

Department of Agriculture

Analysis of Proposed Expenditures for the 1947-48 Fiscal Year

For Support of the Department of Agriculture, From the General Fund

Item 37, pages 5 and 6 of the Budget Bill and pages 46 to 64, inclusive, of the Budget. Amount requested \$3,131,223 for support from the General Fund.

This represents an increase of \$1,270,030 or 68.2 percent over expenditures of \$1,861,193 for the 1945-46 Fiscal Year; and an increase of \$570,194 or 22.3 percent over the amount of \$2,561,029 allowed for expenditure in the 1946-47 Fiscal Year.

The statistical summary on the following page shows the distribution of increases requested, totaling \$570,194, by various categories of General Fund activities and by object of expenditures.

Salaries and wages account for 54.3 percent of the proposed total increase of \$570,194 for 1946-47; operating expenses account for 29.2 percent of the increase, and equipment for 16.5 percent.

The principal activities comprising the increase in proposed expenditures can be seen from the following tabulation.

<i>Activity</i>	<i>Amount of increase</i>	<i>Percent of Total increase</i>
Grape Leaf Skeletonizer Eradication--	\$23,881	4.05
Mexican Bean Beetle Suppression----	16,359	2.78
Incipient Pest Survey -----	47,715	8.10
Rodent Plague Suppression-----	50,550	8.58
Spray Residue Enforcement-----	13,951	2.37
Plant Quarantine Service-----	51,865	8.80
Bureau of Livestock Disease Control--	63,095	10.71
Bureau of Meat Inspection-----	148,242	25.16
Other Activities -----	173,488	29.45
Reimbursement from other funds-----	—18,952	----
	\$570,194	100.00

The proposed increase of \$139,420 for the Entomological Service is seen from the above table to be largely due to emergency pest control projects concerned with eradication of the grape leaf skeletonizer in San Diego County and the Mexican bean beetle in Ventura County, and by expansion of beet leaf hopper control activity. Eradication of the grape leaf skeletonizer and the Mexican bean beetle are emergency measures and will be necessary expenditures during the budgeted year. However, it is hoped that these expenditures can be eliminated or reduced the following year.

Department of Agriculture General Fund
Distribution of Proposed Expenditures, 1947-48

	<i>Estimated expendi- tures 1946-47</i>	<i>Proposed expendi- tures 1947-48</i>	<i>Increase</i>		<i>Percent of total increase</i>	<i>Salaries and wages</i>	<i>Increase by object of expenditures</i>	
			<i>Amount</i>	<i>Percent</i>			<i>Operating expense</i>	<i>Equipment</i>
Departmental Administration -----	\$124,917	\$146,178	\$21,261	17.0	3.7	\$14,078	\$6,870	\$11,089
Bureau of Entomology and Plant Quarantine -----	864,094	1,003,514	139,420	16.1	24.5	66,203	50,536	22,681
Bureau of Plant Pathology -----	60,958	83,126	22,168	36.4	3.9	9,402	5,490	7,276
Bureau of Rodent and Weed Control and Seed Inspections -----	239,560	314,740	75,180	31.4	13.2	13,295	56,700	5,185
Bureau of Chemistry -----	19,004	32,955	13,951	73.4	2.4	9,696	3,975	280
Bureau of Livestock Disease Control -----	339,966	403,061	63,095	18.6	11.1	25,351	17,923	19,821
Bureau of Dairy Service -----	99,578	105,758	6,180	6.2	1.1	802	1,140	4,238
Bureau of Meat Inspection -----	413,088	561,330	148,242	35.9	26.0	126,932	16,255	5,055
Bureau of Markets -----	20,005	31,643	11,638	58.2	2.0	14,759	1,520	4,635
Bureau of Agricultural News -----	157,372	175,131	17,759	11.3	3.1	12,668	1,770	3,321
Bureau of Agricultural Statistics -----	36,732	41,703	4,971	13.5	0.9	4,558	955	—542
Bureau of Fruit and Vegetable Standardi- zation -----	155,600	178,287	22,687	14.6	4.0	7,937	3,225	10,425
Bureau of Weights and Measures -----	30,155	53,797	23,642	78.4	4.1	13,930	5,830	3,782
Total -----	\$2,561,029	\$3,131,223	\$570,194	22.3	100.0	\$319,661	\$172,239	\$97,246
						54.3%	29.2%	16.5%

Meat inspection costs became a General Fund obligation by vote of the Legislature in 1945. During the 1947-48 Fiscal Year it is estimated there will be a return to state inspection. The Budget request is based on a gradual return of three-fifths of these plants to state inspection prior to June 30, 1948. The number of inspectors required for the 55 packing plants is 71.

