



**Thomas A. Schweich**  
Missouri State Auditor

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# AGRICULTURE

## Department of Agriculture



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**December 2014**  
**Report No. 2014-131**

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<http://auditor.mo.gov>



**Thomas A. Schweich**  
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# CITIZENS SUMMARY

## Findings in the audit of the Department of Agriculture

Inspections	The Metrology/Moisture Meter Program failed to inspect some grain moisture meters and scales in calendar year 2013 as required by state law. The Petroleum/Propane/Anhydrous Ammonia Program failed to inspect some petroleum devices in calendar year 2013 as required by state law.
Missouri Wine and Grape Board Annual Reports	The Missouri Wine and Grape Board's annual reports do not provide any information related to the expenditures made during the year.
Salary Increases	The MDA provided significant salary increases to six employees during fiscal year 2013 and four employees during fiscal year 2014, representing an annual total increase in salaries of \$51,864 (ranging from 6 to 30 percent for these employees).
Board Appointments	The MDA oversees 4 boards, 4 commissions and an authority (boards). The MDA has not ensured the appointing authority filled vacant board positions timely. As of June 30, 2014, 7 appointments remained vacant. The MDA should also improve monitoring procedures to ensure members do not serve longer than allowed by state law. As of June 30, 2014, 48 of 72 (67 percent) active board members were serving beyond their term expiration date.
Analysis of Fees	As noted in our prior audit report, various program fees of the MDA do not cover the related costs of the program, forcing the programs to be more dependent upon funding appropriated from the General Revenue Fund. For example, expenditures for the Agriculture Business Development Division exceeded revenues by \$1,490,000 and \$1,450,000 during the 2014 and 2013 fiscal years, respectively, and the division did not perform and document an analysis of some fees charged. Some program fees have not been adjusted in more than a decade.

In the areas audited, the overall performance of this entity was Good.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Agriculture

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
Richard Fordyce, Director  
Department of Agriculture  
Jefferson City, Missouri

We have audited certain operations of the Department of Agriculture, excluding the Missouri State Fair, which is reported on separately, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, and 2013. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal control, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Agriculture.

A handwritten signature in black ink, reading "Thomas A. Schweich". The signature is fluid and cursive, with the first name "Thomas" and last name "Schweich" clearly legible.

Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

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Director of Audits:	Douglas J. Porting, CPA, CFE
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# Department of Agriculture

## Management Advisory Report

### State Auditor's Findings

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#### **1. Inspections**

The Weights, Measures and Consumer Protection Division failed to inspect some grain moisture meters and scales and petroleum devices, as required by state law.

##### **1.1 Grain Moisture Meters and Scales**

The Metrology/Moisture Meter Program, within the Weights, Measures and Consumer Protection Division, failed to inspect some grain moisture meters and scales in calendar year 2013 as required by state law.

The Metrology/Moisture Meter Program is responsible for ensuring the accuracy of grain moisture meters and associated equipment, such as scales. Owners and operators of moisture meters are required to register all commercial meters with the Weights, Measures and Consumer Protection Division each January. During 2013, they registered 504 moisture meters. Grain test scales are not required to be registered with the division. Program staff use the list of these scales inspected in the previous year to determine the scales needing inspection during the current year. During 2012, the Missouri Department of Agriculture (MDA) performed inspections of 408 grain test scales. Under Section 413.065(7), RSMo, and 2 CSR 90-21.025, the MDA is required to inspect and seal all commercial weighing and measuring devices annually. We tested inspection documentation for 26 registered moisture meters and 22 grain test scales for calendar year 2013 and determined the program did not perform an annual inspection on 5 of the 26 registered moisture meters tested (19 percent) or on 5 of the 22 grain test scales tested (23 percent) for which an annual inspection was required.

Failure to perform annual inspections, as required by state law, could result in inaccurate results of grain tests.

##### **1.2 Petroleum Devices**

The Petroleum/Propane/Anhydrous Ammonia Program, within the Weights, Measures and Consumer Protection Division, failed to inspect some petroleum devices as required by state law in calendar year 2013.

