

Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Utah Department of Agriculture and Food
Department Summary

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1.0 Summary: Department of Agriculture and Food

The Department of Agriculture and Food is responsible for the administration of Utah's agricultural laws as outlined in Titles 3 and 4 of the Utah Code. The laws mandate a wide variety of activities including inspection, regulation, information, rulemaking, loan issuance, marketing and development, pest and disease control, improving the economic position of agriculture, and consumer protection.

The previous year (2003) was a challenging year for agriculture in the state. Beside the national recession, challenges included the drought, the fourth consecutive year of a growing insect infestation (3.4 million acres in 2003, up from 1.2 million in 2000, and could be 5 million in 2004), Chronic Wasting Disease, West Nile Virus, and recently the discovery of Mad Cow Disease in Washington State. Beef and egg prices had been at strong levels prior to the discovery of the sick cow.

In addition to General Funds, the Legislature appropriates from four restricted accounts established for the Department. These include:

- GFR – Livestock Brand and Anti-Theft Account
- GFR – Tuberculosis and Bangs Disease Control Account (minimal)
- GFR – Agriculture and Wildlife Damage Prevention Account
- GFR – Horse Racing Account

State Vehicle Report

Statute (63A-9-402) requires the office of the Legislative Fiscal Analyst to submit information from the state-owned vehicle report to the appropriation subcommittee that has jurisdiction. As of October 28, 2003 the State Vehicle Report shows UDAF with the following vehicles:

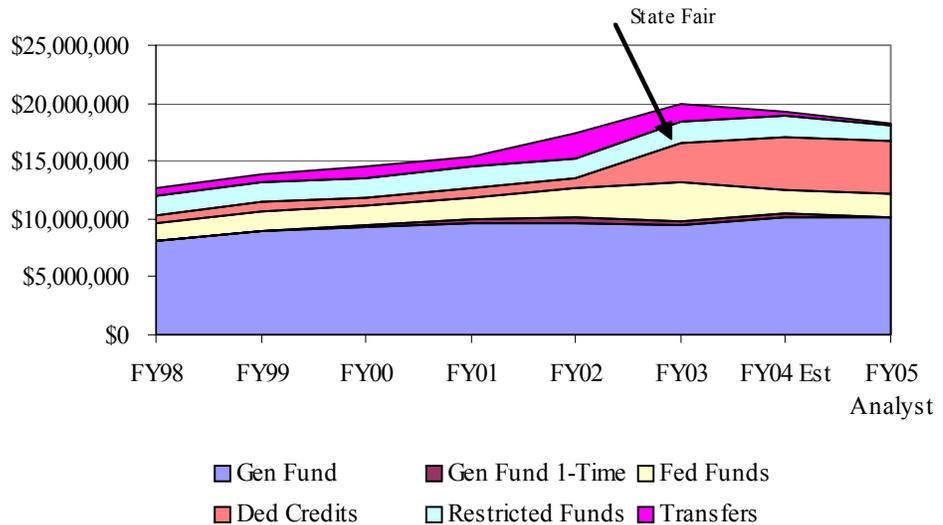
<u>Description</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Sedans	41	42	42
-1 Ton 4x2 Trucks	14	14	14
1+ Ton 4x2 Trucks	3	2	4
4x2 Vans	0	0	0
-1 Ton 4x4 Trucks	10	10	10
1+ Ton 4x4 Trucks	17	17	16
4x4 SUVs	<u>17</u>	<u>16</u>	<u>16</u>
Total	<u>102</u>	<u>101</u>	<u>102</u>

Recommendation

The Analyst recommends a total Agriculture budget of **\$18,835,000**. This includes General Funds of **\$10,086,900**, which is identical to the FY 2004 final ongoing appropriation.