The Plant Quarantine Service Budget reflects the establishment of new border stations due to an increase of 130 percent in automobiles entering the State during 1945-46 over 1944-45 which is continuing, as well as increased commerce in maritime ports and expanded commercial air service to Mexican and Pacific points. Three airlines have been awarded permits to conduct passenger and cargo operations between this country, Mexico and South America. Two positions are proposed for the San Diego Station for increased pleasure and commercial airplanes. New positions are provided at the Glendale Airport, San Pedro port station and Alturas and Tulelake border stations. Of the total increase in expenditures for plant quarantine, approximately \$30,000, or two-thirds, is for salaries and wages.

The Livestock Disease Control Budget is increased in large part by the filling of positions which were vacant a good part of the current fiscal year. \$25,000 of the increase for this bureau is for salaries and wages.

Expansion of services includes control of poultry diseases, study of parasites, especially in sheep and poultry, and \$7,500 for bovine tuberculosis control indemnities.

Operating expenses are increased by \$18,000, approximately one-half of which is for travel requirements of new positions. In the proposed budget there are to be 52 traveling employees, of which 41 are livestock inspectors.

Increase in equipment of \$20,000 provides for replacement of 26 automobiles. *The Department of Agriculture maintains good controls and records over the use of state automobiles, and the need for these replacements has been adequately demonstrated.*

Increases classified as in "other activities" are principally for General Marketing Service, which reflects industry requests for marketing orders and programs under the marketing acts, and which is largely reimbursable from industry, for Bureau of Market News, Fruit and Vegetable Standardization and Weights and Measures.

Recommendations

The Department of Agriculture is requesting 38 new positions to be paid for out of the General Fund, costing \$112,660. There are included in this number a total of 15 positions in the bureaus of the Division of Economics, including General Marketing Service, Market News, Agricultural Statistics, Fruit and Vegetable Standardization and Weights and Measures. *Some of these positions, and the operating and equipment expense associated with the positions, will undoubtedly qualify as matching money relative to Public Law 733, passed August 14, 1946, providing Federal Assistance to Agricultural Marketing research.*

Public Law 733 amends the Jones-Bankhead Act, and authorizes amounts increasing from \$14,000,000 in 1947-48 to \$61,000,000 in 1951-52. This money must be matched by the states, and amounts pro-

vided for agricultural marketing research must be matched by funds over and above that already appropriated by the states for marketing research. *The effect of this provision is that any new applicable matching money appropriated by the State in the 1947-48 Fiscal Year prior to the formulation of federally approved programs will not serve as matching money under the act.* Each year the State will lose federal funds equivalent to additional appropriations made in the 1947-48 Fiscal Year which are not included in a federal program. Unfortunately, the law penalizes states which already have good agricultural marketing and service departments. It is to the advantage of states to hold back all possible future matching funds, however.

The people of the State of California who pay over 3½ billions of dollars in federal taxes annually, are entitled to expect that officers of the State Department of Agriculture will be diligent in taking full advantage of federal programs of this nature. The setting up of Item 37.1 as suggested in the following should force the department to do so.

We recommend, accordingly, that a study be made immediately to determine which of the expenditures proposed in this Budget will apply as matching money under this law.

We further recommend that Item 37.1, in the amount of \$202,398, be set up in the Budget Bill, representing the increase in appropriation requested for 1947-48 for the Division of Economics, and that this amount be appropriated with the provision that such funds as are applicable for matching federal funds be made available by the Director of Finance only as federally approved projects are established permitting these funds to qualify. Item 37 will correspondingly be reduced by \$80,697, representing the proportionate amount of proposed Item 37.1, which is paid from the General Fund.

