brands in South Dakota; and to enforce laws pertaining to the ownership, transportation, inspection, and sale of livestock in South Dakota as contained in SDCL Chapters 40-19 through 40-22, and 40-29.

The total recommended budget for the Brand Board consists of \$450,112 in other fund expenditure authority and 6.0 FTEs.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	190,057	288,576	288,576	300,012	11,436	4.0%
Travel	17,138	20,450	25,550	25,550	5,100	24.9%
Contractual Services	55,206	94,000	86,500	86,500	(7,500)	(8.0%)
Supplies & Materials	33,864	21,600	20,100	20,100	(1,500)	(6.9%)
Grants And Subsidies	1,000	1,500	1,500	1,500	-	0.0%
Capital Outlay	5,292	21,900	16,000	16,000	(5,900)	(26.9%)
Other	457	250	450	450	200	80.0%
Total	303,014	448,276	438,676	450,112	1,836	0.4%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	303,014	448,276	438,676	450,112	1,836	0.4%
Total	303,014	448,276	438,676	450,112	1,836	0.4%
FTE	4.4	6.0	6.0	6.0	-	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Livestock Holds	6,000	4,362	(1,638)	1,000	1,000	0	1,000
Brand Inspection	0	0	0	0	0	0	0
Investment Council Interest	40,000	22,144	(17,856)	30,000	30,000	0	20,000
Brand License	6,000	32,300	26,300	6,000	6,000	0	6,000
Brand Renewals	6,000	91,125	85,125	5,000	5,000	0	8,000
Brand Transfers	10,000	17,075	7,075	10,000	10,000	0	10,000
Duplicate Certificates	100	102	2	100	100	0	100
Brand Books	1,500	13,658	12,158	1,500	1,500	0	1,500
Total	69,600	180,766	111,166	53,600	53,600	0	46,600

Selected Performance Indicators

	<u>FY06</u>		Difference Over (Under) Estim.	<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Brand Licenses	350	1,292	942	300	300	0	300
Brand Renewals	350	1,292	942	300	300	0	300
Brand Transfers	500	561	61	500	500	0	450
Duplicate Licenses	50	50	0	20	20	0	20
Brand Books	120	392	272	100	100	0	100
Livestock Inspected	1,300,000	1,307,045	7,045	1,300,000	1,300,000	0	1,300,000
Cases Investigated	450	202	(248)	300	300	0	200
Arrests	50	5	(45)	20	10	(10)	10
Livestock Missing/Stolen	5,000	485	(4,515)	500	500	0	500
Livestock Recovered	400	87	(313)	500	500	0	100
Livestock Estrays Returned	50	456	406	0	0	0	300

Corn Utilization Council--Informational

To increase the demand for corn and the profitability of South Dakota corn growers by market maintenance and expansion, research, education, improved transportation, and the prevention, modification, or elimination of trade barriers that obstruct the free flow of corn and corn products to market.

The total recommended budget for the Corn Utilization Council consists of \$6,132,263 in other fund expenditure authority and 1.0 FTE.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	97,162	137,865	142,871	148,169	10,304	7.5%
Travel	-	100,000	100,000	100,000	-	0.0%
Contractual Services	3,053,223	710,000	3,514,060	3,514,060	2,804,060	394.9%
Supplies & Materials	33	20,000	20,034	20,034	34	0.2%
Grants And Subsidies	-	2,000,000	2,000,000	2,000,000	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	-	300,000	350,000	350,000	50,000	16.7%
Total	3,150,418	3,267,865	6,126,965	6,132,263	2,864,398	87.7%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	3,150,418	3,267,865	6,126,965	6,132,263	2,864,398	87.7%
Total	3,150,418	3,267,865	6,126,965	6,132,263	2,864,398	87.7%
FTE	1.0	1.0	1.0	1.0	-	0.0%

Revenues

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Corn Checkoff Assessment Net Refunds	2,200,000	2,200,000	0	2,500,000	2,500,000	0	2,500,000
Interest Earned	100,000	100,000	0	100,000	100,000	0	100,000
Miscellaneous Income	50,000	50,000	0	10,000	10,000	0	10,000
Total	2,350,000	2,350,000	0	2,610,000	2,610,000	0	2,610,000

- The council requests an increase of \$2,804,060 in contractual services due to an increase of national programs and research at South Dakota State University. The Governor recommends this request.

