Revision #6
2-22
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California Department of Food and Agriculture
2011-12 Budget

In early January as per the Governor's proposed 2011-12 budget, key agricultural and industry individuals became engaged with the Secretary and CDFA staff to identify solutions to limit the need for General Fund resources at CDFA. CDFA staff has met frequently with several industry groups representing a broad cross-section of California agriculture to provide detailed information related to all CDFA programs and operations. The industry representatives engaged in this process deserve significant credit for their commitment and tireless efforts to deliver viable solutions to help achieve the Governor's deficit reduction objectives.

Proposals identifying solutions to reduce the need of the Dept of Food and Agriculture for $15.0 million in General Fund resources for the 2011-12 fiscal year.

Alternative to General Fund support - utilize Special Funds:

- Decrease GF, $1,117,000. Increase support from Pierce's Disease Management Account utilizing existing assessment.

Alternative to General Fund support - utilize support from other state agencies:

- Decrease GF, $2,367,000. Increase border station infrastructure support from other state agencies. If other funding is not achieved border station operations could be modified. Slight increase in probability that invasive species from outside of California will be introduced.

Alternatives to General Fund support – utilize assessments, fee-for-service:

- Decrease GF, $1,957,000. Increase or establish assessments or fee-for-service schedule to recover actual costs of providing services. Several programs are being considered for this approach, which would reduce the need for general fund appropriations. If alternate funding sources are not found, programs within the division there programs may be reduced or eliminated:

- Division of Measurement Standards - $1.527 million Inaccurate measuring devices and potential fraud related to pricing and packaging regulations may increase in the long term.
- Plant Lab - $200,000
- Seed Lab - $205,000
- Animal Health Branch - $25,000

Alternatives to General Fund support – reduce program scope, workload, and activities:

Decrease GF,

- $700,000 – limit activities within the Light Brown Apple Moth (LBAM) program to federally funded activities only. State to continue use of General Fund for regulatory activities only. Maintain as a control program, utilize federal funds for a sterile release program and other program elements as needed. As a result, LBAM may spread in California, and growers and nurseries may continue to be subject to quarantine restrictions.
- $1,000,000 – reduce General Fund assistance to counties for inspection of incoming shipments of agricultural product for invasive species at destination points within the state, i.e. nurseries, parcel facilities, and airports. May increase the risk of invasive species going undetected.
- $1,536,000 – discontinue General Fund support for Weed Management Program - Explore alternative funding solutions. In the absence of solutions, CDFA weed management activities may be discontinued or substantially reduced. Network of local weed management areas may need to collaborate to leverage funding from federal and private sources, as well as in-kind resources through partner participation. Local cooperative invasive weed control efforts may decrease, reversing and/or stopping current weed control progress.
- $884,000 – discontinue General Fund support for Noxious Weed Program. Explore alternative funding solutions. County agriculture commissioners will need to coordinate and maximize resources to eradicate, contain, or control noxious weeds. In the absence of solutions, incipient infestations of noxious weeds may become established and spread predominately in Northern California. Land values and productivity may be impacted.
- $450,000 –eliminate a portion of General Fund support for Biological Control activities. Explore alternative funding solutions. In the absence of solutions, there may be a reduction in alternative tools to deal with invasive infestations of plant

pests. Sustainable pest management techniques will suffer. Reliance on pesticides will be required.

- $500,000-close Northern California warehouse for Pest Detection/Emergency Projects branch, which will consolidate activities at Southern California facility and create efficiencies within the program.
- $545,000-discontinue use of laboratory as source of sterile Mexican fruit flies. Sterile pupae are available from other sources.
- $1,256,000-reduce General Fund support for Red Imported Fire Ant program to quarantine activities only. Discontinue responding to incipient infestations in San Joaquin Valley. If industry and local agencies do not continue responding, the infestation may spread. California may be placed under statewide quarantine by USDA. Increase use of pesticides to ship nursery stock and products could occur.
- $450,000-reduce General Fund support for Medfly Preventive Release program by identifying efficiencies and cost-saving measures, including evaluation of a possible reduction in the scope of the program.
- $458,000-discontinue support for Agriculture Security and Emergency Response program. Activities to continue by counties.
- $300,000-reduce support to California Health and Food Safety Laboratory System. Laboratories to reduce staffing levels through efficiencies.
- $200,000-reduce support to Milk and Dairy Food Safety program. May impact food safety through a reduced capability to investigate sales of illegal and potentially harmful dairy foods products.
- $200,000-reduce frequency of meat and poultry inspections and other efficiencies within the Meat and Poultry Inspection program. Increased fee support will augment the program.
- $1,083,000-reduce support to counties for commissioners' salaries. A reduction of department overhead through efficiencies.