

MONTANA DEPARTMENT OF
AGRICULTURE

2025 Biennium Budget Requests

PROPOSED FUNDING FOR FISCAL YEARS 2024 AND 2025

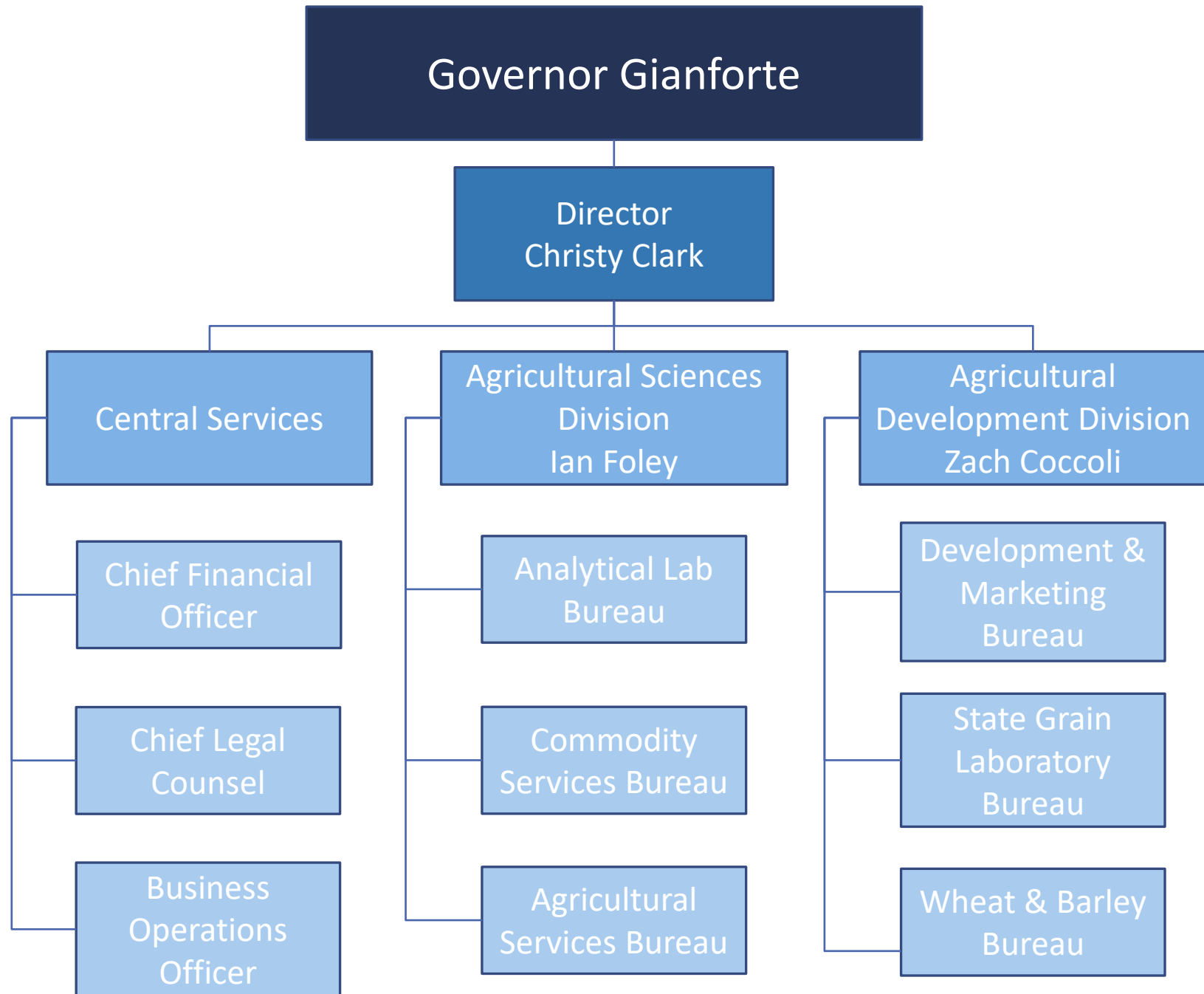


3 Programs
119.66 HB2 FTE –
19.2 vacant (16%)

Central Services (19.0): Provides essential business support to the department, including financial, information technology, human resources, legal, and public information support.