The Petroleum/Propane/Anhydrous Ammonia Program is responsible for a variety of services that ensure consumer protection and public safety; including, but not limited to, the inspection of petroleum dispensers. Under Section 414.072.1, RSMo, the MDA is mandated to inspect all petroleum measuring devices at least every 6 months, except that devices installed at marinas are required to be inspected at least once a year. There were a total of 3,880 petroleum sites inspected during 2013. Of the 3,880 petroleum sites inspected, 125 (3 percent) were not inspected on the required basis.

Failure to perform inspections, as required by state law, could result in inaccurate petroleum measurements.



Department of Agriculture  
Management Advisory Report - State Auditor's Findings

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## Recommendations

The MDA ensure the Weights, Measures and Consumer Protection Division:

- 1.1 Performs annual inspections of all grain moisture meters and grain test scales as required by state law.
- 1.2 Performs inspections of all petroleum devices as required by state law.

## Auditee's Response

*An unusual rate of staff vacancies due to retirements and illnesses, as well as limited access to some petroleum sites due to station renovations, repairs, or changes of ownership, resulted in an inspection rate slightly less than 100 percent. The MDA will continue to work toward inspecting 100 percent of the petroleum devices, grain moisture meters and grain test scales.*

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## 2. Missouri Wine and Grape Board Annual Reports

The Missouri Wine and Grape Board's annual reports do not set forth the complete operating and financial statement of the Board.

The Missouri Wine and Grape Board is responsible for researching, developing, and promoting Missouri grapes, juices, and wine. The Board is primarily funded by a tax on all wine sold in Missouri. Section 262.859, RSMo, requires the Missouri Wine and Grape Board to submit an annual report of its activities for the preceding year that sets forth a complete operating and financial statement of the Board. The fiscal year 2012 and 2013 annual reports present the asset balance at the end of the fiscal year and provide a breakdown of monies received during the fiscal year. However, the reports do not provide any information related to the expenditures made during the year. As a result, the annual reports are incomplete.

Without presenting a complete operating and financial statement, the Missouri Wine and Grape Board's annual reports are not in compliance with state statute and do not present the public with a transparent representation of the Board's activities.

## Recommendation

The Missouri Wine and Grape Board prepare a complete annual operating and financial statement detailing the Board's activities, as required by state statute.

## Auditee's Response

*The Missouri Wine and Grape Board will review the content of the annual report to ensure compliance with state statutes.*

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## 3. Salary Increases

The MDA provided salary increases to some employees that were not provided to other state employees.



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Management Advisory Report - State Auditor's Findings

In July 2012, state employees earning less than \$70,000 per year received a 2 percent cost of living adjustment. The budget approved by the General Assembly authorized an annual increase of \$500 (\$42 per month) for state employees effective January 1, 2014. The MDA provided significant additional salary increases to six employees during fiscal year 2013 and four employees during fiscal year 2014. These additional salary increases represented an annual increase in staff salaries totaling \$51,864, and represented annual increases ranging from approximately 6 to 30 percent for these employees. MDA personnel indicated these salary increases were based on additional job duties and responsibilities or supervisory responsibilities and a desire to bring the salary of certain MDA staff to a level equal to other staff in similar positions. Although MDA officials provided memos or email messages indicating some of these raises resulted from additional job duties, they did not provide documentation detailing the specific job duties added for these employees or how they determined the positions for which salaries would be realigned.

Given the recent state budget constraints and that other state employees have generally not received such pay increases, the department should re-evaluate the reasonableness and necessity for these salary increases.

## Recommendation

In the future, the MDA discontinue providing pay increases significantly over and above those provided to other state employees.

## Auditee's Response

*The MDA compensates employees consistent with job duties and/or classification and will document any adjustments.*

## 4. Board Appointments

The MDA should improve procedures to ensure timely filling of Board vacancies, including replacing members who have served past their term expiration date.

The MDA oversees 4 boards, 4 commissions, and 1 authority (boards). Each board is governed by state laws and regulations that define the number, term length, and qualifications of members. These boards serve various functions such as advising the MDA, the Governor, and the General Assembly, overseeing state fair operations, administering milk inspections, and approving grants. Functions of other boards include promoting the development of agriculture and small businesses; promoting Missouri grapes, juices, and wine; promoting the development, sale, and distribution of alternative fuels; and developing a referendum for boll weevil eradication.