Selected Performance Indicators

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Education/Promotion Activities	30	30	0	30	30	0	35
Low Interest Loans	0	0	0	0	0	0	0
Value-Added/Industry	15	15	0	30	30	0	30
Research (In-State)	10	10	0	10	10	0	15
Program Budget Request	0	0	0	0	0	0	Annual
Refunds	\$300,000	\$300,000	\$300,000	\$350,000	\$350,000	\$0	\$350,000

Board of Veterinary Medicine Examiners--Informational

To protect the public by licensing qualified individuals to practice as veterinarians and veterinary technicians; and to ensure adherence to the governing statutes.

The total recommended budget for the Board of Veterinary Examiners consists of \$53,749 in other fund expenditure authority and 0.0 FTE.

	Actual FY06	Budgeted FY07	Agency Req. FY08	Gov Rec. FY08	Inc/Dec FY08	% Change From FY07
Personal Services	969	2,179	2,179	2,249	70	3.2%
Travel	4,042	5,000	5,000	5,000	-	0.0%
Contractual Services	32,685	42,500	42,500	42,500	-	0.0%
Supplies & Materials	899	4,000	4,000	4,000	-	0.0%
Grants And Subsidies	-	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	38,595	53,679	53,679	53,749	70	0.1%
Funding Types						
General	-	-	-	-	-	0.0%
Federal	-	-	-	-	-	0.0%
Other	38,595	53,679	53,679	53,749	70	0.1%
Total	38,595	53,679	53,679	53,749	70	0.1%
FTE	-	-	-	-	-	0.0%

Revenues

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Examination Fees	4,000	4,675	675	5,500	5,500	0	5,500
New License Fees	1,700	2,350	650	4,000	4,000	0	4,000
Renewal Fees	30,000	36,100	6,100	40,000	40,000	0	40,000
Materials Sold	500	2,000	1,500	700	700	0	1,000
Interest Income	2,200	2,063	(137)	3,000	3,000	0	3,000
License Reinstatements	200	2,350	2,150	1,000	1,000	0	1,000
Corporation Renewal Fees	500	1,060	560	600	600	0	1,000
New Corporation Fees	200	100	(100)	500	500	0	500
Technician Registration Fee	200	165	(35)	500	500	0	500
Total	39,500	50,863	11,363	55,800	55,800	0	56,500

Selected Performance Indicators

	<u>FY06</u>		Difference Over (Under) Estim.	<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual		Original Estimate	Current Estimate	Change in Estimate	Estimate
Licenses Renewed	250	356	106	350	350	0	350
New Licenses	50	36	(14)	50	50	0	50
Practitioners	300	392	92	400	400	0	400
Examinations:			0			0	
Nationally Prepared (Times Given)	1	1	0	1	1	0	1
Applicants Examined/Passed (Includes Reexams)	25/25	16/14	n/a	20/20	20/20	n/a	20/20
State Prepared (Times Given)	1	1	0	1	1	0	1
Applicants Examined/Passed	35/35	27/27	n/a	35/35	35/35	n/a	35/35
Complaints:							
Received/Investigated/Resolved	20/20/20	11/11/8	n/a	20/20/02/	20/20/20	n/a	20/20/20
Hearings Pending	0	0	0	0	0	0	0
Inquiries Received and Answered	0	250	250	250	250	0	250
Applicants Denied Licensure	0	0	0	0	0	0	0
Board Meetings Held	4	4	0	4	4	0	4

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.

B. Letters of Intent- FY07

No Letters of Intent items for FY07.

C. Department of Agriculture

General Fund Reversions FY02-FY06

FY02- \$42,792

FY03- \$22,421

FY04- \$29,040

FY05- \$303,459

FY06- \$9,873