Agricultural Sciences Division (61.79): Administers the major activities related to pest, pesticide, and noxious weed management; seed, feed, fertilizer, nursery, produce safety, and hemp programs; analytical and chemical groundwater laboratory services; and organic and export certification.

Agricultural Development Division (38.87, plus 3.78 statutory positions): Assists industry by providing market and agribusiness development, grants and loans, wheat, barley, and pulse crop research, grain grading and inspection, and hail insurance.



The director's office provides leadership to staff and oversight of operations, and communications with the Ag industry and media.

Ensures the department's goals and missions are developed in collaboration with industry, as well as senior leadership.

The director guides and assists the leadership team in following the mission of the department.

The senior leadership team consists of two administrators, one of whom also serves the role of deputy director. Additionally, chief legal, communications officer, chief financial officer, and recently added our business operations officer comprise the remainder of the senior leadership team.

Director's Office Includes:

Deputy Director & Ag Development Administrator

Agricultural Sciences Administrator

Chief Legal Counsel

Communications Officer

Chief Financial Officer

Business Operations Officer

Executive Assistant



Mission: To serve Montana Agriculture and grow prosperity under the Big Sky



ACHIEVEMENTS

- In-person trade missions and shows – Mexico, Argentina, Spain, Japan
- Beyond the Weather - Farm and ranch stress assistance
- Increase efficiencies through departmental restructure
- CARES Act awards of \$15 million primarily for Meat Processing Infrastructure and ARPA awards of \$7.5 million for Agriculture Infrastructure and \$2 million for port authority programs

GOALS & OBJECTIVES

- Promote Montana Agriculture, domestically and internationally
- Protect our Ag industry through fair and consist regulations
- Improve customer service improve turn around time and offer more digital options
- Enhance, expand, and diversify Montana's agricultural economy by administering grants and loans for research, development, education and innovation

Agricultural Sciences Division Highlights



Improve licensing and registration efficiency through restructure

- Turnaround time reduced to less than 30 days

- Program manager position repurposed for field inspector

- Maintained ~50,000 licenses, registrations, certifications, and inspections across 25 programs

- Collected nearly \$8 million in fee-for-service revenue per year

Awarded \$2.2 million in Noxious Weed Trust Fund Grants to all 56 counties and 4 tribes

Collected ~100 groundwater samples per year to monitor pesticides. No detections exceeded drinking water standards.

Agriculture Analytical Lab processed results for over 2,500 samples and 60,000 data points per year

- Maintained ISO 17025 accreditation and proficiency testing for forage, feed, fertilizer, and pesticide residues

- Completed detailed design specifications for new AAL combined with VDL and Wool Lab in Bozeman

Agricultural Development Division Highlights

Reduced operating expenses at State Grain Lab

- Less seasonal staff, more training
- Quicker turnaround times (<1 day)
- New inventory management software

In-person trade missions and shows

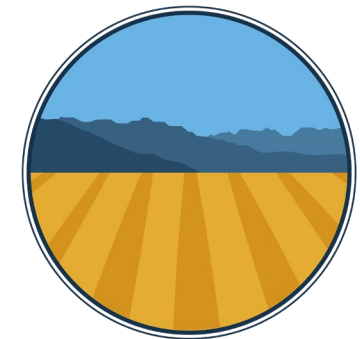
- Pulse Crops to S. America
- Beef genetics in Mexico and Argentina
- Heineken Barley Agreement

\$15M+ Federal Grant Award and Delivery

- Value-Added Ag Infrastructure
- Port Enhancement
- Local Food Purchase Assistance
- Specialty Crop Research & Promotion