We recommend that the spray residue enforcement program be made more nearly self-supporting by the passage of legislation making compulsory the charging of a fee, to be levied at the source. At present this expense is borne almost entirely by the State from the General Fund.

Except for the reduction of \$80,697 for Item 37.1, we recommend that Item 37 be approved as requested. Amount recommended is \$3,050,526.

For Construction, Department of Agriculture

Item 38, page 6, of the Budget Bill, and pages 65-66 of the Budget. Amount requested is \$25,050, from the General Fund, for the following items:

Tulake Station :	
Well and water system.....	\$8,000
Dorris Station :	
Reroof Inspection Building.....	300
Motor operated doors.....	2,500
Blythe Station :	
Replace well.....	1,500
Addition to women's rest room.....	800
Improve inspection building lighting.....	500
Smith River Station :	
Motor operated doors.....	2,000
Truckee Station :	
Motor operated doors.....	2,500
Driveway improvements—various stations.....	1,600
Miscellaneous improvements—various stations.....	950
Bureau of Fruit and Vegetable Standardization :	
Road improvements at the following stations : Tracy, Hollister, Santa Barbara, Castaic, Banning, Hornbrook, Dorris, Truckee, Blythe, Fort Yuma and Yermo.....	4,400
	\$25,050

Recommendation

Approval recommended for \$25,050, the amount requested.

For Support of Department of Agriculture, Department of Agriculture Fund

Item 39, page 6, of the Budget Bill, and pages 67-79, inclusive, of the Budget. Amount requested is \$2,860,479 for support, payable from the Department of Agriculture Fund, an increase of \$193,025, or 7.2 percent, over estimated expenditures in the 1946-47 Fiscal Year.

Statistical Summary

Distribution of proposed expenditures for 1947-48 is shown as follows:

Department of Agriculture Fund
Distribution of Proposed Expenditures, 1947-48 Fiscal Year

	<i>Estimated expenditures 1946-47</i>	<i>Proposed expenditures 1947-48</i>	<i>Increase</i>		<i>Percent of total increase</i>	<i>Salaries and wages</i>	<i>Increase by object of expenditures</i>	
			<i>Amount</i>	<i>Percent</i>			<i>Operating expense</i>	<i>Equipment</i>
Nursery Service-----	\$37,731	\$45,699	\$7,968	21.1	4.1	\$2,564	\$3,179	\$2,225
Field Crops-----	225,511	245,631	20,120	8.9	10.4	15,021	1,744	3,355
Bureau of Chemistry-----	161,023	181,276	20,253	12.6	10.5	9,712	7,485	3,056
Bureau of Meat Inspection-----								
Bureau of Dairy Service-----	107,002	114,315	7,313	6.8	3.8	1,516	1,865	3,932
Bureau of Livestock Identification-----	400,850	416,520	15,670	3.9	8.1	17,402	1,391	—3,123
Bureau of Markets-----	17,163	17,825	662	3.9	0.4	537	125	-----
Bureau of Market Enforcement-----	154,077	179,044	24,967	16.2	12.9	15,430	6,810	2,727
Bureau of Milk Control-----	411,559	465,255	53,696	13.0	27.8	25,281	18,550	9,865
Canning Tomato Inspection-----	308,055	302,284	—5,771	—1.9	—2.9	—9,880	710	3,399
Bureau of Shipping Point Inspection-----	769,596	804,345	34,749	4.5	18.0	21,639	12,128	982
Gasoline, Distillate, and Oil Inspection-----	74,887	88,285	13,398	17.9	6.9	7,838	1,085	4,475
Totals-----	\$2,667,454	\$2,860,479	\$193,025	7.2	100.0	\$107,060	\$55,072	\$30,893
						55.5%	28.5%	16.0%

The revenue for the support of the 25 self-supporting activities of the Department of Agriculture arises from optional inspection fees, and regulatory licenses, fees and assessments. The amount of revenue collected therefore depends upon agricultural production. In making the estimates of production for 1947-48, we believe that the department has been somewhat overoptimistic. The result is that budgeted expenditures for regulatory activities are probably in excess of what will be necessary. However, if the production levels of 1946-47 are maintained the proposed increase should not be out of line.

Salaries and Wages

Salaries and wages are proposed to increase 6.1 percent over the current year, including 21 new positions costing \$55,260.