### Member vacancies

Various state laws require the appointment of a total of 79 board members. However, the MDA has not ensured the appointing authority filled vacant positions timely. As of June 30, 2014, 7 appointments (9 percent) remained vacant. The following table lists the number of members and vacancies.





Department of Agriculture  
Management Advisory Report - State Auditor's Findings

BOARD	Members	Vacancies
AgriMissouri Advisory Commission for Marketing Missouri Agricultural Products	9	0
Missouri Agricultural and Small Business Development Authority	8	1
Missouri Cotton Growers' Organization Board of Directors	9	0
Missouri Alternative Fuels Commission	9	4
Missouri Pet Spay/Neuter Fund Board	3	0
Missouri Propane Gas Commission	9	1
Missouri Wine and Grape Board	11	0
State Fair Commission	9	1
State Milk Board	12	0
Totals	79	7

Vacancies result in boards that contain fewer members than authorized or required by state law. Although the day-to-day operation of boards is overseen by each board's executive director, multiple vacancies could result in the lack of a quorum and prevent impacted boards from conducting business.

Term limits

The MDA should improve monitoring procedures to ensure appointing authorities are notified when members' terms end to ensure members do not serve longer than allowed by state law. Of the 72 active board members, 48 (67 percent) were serving beyond their term expiration date as of June 30, 2014, with 6 members serving more than 5 years beyond their term expiration date.

Board members should not be allowed to serve significant years beyond the term expirations established by state laws and regulations.

Recommendation

The MDA work with the Governor's office and other applicable appointing authorities to fill board vacancies timely.

Auditee's Response

*The MDA will work with the Governor's office and other applicable appointing authorities to fill board vacancies. The State Fair Commission vacancy was filled October 2, 2014.*

**5. Analysis of Fees**

As noted in the previous MDA audit report, fees charged by various programs at the MDA do not cover the related costs of the program, forcing the program to be more dependent upon funding appropriated from the General Revenue Fund. In addition, fees charged by some programs have not been analyzed on a periodic basis or as required by state regulations. Some program fees charged have not been adjusted in more than a decade.



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Animal Care and Animal  
Health Disease Control  
Programs

Expenditures for the Animal Care and the Animal Health Disease Control programs exceeded program revenues by approximately \$572,000 and \$300,000, respectively, during the year end June 30, 2014 and by approximately \$690,000 and \$475,000, respectively, during the year ended June 30, 2013. In addition, the Animal Health Division did not perform and document a periodic analysis of some division fees charged nor have per capita fees been analyzed on an annual basis, as required by the state code of regulations.

The Animal Health Disease Control Program is responsible for controlling, eradicating and testing for livestock disease in Missouri. The Animal Care Program is responsible for regulating breeders, dealers, boarders, shelters and pet stores to ensure they meet state standards regarding feed, water, shelter, veterinary care, building maintenance, socialization, identification and record-keeping requirements. These programs receive various license and registration fees from qualifying entities and charge various fees for the services performed.

The Animal Health Division last performed and documented a fee analysis during the year ended June 30, 2010 and that analysis only addressed the division's lab service fees. The division could not provide documentation of when it last performed a fee analysis of livestock brand fees, livestock sales and markets fees, and Animal Care Facilities Act fees. The division last adjusted livestock brand fees in 1992 and livestock sales and markets fees in 1990. No documentation could be provided of any fee analysis performed after these dates.

In addition, the division charges a per capita fee in the Animal Health Disease and Animal Care programs for each service performed or board day per animal, or animal sold, traded, bartered, brokered, auctioned, given, or otherwise disposed of other than by euthanasia or death. Per 2 CSR 30-9.020, these per capita fees shall be assessed annually and be based upon the budgetary needs of the program. According to division management, the per capita fees were established in the early 1990s and have not been assessed or analyzed since establishment.

Grain Regulatory Services  
Program

Expenditures for the Grain Regulatory Services Program exceeded program revenues by approximately \$685,000 and \$765,000 during the years ended June 30, 2014, and June 30, 2013. In addition, the Grain Regulatory Services Program did not periodically perform and document an analysis of fees charged by the program.