Free Access to Mental Health Resources

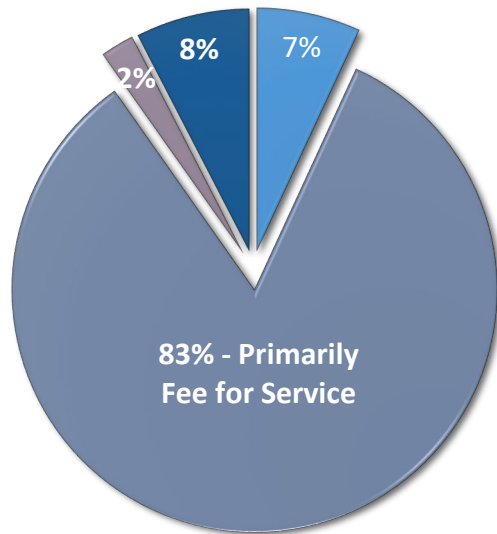
- Award-winning Beyond the Weather campaign





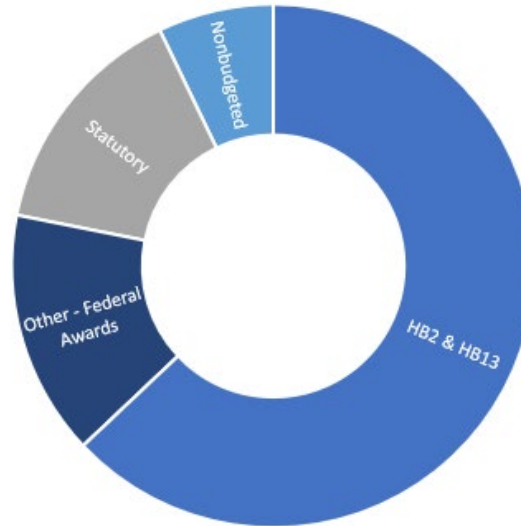
Where our funding comes from and how it will be spent – Annual budget is approximately \$20 million

Funding by Fund Type

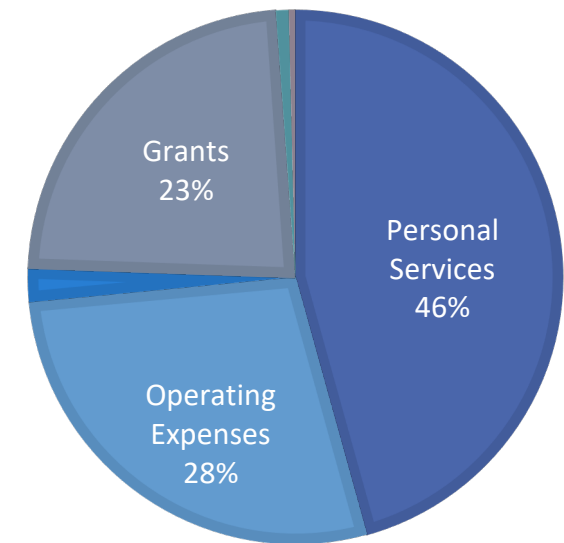


- General Fund
- State Special Revenue
- Proprietary - Hail Insurance
- Federal Special Revenue

FUNDING AUTHORITY



SPENDING BY CATEGORY



Statewide Present Law Adjustments – make up nearly 60% of our budget increase request

Statewide Present Law 1, 2, & 3	Fiscal Year 2024	Fiscal Year 2025
Personal Services ~7k per FTE	\$856,236	\$909,327
Fixed Costs – SITSD, Rent, etc.	\$133,242	\$74,935
Inflation Deflation	\$189,091	\$214,310

New Proposals	Fiscal Year 2024	Fiscal Year 2025
New Fixed Costs	\$4,998	\$4,998

Total Budget Office Adjustments	\$1,183,567	\$1,203,570
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Federal & State Special Funding Authority Increase Requests – we have the money but need the spending authority

ONGOING FUNDING: \$380,000 EACH YEAR

15002: Federal Indirect Cost Rate Increase of \$100,000 each year

30002: SAFHRS System Maintenance of \$50,000 each year (HB10 request for system implementation)

30004: Various Agricultural Sciences Increase of \$190,000 each year

30009: Chromatography Instrument Maintenance of \$20,000 each year (OTO request below)

50004: Commodity Assessment System Maintenance of \$20,000 per year (HB10 request for system implementation)