Three-fourths of the total increase proposed for the Bureau of Field Crops is for salaries and wages, occasioned primarily by the filling of all authorized positions for the full fiscal year. In the current year these remained vacant because of the inability to fill such positions, especially chemists.

The Bureau of Chemistry is proposing an additional inspector of agricultural chemicals, the use of which is rapidly expanding. Similarly, sales of economic poisons and agricultural minerals have greatly increased. The bureau is also requesting a part-time stenographer-clerk to assist the district inspector in Visalia.

Thirteen new positions are requested by the Bureau of Livestock Identification, based on a large increase in livestock auctions and in the supply of beef cattle, as well as increased movements of cattle between summer and winter ranges by small truck lots. However, \$1,960 less seasonal help is requested.

The Bureau of Market Enforcement is proposing to establish new offices in the Imperial Valley and one in the lower San Joaquin Valley, requiring a total of four new positions. At present Imperial Valley is covered out of the Los Angeles Office and the whole San Joaquin Valley out of the Fresno Office.

Two new District Shipping Point Inspectors are proposed for the Bureau of Shipping Point Inspection to supervise districts throughout the State. Greater availability of inspectors making it possible to keep positions filled, is counted on to eliminate the current payment of overtime, and to meet the present demand for inspections, which has not been met in the last few years because positions have been left vacant.

We believe that, in view of the greater availability of inspectors, the two proposed District Shipping Point positions are not essential for shipping will probably be less in 1947-48. *We recommend elimination of these, saving \$6,360 in salaries and wages.*

Operating Expenses

Operating expenses are budgeted at \$122,213, an increase of \$55,072 or 6.7 percent over the current fiscal year. This is generally in proportion to proposed increases in personnel and activities. However, suggested elimination of two Inspector positions should reduce operating expenses

by \$6,000. We also propose that operating expenses of the Bureau of Milk Control be reduced by \$10,000 to cover reductions in printing and traveling.

Equipment

\$75,325 of the \$122,213 proposed for equipment is for new automobiles. In 1946-47, \$62,800 was spent for this purpose.

Recommendations

We recommend that Item 39 be reduced by \$29,660 to cover elimination of the two positions mentioned above, a reduction in seasonal help where new positions have been added, and \$5,000 in equipment. Likewise, proposed setting up of Item 37.1 establishing separate control over the budgeted increase in the Division of Economics from both the General and Special Fund, will correspondingly reduce Item 39 by \$121,701, the amount of such increase which will be paid out of the Department of Agriculture Fund. This will include budgeted increases in the Bureaus of General Marketing Service, Market News, Agricultural Statistics, Fruit and Vegetable Standardization and Weights and Measures. These proposed reductions will cut Item 39 to \$2,709,118, a total reduction of 5.6 percent.

Poultry Improvement Commission

For Support of the Poultry Improvement Commission, From the Poultry Testing Project Fund

Item 40, page 6 of the Budget Bill and pages 91 to 93, inclusive, of the Budget. Amount budgeted \$9,546 for support, payable from the Poultry Testing Project Fund.

This represents an increase of \$124 or 1.3 percent over expenditures of \$9,422 for the 1945-46 Fiscal Year; and an increase of \$1,799 or 23.2 percent over the amount of \$7,747 allowed for expenditure in the 1946-47 Fiscal Year.

Recommendation

In view of the recognized value of these expenditures to the poultry industry, we recommend the approval of Item 40 as requested.

For Additional Support of Poultry Improvement Commission, From Fair and Exposition Fund

Item 41, pages 6-7 of the Budget Bill and pages 91 to 93, inclusive, of the Budget. Amount requested \$8,760 from the Fair and Exposition Fund, an increase of \$3,816 or 77.2 percent over expenditures in the 1945-46 Fiscal Year and \$280 or 3.3 percent over the amount of \$8,480 allowed for expenditure in the 1946-47 Fiscal Year.

Recommendation

We recommend approval of Item 41 as requested.

For Construction, From the Poultry Improvement Commission

Item 42, page 7 of the Budget Bill and pages 91-92 of the Budget. Amount requested is \$2,650 for construction, improvements and equip-