	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
Financing			
General Fund	10,086,900		10,086,900
General Fund Restricted	1,339,100	40,000	1,379,100
Federal Funds	2,118,600		2,118,600
Dedicated Credits	4,405,300	40,300	4,445,600
Trust and Agency Funds	647,400		647,400
Transfers	259,600		259,600
Beginning Balance	223,700		223,700
Closing Balance	(325,900)		(325,900)
Total	\$18,754,700	\$80,300	\$18,835,000
Programs			
Administration	12,387,800	81,000	12,468,800
Building Operations	264,000		264,000
Utah State Fair Corporation	3,183,000		3,183,000
Predatory Animal Control	1,332,000		1,332,000
Resource Conservation	1,273,800	(700)	1,273,100
Loans	314,100		314,100
Total	\$18,754,700	\$80,300	\$18,835,000
FTE/Other			
Total FTE	209	1	210

Agriculture Major Funding Sources



4.0 Additional Information: Department of Agriculture and Food

4.1 Funding History

	2001	2002	2003	2004	2005
Financing	Actual	Actual	Actual	Estimated*	Analyst
General Fund	9,571,300	9,611,300	9,488,700	10,086,900	10,086,900
General Fund, One-time	315,000	538,900	375,000	312,300	
General Fund Restricted	1,303,700	1,257,000	1,278,000	1,341,500	1,379,100
Federal Funds	1,893,700	2,535,800	3,270,800	2,122,400	2,118,600
Dedicated Credits	812,400	779,400	3,457,500	4,486,000	4,445,600
Trust and Agency Funds	549,200	474,400	481,300	647,400	647,400
Transfers	979,500	2,222,200	1,569,300	266,400	259,600
Beginning Balance	1,577,900	1,808,800	3,287,700	1,963,300	223,700
Closing Balance	(1,808,800)	(1,833,900)	(1,963,300)	(223,700)	(325,900)
Lapsing Balance	(386,700)	(274,000)	(396,900)		
Total	\$14,807,200	\$17,119,900	\$20,848,100	\$21,002,500	\$18,835,000
Programs					
Administration	11,815,600	13,951,500	14,069,900	13,921,700	12,468,800
Building Operations	228,000	243,800	264,000	264,000	264,000
Utah State Fair Corporation			3,655,800	3,752,300	3,183,000
Predatory Animal Control	1,162,500	1,150,400	1,116,300	1,468,200	1,332,000
Resource Conservation	1,358,700	1,534,900	1,496,200	1,282,200	1,273,100
Loans	242,400	239,300	245,900	314,100	314,100
Total	\$14,807,200	\$17,119,900	\$20,848,100	\$21,002,500	\$18,835,000
Expenditures					
Personal Services	9,249,800	9,448,400	9,612,900	10,406,100	10,170,100
In-State Travel	247,000	222,000	247,000	252,400	247,400
Out of State Travel	86,800	73,000	81,700	106,100	104,100
Current Expense	1,919,600	1,869,100	1,978,300	1,953,900	1,716,700
DP Current Expense	472,800	367,300	503,400	484,100	366,000
DP Capital Outlay	2,700	2,700	2,700		
Capital Outlay	16,300	298,100	376,100	422,700	
Other Charges/Pass Thru	2,812,200	4,839,300	8,046,000	7,377,200	6,230,700
Total	\$14,807,200	\$17,119,900	\$20,848,100	\$21,002,500	\$18,835,000
FTE/Other					
Total FTE	203	198	196	209	210

*Non-state funds as estimated by agency.

