

Agriculture and Forestry

Adopted Adjustments (\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Base Budget, Ch. 665	\$51.0	\$46.0	\$51.0	\$46.0
Increases	6.5	4.4	7.2	4.4
Decreases	(0.9)	(0.3)	(1.1)	(0.3)
\$ Net Change	5.6	4.7	6.1	4.7
Chapter 780 (HB 30, as Adopted)	\$56.6	\$50.7	\$57.1	\$50.7
% Change	11.0%	10.1%	12.0%	1.6%
FTEs	506.59	329.41	506.59	328.41
# Change	8.00	1.00	8.00	0.00

- **Secretary of Agriculture and Forestry**

- *Distribute Base Adjustments.* Increases the appropriation to the Office of the Secretary by approximately \$21,000 GF, or 6 percent each year, to address changes in employee compensation and benefits, as well as internal service fund rate changes.

- **Department of Agriculture and Consumer Services**

- *Farm Business Development Program.* Provides approximately \$374,000 GF each year to establish the Farm Business Development Program. The program is intended to provide micro-grants of \$5,000 to farmers and small agribusinesses to assist in strategic planning, market research and other business development activities to increase the market share of Virginia-based agribusinesses.
- *Governor’s Agriculture and Forestry Industries Development Fund.* Includes an increase of \$1.0 million GF each year to the AFID Grant Program, doubling the direct appropriation to a total of \$2.0 million in each year. Additional funding of \$211,000 GF each year and 2.0 FTE positions is included for marketing and staffing the program. In addition, the Governor is provided the discretion to waive the statutory cap on size of grants awarded if a project is of statewide or regional

significance. Further the language is changed to eliminate the requirement that a proportion of the program funding be made available for local agribusiness economic development programs. Finally, the allowable administrative costs of the program are tripled (from \$110,000 to \$330,000) to support the new positions.

- **Review of Food Programs.** Language is included directing the Departments of Education, Health, and Agriculture and Consumer Services to develop a plan for transferring and consolidating the administration of approximately \$350.0 million NGF in feeding related programs to the Department of Agriculture and Consumer Services. VDACS is required to submit the report for consideration by the 2017 General Assembly by November 15, 2016. The specific programs include:

Program	Agency
Summer Food Services Program	Health
Child and Adult Care Feeding Program	Health
Fresh Fruit and Vegetable Program	Education
National School Lunch Program	Education
School Breakfast Program	Education
Special Milk Program	Education

- **Farmland Preservation.** Dedicates \$1.0 million GF each year to the farmland preservation program to compensate landowners who voluntarily place agricultural conservation easements on their property. This is one of several of actions related to land preservation that bring the annual total for these activities to \$10.0 million GF each year, consistent with the provisions of §58.1-512, *Code of Virginia*.
- **Virginia Grown.** Provides an increase of approximately \$133,000 GF each year and an additional 1.0 FTE position to promote Virginia-grown organic products. The funds are to be used for a dedicated agricultural specialist to work with Virginia farmers on increasing certified organic food production in the Commonwealth.
- **Agricultural Marketing Programs.** Provides an increase of \$425,000 GF each year for international marketing activities, bringing the annual total to \$1.3 million GF. The increased amount will be split equally between international trade offices in North Africa and Southeast Asia, as well as marketing programs such as “reverse trade missions” and other promotional events.

- ***Internal Information Technology Improvements.*** Includes an increase of \$0.7 million GF each year and 5.0 FTE positions to fund system developers, one Oracle engineer, and one human resources specialist as part of an effort to overhaul and modernize both the agency’s customer-facing and internal business applications.
- ***Weights & Measures Programs.*** Provides approximately \$0.5 million GF over the biennium for additional support to the weights and measures program. The intent of the funding is to hire two additional inspectors and the required support equipment from existing authorized MEL. This will allow VDACS to increase the total number of devices inspected by approximately 3,600 annually with a focus on farm scales and identified risk-based needs. The action continues the goal of the General Assembly to incrementally address the deficit between available funds and stated policy objectives without additional user fees.
- ***Accreditation of Animal Health Laboratories.*** Includes \$250,138 GF the first year and \$224,098 GF the second year and 2.0 FTE positions to support efforts to obtain national accreditation of the agency’s animal health laboratories to ensure Virginia livestock and poultry remain competitive in domestic and international markets.
- ***Virginia Wine Promotion Fund.*** Provides an increase of \$99,712 GF each year to the fund to reflect increased wine liter tax collections that are dedicated by statute to the fund, bringing the total to \$1.9 million per year.
- ***Regulation of Fantasy Contests.*** Includes language to appropriate the anticipated registration fees that will be paid by two national fantasy contest operators to the Division of Charitable Gaming to cover operational costs associated with Chapter 703 (HB775) and Chapter 318 (SB 646) as passed by the 2016 General Assembly to establish a regulatory framework for the legal operation of fantasy contests in Virginia.
- ***Beehive Grant Program.*** Includes language allowing up to \$25,000 (20 percent) of the program appropriation to be used for administrative overhead expenses of the program.
- ***Install Generators in Regional Labs.*** Included in Chapters 759 and 769 of the 2016 Acts of Assembly (HB 1344/SB 731) is \$750,000 in bond proceeds dedicated for installation of generators at the agency’s four regional animal health laboratories.
- ***Appomattox 4-H Center.*** Includes \$50,000 GF in the first year for the renovation of the Appomattox 4-H Center. The center was built by the Works Progress Administration in 1937. As one of the few surviving WPA structures in Virginia, the Center has been operated as a 4-H camp since 1941.

- **Department of Forestry**

- *Reforestation of Timberlands.* Provides an increase of \$854,782 GF the first year and \$773,116 GF the second year for the Reforestation of Timberlands program. This would fully fund the state's matching share of the program in the second year. Also provides \$180,000 NGF each year from anticipated increases in forest products tax revenue based on increased sales of forest products. Included in these amounts is funding to support technical assistance positions related to forestry best management practices
- *Forest Firefighting Equipment.* Includes an increase of \$0.9 million GF the first year and \$1.7 million GF the second year for debt service payments to allow the Department to purchase about \$25.0 million in additional wildfire emergency response equipment through the Master Equipment Lease Purchase (MELP) program.