ONE-TIME ONLY FUNDING: \$236,000 IN FY2024

30003: Lab Combustion Analyzer - \$86,000

30008: Chromatography Instrument - \$100,000

50005: Hail Insurance System - \$50,000



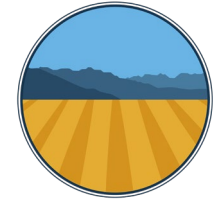
One-Time Only General Fund Request



30010: Hemp Program Resources
for \$125,000 each year to mitigate the
compliance costs with federal laws that
are in flux

50001: State Grain Lab Resources
for \$250,000 each year to alleviate past
cash deficit until the operational
efficiencies and rate increases can be
realized

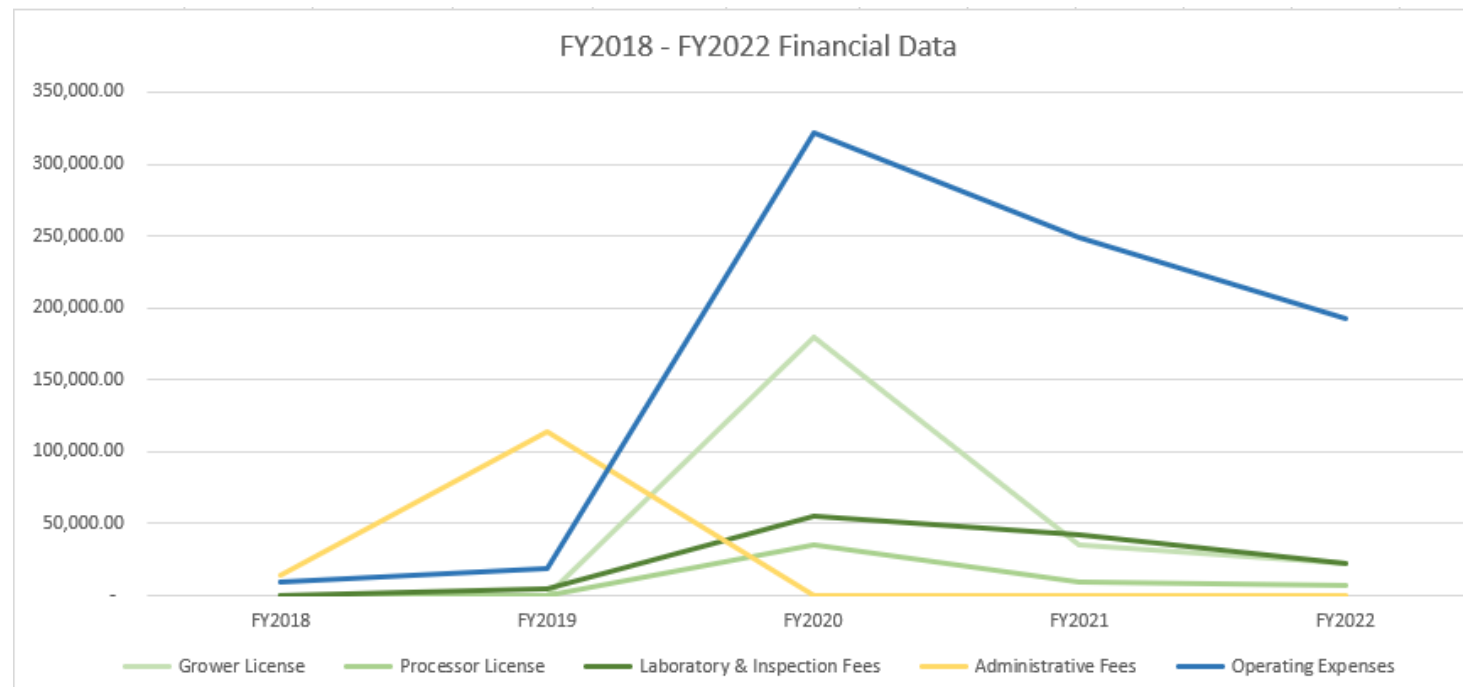
Industrial Hemp, MCA 80-18-1



Individuals growing or selling hemp, or hemp seeds shall apply for a license from Department of Agriculture

AAL has DEA license for THC testing

Fiscal Year	License Applications	Planted Acres
2020	124	10,950
2021	38	2,540
2022	28	6,140