The program is responsible for licensing and regulating grain warehouses and grain dealers in Missouri. The program receives various license and registration fees from qualifying entities and charges various fees for the services performed. The program last adjusted grain warehouse license fees



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in 1977 and grain dealer license fees in 1997. The program could not provide documentation of any fee analyses performed after these dates.

Agriculture Business  
Development Division

Expenditures for the Agriculture Business Development Division exceeded revenues by approximately \$1,490,000 and \$1,450,000 during the years ended June 30, 2014, and June 30, 2013. In addition, the division did not periodically perform and document an analysis of some division fees charged.

The division helps to create opportunities for success for Missouri's farmers and agribusiness. The division administers AgriMissouri memberships, the domestic and international marketing of Missouri agricultural products, and the agriculture market news reporting service. The division receives various membership registration fees from qualifying entities and charges various fees for the services performed.

The AgriMissouri Commission, through the division, established the AgriMissouri membership fees and bar code fees in 2003 and 2005, respectively. These fees have not been analyzed since establishment. In addition, the division established market news subscription fees in 2003, which also have not been analyzed since that time. Although these fees would not necessarily be expected to cover all division costs, the fees should be analyzed periodically to determine if a change is needed.

Overall

The MDA should perform and document an analysis of fees charged by the various programs and consider adjusting fees where possible to cover more of the expenditures of the programs. By periodically performing a fee analysis and charging the most appropriate fee amount, the MDA will be able to ensure programs are maximizing their revenues, more adequately cover program costs, and become less dependent upon General Revenue funding. If the MDA determines that a program's fees cannot be set at a level to cover all expenditures of the program, the MDA should determine what percentage of expenditures should be covered by program revenues and establish fees accordingly.

Recommendation

The MDA periodically perform an analysis of fees and expenditures for all fee funded programs, consider adjusting fees where possible by administrative action to cover the programs' costs, and report the results of the analysis to the legislature for consideration.

Auditee's Response

*The MDA will periodically analyze fees for operations of the programs.*

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# Department of Agriculture

## Organization and Statistical Information

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The Department of Agriculture was created in 1933 by an act of the legislature to replace the Missouri State Board of Agriculture. Operating under a director, the department's divisions are charged with enforcing state laws regulating the handling and marketing of agribusiness products, as well as protecting producers, processors, distributors, and consumers of food and fiber and promoting Missouri's agricultural economy.

The following are the various responsibilities of the Office of the Director, the five divisions of the department, the Missouri Agricultural and Small Business Development Authority, the Missouri Wine and Grape Board, and the State Milk Board:

1. The Office of the Director determines department policy, assigns duties among departmental units, obtains financial and personnel resources to discharge department responsibilities, and monitors departmental performance.
2. The Animal Health Division, under the direction of the state veterinarian, promotes and protects Missouri's livestock industry, and administers the laws and regulations pertaining to livestock and poultry disease control, state licensed meat processors, livestock markets and dealers, and licensed commercial companion animal breeders and dealers.
3. The Grain Inspection and Warehousing Division is responsible for the enforcement of the Missouri grain dealers and grain warehouse laws and U.S. Grain Standards Act. The Grain Inspection Program serves as a disinterested third-party which, upon request, will determine the grade, weight, and protein content of grain for any interested party. The Grain Regulatory Services Program oversees the regulation of the storage, purchase, and sale of grain in Missouri. Additionally, the division administers the commodity check-off program and the Missouri agricultural mediation program.
4. The Agriculture Business Development Division administers the AgriMissouri program, the domestic and international marketing programs for Missouri agricultural products, the agriculture market news reporting service, and loans and grants for the betterment of rural agriculture. The division also administers the Agriculture Development Fund Program, which provides youth development programs and scholarships. In addition, the division works with the Missouri Agricultural and Small Business Development Authority and the Wine and Grape Board.



