



Overview of Fee Bill FY17

Diane Bothfeld, Deputy Secretary for
Dairy Policy

Agency of Agriculture, Food and
Markets

Agriculture's Fee Bill

- Agency of Agriculture, Food and Markets mission is to:
 - *Facilitate, support and encourage the growth and viability of agriculture while protecting the working landscape, human health, animal health, plant health, consumers and the environment.*

Agriculture's Fee Bill

- Mission supported through
- Fee Based Programs to protect
 - Human health
 - Animal health
 - Plant health
 - Consumers
 - Environment
- The Three Questions:
 - How much did we do?
 - How well did we do it?
 - Is anyone better off?
- Agency involvement in RBA
 - Two programs in the very first pilots
 - Indicators in Act 186
 - Will add examples in programs that are not yet under RBA



Agriculture's Fee Bill

- Agency Fee Bill for FY 17
 - Increases fees by \$1.6 million
 - Total in FY16 - \$2.9 million
 - Total in FY17 - \$4.5 million - \$4.125 for FY17 with Small Farm Certification not until FY18
 - Two constituent meetings held
 - Grocers Association, Fuel Dealers, Fam Bureau, Cooperatives, Feed Dealers and Fertilizer Dealers attended
 - 4 new fee requests to support expanded activities of the Agency
 - Suggestions to end fees
 - Suggestions to end exemptions that increase administrative costs

Agriculture's Fee Bill

- Water Quality
 - State Clean Water Fund
 - Agency Staff and Operating
 - Determine another funding source for Staff & Operating - focus on implementation grants
 - Certain proposed fees to cover staff & operating Activities currently covered by Clean Water Fund FY18 & beyond

| Agricultural Portion | Staff & Operating | Grants to Farmers | Total |
|----------------------|-------------------|-------------------|-------------|
| FY 16 | \$450,000 | \$225,000 | \$675,000 |
| FY 17 | \$450,000 | \$1,525,000 | \$1,975,000 |

| Recommendation by Administering Agency | FY16 | FY17 | Total By Agency |
|--|--------------------|--------------------|---------------------|
| ANR | \$1,200,000 | \$4,870,000 | \$6,070,000 |
| AAFMM | \$675,000 | \$1,975,000 | \$2,650,000 |
| Vtrans | \$200,000 | \$1,480,000 | \$1,680,000 |
| Total Need | \$2,075,000 | \$8,325,000 | \$10,400,000 |

Agriculture's Fee Bill

- Fee bill increases integral to Agency's budget
 - Changes to fees would require budget adjustments
- Agency has 5 divisions
 - Fee bill proposals impact 3 of 5 divisions



Agriculture's Fee Bill

- Administration
 - Centralized licensing and registration for entire agency
 - Increased efficiency
 - Highlights areas of global concern
 - Global Initiation fee and late fee for all license and registration programs
 - All fees reviewed to include overhead costs for administration as well as program work

Agriculture's Fee Bill

- Administration
 - Certificate of Free Sale – increase and improve language
 - Supports companies that wish to export products
 - 578 certificates completed in FY15
 - Major agricultural companies – Agri-Mark, Bascom Maple, Butternut Mountain Farm utilize Certificates of Free Sale

| How much did we do? | How well did we do it? | Is anyone better off? |
|-----------------------------------|---|---|
| Certificates of Free Sale FY15 | | |
| 578 | Processed in a timely manner for companies. | Facilitated export of products for these companies to foreign countries. Example - Whey Concentrates = \$50 million |

Agriculture's Fee Bill

- Agricultural Resource Management
 - Water Quality, Plant Industry and Pesticide Program
 - Water Quality
 - Increase in workload in ACT 64
 - Northern Lake Survey
 - Adding Staff
 - Concern for Clean Water Fund for Staff and Operating
 - New Fees – Small Farm Certification and Custom Applicator Certification

Agriculture's Fee Bill

- Agricultural Resource Management
 - Plant Industry
 - Licensing, registration and certification
 - Nurseries
 - Seed dealers
 - Seed producers
 - Wild plants such as Ginseng.
 - Protect consumers and those raising plants for sale in Vermont and outside of Vermont from plant diseases.