State Grain Lab

MCA 80-4-7

Located in
Great Falls and
Plentywood

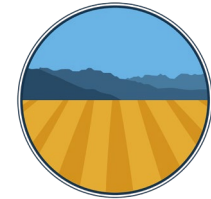
- Only USDA Federal Grain Inspection Service in Montana
 - Official USDA inspection required for foreign trade
 - Monitored by Federal Grain Inspection Services (FGIS)
 - More reliable, consistent, and unbiased testing, grading, inspection results
- Commodities Inspected include:
 - Wheat, barley, oats, rye, corn
 - Green, yellow, and mottled peas, chickpeas, lentils, navy and pinto beans
 - Canola, safflower, sunflower, soybeans, mustard

- Number of inspections:

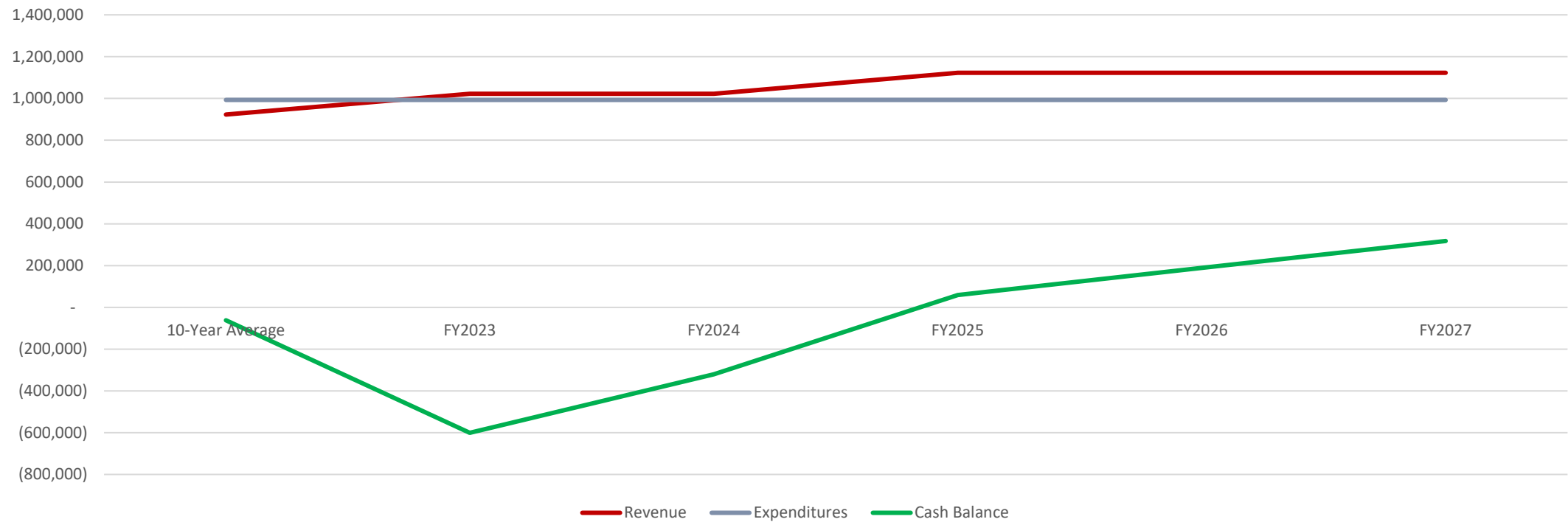
	FY2019	FY2020	FY2021	FY2022
Great Falls	15,005	14,248	16,627	12,146
Plentywood	4,080	4,543	4,081	2,706
Total	19,085	18,791	20,708	14,852

- Primarily operates on income generated from fees and services rendered
 - Raised rates effective July 1, 2022
 - Anticipate additional rate increase
- 13 FTE, 3 vacant – ongoing turnover and training:
 - Lab Director, Quality Assurance Specialist, Lab Coordinators, Inspectors, Samplers, Administrative Staff

Path to Lab Sustainability



4-Year Projection, assuming fees increases of \$100k in each FY2024 & FY2025 and an additional \$100k in each FY2026 & FY2027



Questions

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