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Department of Agriculture  
Organization and Statistical Information

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5. The Plant Industries Division licenses pesticide applicators and administers regulations concerning the use of pesticides, herbicides, and other chemical products. The division also licenses plant nurseries and growers and inspects them for plant pests and diseases, licenses animal feed manufacturers and dealers and tests feed products for safety and compliance with labeling guarantees. In addition, the division licenses plant seed distributors and tests seed products for compliance with labeling guarantees, administers the fruit and vegetable inspection and the noxious weed programs, and regulates treated timber producers and sellers.
6. The Weights, Measures and Consumer Protection Division licenses and tests commercial weighing and measuring devices to ensure accuracy and fair dealing in the exchange of commodities. The division performs small-scale and large-scale testing, price scanner verification, and egg inspections. The division also performs motor fuel quality testing, volumetric testing and safety inspections of petroleum distributors and dealers, and tests liquefied petroleum gas meters. The division tests the accuracy of grain moisture meters and the metrology lab maintains standards for mass, volume, and length and certifies test weights, test measures, and volume provers for industry and agency testing programs.
7. The Missouri Agricultural and Small Business Development Authority was established in 1981 and its governing body consists of members who are appointed by the Governor with the advice and consent of the Senate and the department director as an ex-officio member. The authority issues tax-free bonds to lenders who make low-interest loans to farmers and small businesses and administers the beginning farmer loan, family farm breeding livestock loan, animal waste treatment system loan, single-purpose animal facilities loan guarantee, and Missouri value-added grant and loan guarantee programs. The authority also administers the New Generation Cooperative Incentive Tax Credit and the Agriculture Products Utilization Contributor Tax Credit programs.
8. The Missouri Wine and Grape Board was established in 2005 and its governing body consists of seven members who are appointed by the Governor with the advice and consent of the Senate and four ex-officio members including the department director. The Board promotes grapes, juice, and wine produced in Missouri using funds paid by grape and wine producers.
9. The State Milk Board was established in 1972 and its governing body consists of twelve members, ten of whom are nominated by the department director and appointed by the Governor with the



## Department of Agriculture Organization and Statistical Information

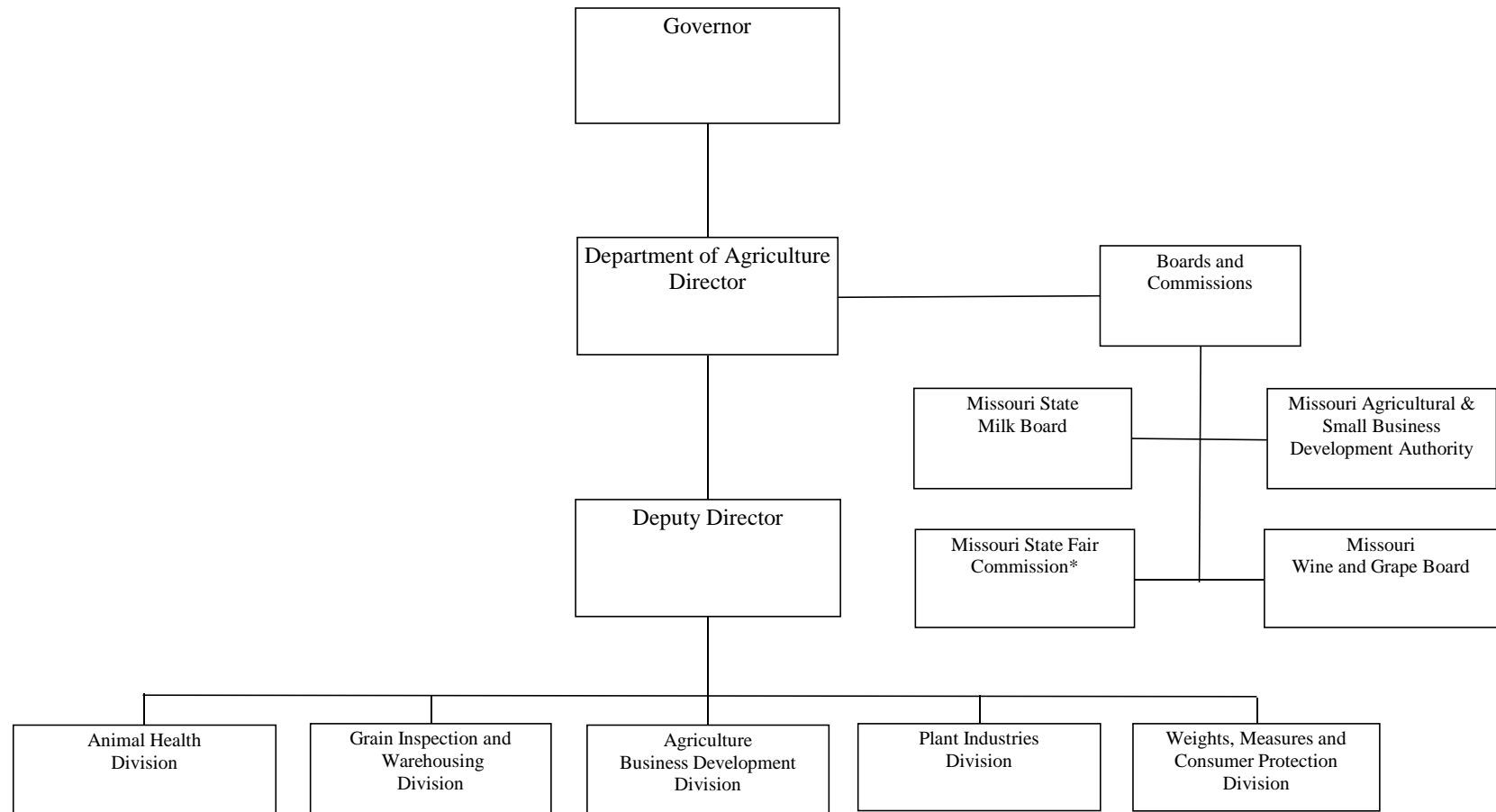
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advice and consent of the Senate, with the remaining two members being from the state Department of Health and Senior Services and the Department of Agriculture. Four of the appointed members of the Board must be Grade A dairy farmers representing recognized producer organizations, four are active members of local health departments in the state, and two represent processor and consumer interests. The Board administers milk inspections in relation to Grade A milk and milk supplies to ensure uniformity of procedures and interpretation of milk inspection regulations.