Agriculture's Fee Bill

- Agricultural Resource Management
 - Pesticide Program
 - Pesticides, Feed and Fertilizer
 - Important for agriculture and other industries
 - Continue to raise concerns based on improper use
 - The pesticide programs provides
 - Education and certification for businesses and applicators for proper storage, handling and use as well as management of which pesticides are legal for use in Vermont.
 - The Feed and Fertilizer programs provide
 - Consumer protection for those that purchase these products by verifying authenticity of marketing claims on feed and fertilizer content.
 - All three of these products with improper use can have an effect on the water quality of the state.

Agriculture's Fee Bill

| How Much did we do? | How well did we do it? | Is anyone better off? |
|---|---|--|
| Registration of Economic Poisons | | |
| 11,000 | Review & determine if pesticides are legal for use in Vermont. | Changed registered use of pesticide which affected compost in Vermont. |
| Certification of Pesticide Applicators, company licenses & dealers | | |
| 6,230 | Letters of Warning - 3 Notice of Violations – 5 Assurance of Discontinuance – 1 | Improper storage, application &/or certification of applicators. Bedbug issue in Rutland – follow-up on pesticide misuse. |
| Registration of Feed Products | | |
| 12,100 representing 788 companies | Feed sampled to determine quality | No violations found – program assist in keeping dealers in compliance. |
| Seed Dealers and Nursery | | |
| 600 dealers & 500 Nursery | Inspection program | No violations found – late blight & other disease concerns monitored |
| Ginseng | | |
| 384 | Certification of wild product prior to sale | Concerns with proper age of root. No violations found but growing number of certification – demand on wild plant increasing. |

Agriculture's Fee Bill

- Food Safety, Consumer Protection
 - Dairy, Meat & Poultry Inspection, Animal Health and Consumer Protection sections
 - Dairy -tremendous grow in processing in 2015 increase from 120 to 135 licensed dairy processors.
 - Meat & Poultry Inspection - 23 new meat facilities (including packing plants, slaughterhouses, & pre-packaged retailers) in 2015
 - Growth creates skilled jobs, expanded capacity, and economic opportunity for Vermont's farmers.

Agriculture's Fee Bill

- Food Safety Consumer Protection
 - Animal Health monitors & maintains the health of the livestock industry in Vermont.
 - Animal Health prepared a response plan & led the agency in preparing for an Avian Influenza outbreak.
 - Consumer Protection
 - protecting consumers directly with inspection of retail outlets on weights and measures issues such as accuracy of scales, gas pumps and propane trucks dispensers.

Agriculture's Fee Bill

- Food Safety Consumer Protection and RBA
- Objective/Performance Measure
 - ***To advance a safe and secure food supply within a marketplace that provides fair and equal access to consumers and processors in order to enhance Vermont's working landscape, rural character and local economies.***

Agriculture's Fee Bill

- Food Safety, Consumer Protection and RBA

| Performance measure | FY 14 actual | FY 15 actual | FY 16 Estimate |
|--|--------------|--------------|----------------|
| Number of Licenses/ registrations /permits overseen by division | 18,876 | 19,506 | 19,514 |
| Number of inspections completed by division | TBD | 17,218 | 17,135 |
| Number of compliance activities completed by the division that go beyond the level of field staff (action taken by management) | TBD | 303 | 282 |

Agriculture's Fee Bill

- Food Safety, Consumer Protection and RBA – ACT 186
- **ACT 186 Legislative Results Based Accountability – July reporting cycle**
- Population Indicator
 - Number of Vermont food recall incidents:
- Data Source - Agency of Ag data - meat, dairy, maple, eggs, strawberries and potatoes
- Current Period - 2 voluntary recalls in 2015
 - Voluntary recall was conducted by Vermont Smoke and Cure, Hinesburg, VT of their 5 Knives, no antibiotic and born in Vermont line of pork products for economic misbranding.
 - On March 31, 2015 Farm to Fridge LLC, Shoreham, VT initiated a voluntary recall on production from one of their pasteurizers March 19, 24 and 29. The products produced were cultured milk and yogurt. The recall was initiated because air space thermometer was not working properly and there was no way to verify complete pasteurization.

Agriculture's Fee Bill

- Fee based programs at the Agency of Agriculture have direct impact on Vermonters
- Increase in fees to cover current and added costs of activities of the Agency
- General Overview – each section chief will give more detail information on fees.
- Looking forward to working with the legislature on the fee bill.