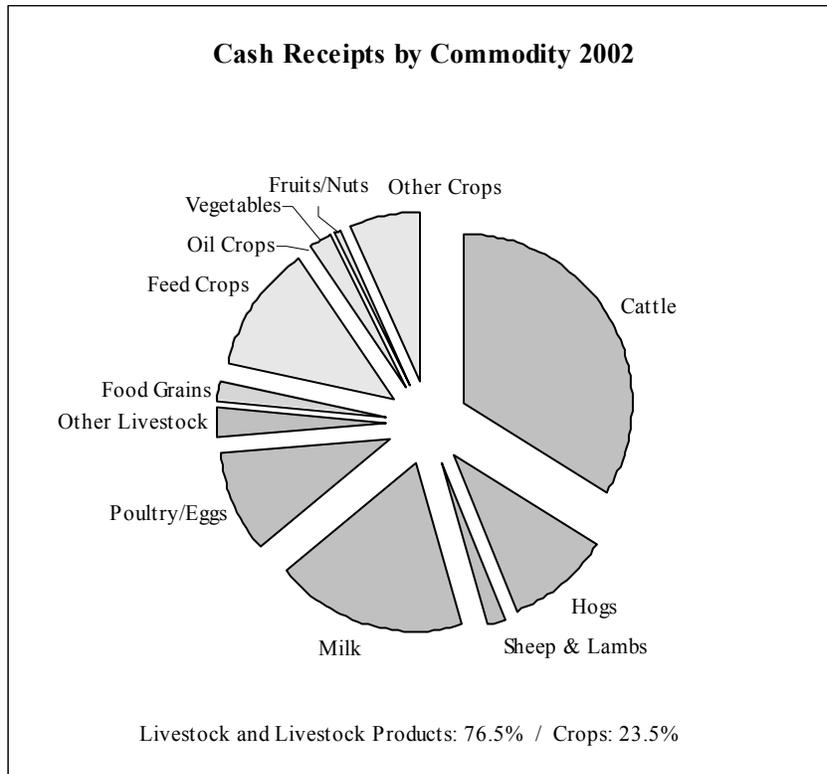
4.2 Selected Agricultural Statistics (Source: 2002 Agricultural Statistics and UDAF Report)

Number of farms and acres of land in farms			
Year	Number of Farms	Acres of Farmland	Average Acreage
1997	15,000	11,600,000	773
1998	15,000	11,600,000	773
1999	15,500	11,600,000	748
2000	15,500	11,600,000	748
2001	15,000	11,600,000	773
2002	15,000	11,600,000	773

The number of farms (defined as a place with annual sales exceeding \$1,000) in Utah in 2002 was estimated at 15,000, unchanged from 2001 but down 500 from prior years. Land in farms, estimated at 11.6 million acres, was unchanged from the previous five years. The average size of farm, at 773 acres, is unchanged from 2002.

Cash Receipts by Commodity (\$ Thousands)				
	1999	2000	2001	2002
Cattle	314,162	350,945	374,459	356,693
Hogs	54,136	98,042	107,488	105,450
Sheep & Lambs	18,424	21,274	15,194	17,818
Milk	222,122	186,032	236,670	193,402
Poultry/Eggs	73,856	82,878	88,711	102,794
Other Livestock	29,991	34,359	32,559	31,595
Food Grains	21,797	18,976	17,678	17,877
Feed Crops	117,568	121,002	140,517	129,607
Oil Crops	1,768	1,582	1,188	1,158
Vegetables	20,165	22,111	22,809	22,395
Fruits/Nuts	9,312	16,458	10,667	6,669
Other Crops	72,502	66,527	67,143	70,110
Total	955,803	1,020,186	1,115,083	1,055,568

Utah crops and livestock in 2002 produced cash receipts of \$1.06 billion, according to preliminary data. This was 5.3 percent below 2001. Utah's net farm income for 2002 was \$291 million compared with \$388 million in 2001 and \$243 million in 2000.



Number of cattle farms and cattle			
Year	# of Cattle		Value
	Farms	# of Cattle	Per Head
1997	8,700	930,000	\$530
1998	8,900	910,000	\$600
1999	8,760	890,000	\$590
2000	8,830	910,000	\$660
2001	8,760	910,000	\$720
2002	8,500	920,000	\$770
2003	Not Avail	880,000	\$760

Utah operations with cattle and calves in 2002 totaled 8,500, slightly below 2001. Operations with at least 500 head accounted for 42 percent of the Utah cattle inventory while those with 100 to 499 head accounted for 41 percent of the total inventory. Value per head has been increasing, perhaps due to market response to declining supply.

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