In addition, the department includes the State Fair Commission, which is audited and reported upon separately.

Dr. Jon Hagler served as the department director until October 11, 2013. Richard Fordyce was appointed department director on December 19, 2013, and confirmed on February 6, 2014, and continues to serve in this capacity. The department employed 283 full-time employees and 83 part-time employees as of June 30, 2014. An organization chart follows.

Department of Agriculture  
Organizational Chart  
June 30, 2014



\*Not included in this report.

Appendix A

Department of Agriculture  
Comparative Statement of Receipts, Disbursements, and  
Changes in Cash and Investments

	Year Ended June 30,						
	2013			2014			Cash and Investments June 30, 2014
	Cash and Investments June 30, 2012	Receipts *	Disbursements **	Cash and Investments June 30, 2013	Receipts *	Disbursements **	
Fund:							
Agriculture - Federal and Other	\$ 1,526,964	2,893,936	2,804,618	1,616,282	3,273,193	2,856,692	2,032,783
Animal Health Laboratory Fees	352,557	647,673	769,460	230,770	712,749	738,545	204,974
Animal Care Reserve	1,064,091	514,936	594,246	984,781	514,695	332,740	1,166,736
Livestock Brands	21,213	28,520	49,733	0	20,805	5,991	14,814
Commodity Council Merchandising	75,987	82,734	89,206	69,515	82,666	82,703	69,478
Single Purpose Animal Facility Loan Program	24,453	155,783	169,381	10,855	108,379	113,339	5,895
Single Purpose Animal Facility Loan Guarantee	12	0	0	12	0	0	12
Product Utilization and Business Development							
Guarantee	2	801	0	803	5,210	6,011	2
Agriculture Product Utilization Grant	40	164,574	164,570	44	234,448	234,430	62
Missouri Qualified Fuel Ethanol Producer	0	4,790,895	4,790,895	0	0	0	0
Aquaculture Marketing Development	0	4,217	4,147	70	4,540	4,585	25
Livestock Sales and Markets Fees	168	8,925	9,093	0	9,000	8,719	281
Apple Merchandising	3,010	4,023	83	6,950	2,247	4,389	4,808
Livestock Dealer Law Enforcement and							
Administration	9	0	0	9	0	0	9
Milk Inspection Fees	814,638	1,158,754	1,193,906	779,486	1,032,597	1,176,358	635,725
Grain Inspection Fees	832,823	1,763,768	1,784,711	811,880	2,569,543	1,856,997	1,524,426
Petroleum Inspection	1,882,974	2,375,671	2,603,765	1,654,880	2,374,280	2,515,455	1,513,705
Agriculture Business Development	316,867	92,377	57,735	351,509	268,401	241,968	377,942
Missouri Pet Spay/Neuter	20,791	20,271	19,942	21,120	0	19,708	1,412
Organic Production and Certification	36	0	0	36	0	36	0
Missouri Qualified Biodiesel Producer Incentive	0	5,077,367	5,077,367	0	5,359,250	5,359,250	0
Missouri Wine and Grape	988,960	1,624,650	1,694,854	918,756	1,746,436	1,894,232	770,960
Veterinary Student Loan Payment	2,266	117,754	120,000	20	116,461	116,400	81
Boll Weevil Suppression and Eradication	38,138	0	1,769	36,369	0	2,800	33,569
Missouri Wine Marketing and Research Development	793	36,502	36,502	793	42,194	42,124	863
Agriculture Development	2,633	101,430	98,087	5,976	105,455	105,155	6,276
Agriculture Protection	5,123,066	8,532,990	8,588,727	5,067,329	8,738,899	9,956,226	3,850,002
Federal Stimulus-MDA	61,713	2,034,774	2,061,277	35,210	19,598	52,851	1,957
Totals	\$ 13,154,204	32,233,325	32,784,074	12,603,455	27,341,046	27,727,704	12,216,797

