

Operating Budget Requests

- I am pleased to submit an \$8.85 million operating budget request for the Delaware Department of Agriculture (DDA) for Fiscal Year 2023. This modest request is fiscally responsible while allowing our Department to fulfill its mission of serving our agricultural community and providing a wide array of consumer protection services for Delawareans.
- Our Fiscal Year 2023 budget request encompasses the one percent General Fund contingency increase. The proposed expenditures related to this increase include:

- **Nutrient Management Environmental Scientist Inspector Position
General Fund Enhancement - \$56,900**

This position, funded by a three-year pass-through grant from DNREC, made possible by funding from the EPA to inspect farm operations for Nutrient Management regulatory compliance, will end in June 2022 when that grant is complete. We request an increase in General Fund Personnel of \$56,000 (75% of year one salary) for an Environmental Scientist III position to perform regulatory inspections and audits of nutrient management and animal waste management plans.

The Nutrient Management Program currently has one full-time staff assigned to inspections that can perform 65 inspections annually; however, due to the number of farms involved in Nutrient Management, Delaware needs to inspect 118 farms each year. To satisfy EPA guidance for reporting compliance of regulated farms, we need the additional FTE Environmental Scientist III position.

- **Food Products Inspection Ag Commodity Inspector General Fund
Budget Increase - \$13,600**

We are requesting an increase for this position to support the personnel expenses of a new Ag Commodity Inspector position, funded 30/80 percent with General Fund/ASF funds. The newly created position would provide poultry and

egg graders relief, conduct statewide fruit and vegetable inspections and retail egg inspections. This position will require licenses for all products.

- **Poultry and Animal Health General Fund Budget Increase - \$19,100**

This funding will allow for the maintenance of our KIFCO machines used in the poultry emergency response. The cost of maintaining these machines has increased each year. Due to the unexpected nature of animal health emergencies, these machines need to be ready at a moment's notice.

USA Herds is an animal health application that is being purchased during FY 2022. The cost of hosting the servers was not factored into our operating budget because we did not realize that DTI would need to charge a fee for the hosting.

Lastly, our stray livestock and welfare programs have requested additional funds for contractual and supply costs. This year we are experiencing an increase in the number of seizures involving stray livestock and welfare issues. These programs have been significantly underfunded since signed into law in 2016, but this has truly become evident through the pandemic as residents have to choose between feeding their families or their horses and livestock. When a seizure of animals that have been treated inhumanely occurs, many expenses are incurred by the Department to impound the animals, provide veterinary care, and board them until the case goes to trial or the owner relinquishes them to the state. Seizures due to animal cruelty are unpredictable in size and frequency. One seizure in the spring of 2021 cost the agency close to \$26,000. Already this fall, we have had two additional seizures and have surpassed the budgeted amount for this fiscal year, and it's only November. We are concerned that this trend will continue to grow, and we could need more funding.

- **Administration General Fund Budget Increase - \$25,000**

The Department is requesting a \$25,000 increase to supplement our contractual line for department-wide IT upgrades that will improve the efficiency of our staff. In Fiscal Year 23, we plan to use \$20,000 of these funds to purchase two

additional WinWam modules for our Weights and Measures Section allowing our inspectors to print warnings, complaints, incident reports, track daily field inspections, and connect with the office from the field. The additional \$5,000 will be used to provide technology upgrades in the Department. Beyond Fiscal Year 23, this funding is essential to improving the quality or efficiency of services that our agency offers Delawareans.

- **Weights and Measures GF Budget Increase - \$2,000**

As I shared earlier, Weights and Measures already utilizes WinWam, but by adding additional modules to their program, there are required annual maintenance fees payable to the vendor. This increase allows us to cover the costs attributed to the section's use of these modules for Fiscal Year 23 and each year after that.

- **Nutrient Management GF Budget Increase - \$22,600**

This request would allow the Nutrient Management Program to complete research that would provide data to the conservation districts to increase the effectiveness of cover crop payments with more specific practices. By conducting local research, we are confident we can provide data that will expand the parameters to include a more comprehensive array of management strategies used to produce cover crops, increasing our progress towards meeting the goals of pollution mitigation.

- **Planning GF Budget Increase - \$4,000**

The Department is requesting this increase to cover expected deficits in the Planning Contractual line, covering fleet, GIS software, other software programs. Part of the budget deficit in this area is because we have increased the number of GIS users in this section from one to four, which requires more licenses.

Capital Requests:

Our Capital Line requests include two major programs that impact Delaware's agricultural community and protect our land and waterways for all Delawareans.

- **Aglands Preservation Program - \$10 million** (including up to \$3 million for the Young Farmers Loan Program and \$1 million for Forestland Preservation). Since its inception in 1996, the Aglands Foundation has permanently protected 143,000 acres at the cost of more than \$262.0 million using a combination of state, federal, and county funds. Additionally, landowners over the program's life have donated \$350.0 million to the Foundation – representing a discount of 58 percent of the value of their easements. Landowner interest continues as seen in the most recent round of easement selections announced this year, with 185 properties appraised, 50 owners submitted bids, and 49 selected.

Funding at this level will provide sufficient funding to match federal funds from NRCS, Department of Defense (REPI), add to any county funds, purchase easements on properties that do not qualify for federal funds and operate the program. Full funding of \$10 million will allow us to preserve more farmland critical to our economy, assist counties in implementing smart growth plans so Delawareans can continue to enjoy the open space, and provide local food to our residents and visitors.

- **Cover Crop Investment - \$3.19 million.** We are asking for funding to continue the state's cover crop program to improve water quality and soil health. These funds help offset the costs for farmers to plant cover crops. Cover crops are the best tool – environmentally and economically – to reduce agricultural nutrient runoff, improve water quality, and mitigate climate change. With input costs rising across the board for seed, fertilizers, and equipment, we do not want farmers to consider whether or not they should be planting cover crops. This management tool improves soil health, increases the resiliency of fields to pests, and reduces fertilizer and pesticide use. This funding level will also serve as potential matching funds to federal grants to increase the acreage of cover crops planted in Delaware.

Minor Capital Improvement (\$500,000 total):

We appreciate the establishment of the minor capital line, and these are the ways we anticipate spending the funds in this line:

- **Animal Health Lab Renovations (Poultry and Animal Health)** – We are requesting additional funding to complete the previously planned renovations to the lab. Unfortunately, asbestos flooring was discovered when work got underway, so demolition is an extra cost.
- **Replacement of two gasoline provers (Weights and Measures)** – Two of the provers currently used by our Weights and Measures section to test gas pumps are over 30 years old and at the end of their useful life.
- **Renovate the Entomology Lab (Plant Industries)** – The Plant Industries Entomology Lab is furnished with hand-me-down lab furniture installed 20 years ago. A complete renovation will improve its usability and the ergonomics of workstations, lighting, and storage.
- **State Forest Building Renovations (Delaware Forest Service)** – Several Redden and Blackbird State Forests buildings need HVAC upgrades, roof and window repairs, and security improvements.
- **Delaware Department of Agriculture’s Richard Cordrey Building Upgrades** – As the main office for the Department, there are multiple upgrades needed, including shower renovations for field staff, entrance repairs, and upgrades to the conference room.