\* Receipts include interagency billing receipts and transfers in.

\*\* Disbursements include interagency disbursements and transfers out. Disbursements on this statement will not agree to fund expenditures on Appendix B primarily due to appropriated transfers out for personal service benefits costs.



## Appendix B

Department of Agriculture  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND</b>						
Animal Health Administration Personal Service	\$ 2,538,348	2,437,995	100,353	2,467,043	2,393,032	74,011
Animal Health Administration Expense and Equipment	945,693	917,321	28,372	883,239	856,742	26,497
Grain Regulatory Services Personal Service	681,612	660,015	21,597	678,580	655,625	22,955
Grain Regulatory Services Expense and Equipment	86,802	85,274	1,528	85,034	85,034	0
Weights and Measures Personal Service	432,519	418,833	13,686	429,294	416,415	12,879
Weights and Measures Expense and Equipment	100,396	97,384	3,012	100,396	97,384	3,012
Agriculture Leasing	157,336	149,541	7,795	158,195	153,454	4,741
Refund Account	3,639	0	3,639	3,639	0	3,639
Indemnities	10,000	0	10,000	1	0	1
State Milk Board Personal Service	102,585	99,507	3,078	101,975	98,916	3,059
State Milk Board Expense and Equipment	852	792	60	872	846	26
Agriculture State Owned	83,464	83,464	0	89,226	86,549	2,677
Total General Revenue Fund	5,143,246	4,950,126	193,120	4,997,494	4,843,997	153,497
<b>AGRICULTURE-FEDERAL AND OTHER FUND</b>						
Animal Health Administration Personal Service	825,147	602,975	222,172	665,190	430,540	234,650
Animal Health Administration Expense and Equipment	778,584	192,120	586,464	765,026	603,031	161,995
Plant Industries Program Personal Service	542,002	344,067	197,935	538,312	380,565	157,747
Plant Industries Program Expense and Equipment	720,882	364,327	356,555	501,438	403,814	97,624
Director's Office Personal Service	45,708	0	45,708	45,434	0	45,434
Director's Office Expense and Equipment	284,883	66,600	218,283	293,308	0	293,308
Weights and Measures Personal Service	36,915	0	36,915	36,635	5,919	30,716
Weights and Measures Expense and Equipment	50,000	2,324	47,676	50,000	17,496	32,504
Director's Office Federal Personal Service	109,880	109,787	93	146,173	46,150	100,023
Director's Office Federal Expense and Equipment	224,325	114,584	109,741	219,750	219,602	148
Gypsy Moth Control Program	60,000	0	60,000	60,000	0	60,000
Gypsy Moth Control Program Personal Service	29,630	11,791	17,839	29,193	2,238	26,955
Gypsy Moth Control Program Expense and Equipment	11,388	8,507	2,881	13,000	2,730	10,270
Agriculture Business Development Personal Service	22,694	13,165	9,529	22,611	4,267	18,344
Agriculture Business Development Expense and Equipment	459,041	385,657	73,384	318,811	258,795	60,016
Grain Regulatory Services Personal Service	35,146	6,169	28,977	35,021	7,730	27,291
Grain Regulatory Services Expense and Equipment	36,211	3,351	32,860	41,180	41,175	5
Agriculture State Owned	18,375	18,374	1	16,754	16,681	73
Total Agriculture-Federal And Other Fund	4,290,811	2,243,798	2,047,013	3,797,836	2,440,733	1,357,103
<b>ANIMAL HEALTH LABORATORY FEES FUND</b>						
Animal Health Administration Personal Service	143,177	0	143,177	162,292	35,413	126,879
Animal Health Administration Expense and Equipment	657,007	620,041	36,966	547,316	547,313	3
Agriculture Leasing	51,941	46,067	5,874	43,548	41,781	1,767
Agriculture State Owned	30,664	30,663	1	29,687	29,592	95
Director's Office Personal Service	25,000	24,825	175	70,000	69,912	88
Total Animal Health Laboratory Fees Fund	907,789	721,596	186,193	852,843	724,011	128,832

## Appendix B

Department of Agriculture  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>ANIMAL CARE RESERVE FUND</b>						
Animal Health Administration Personal Service	488,845	161,017	327,828	536,762	268,346	268,416
Animal Health Administration Expense and Equipment	189,956	52,635	137,321	293,583	196,439	97,144
Agriculture State Owned	1,899	1,899	0	1,879	1,871	8
Director's Office Personal Service	30,000	26,386	3,614	0	0	0
Total Animal Care Reserve Fund	710,700	241,937	468,763	832,224	466,656	365,568
<b>LIVESTOCK BRANDS FUND</b>						
Livestock Brands Program	30,698	5,213	25,485	36,925	7,236	29,689
Director's Office Personal Service	0	0	0	3,259	3,259	0
Director's Office Expense and Equipment	0	0	0	9,692	8,769	923
Animal Health Administration Personal Service	20,000	0	20,000	20,000	18,990	1,010
Total Livestock Brands Fund	50,698	5,213	45,485	69,876	38,254	31,622
<b>COMMODITY COUNCIL MERCHANDISING FUND</b>						
Commodity Merchandising Personal Service	77,169	48,487	28,682	76,543	56,483	20,060
Commodity Merchandising Expense and Equipment	15,651	10,382	5,269	21,526	7,804	13,722
Agriculture State Owned	2,705	2,705	0	2,675	2,663	12
Total Commodity Council Merchandising Fund	95,525	61,574	33,951	100,744	66,950	33,794
<b>SINGLE PURPOSE ANIMAL FACILITY LOAN PROGRAM FUND</b>						
Agricultural and Small Business Development Authority Personal Service	109,771	69,798	39,973	108,932	108,738	194
Agricultural and Small Business Development Authority Expense and Equipment	9,364	2,070	7,294	20,650	1,966	18,684
Agriculture State Owned	4,290	4,290	0	4,245	4,227	18
Total Single Purpose Animal Facility Loan Program Fund	123,425	76,158	47,267	133,827	114,931	18,896
<b>SINGLE PURPOSE ANIMAL FACILITY LOAN GUARANTEE FUND</b>						
Single Purpose Animal Facility Loan Program	201,046	0	201,046	201,046	0	201,046
Total Single Purpose Animal Facility Loan Guarantee Fund	201,046	0	201,046	201,046	0	201,046
<b>PRODUCT UTILIZATION AND BUSINESS DEVELOPMENT GUARANTEE FUND</b>						
Missouri Value-Added Loan Guarantee Program	624,501	6,011	618,490	624,501	0	624,501
Total Product Utilization and Business Development Guarantee Fund	624,501	6,011	618,490	624,501	0	624,501
<b>AGRICULTURE PRODUCT UTILIZATION GRANT FUND</b>						
Abattoir	200,000	134,430	65,570	200,000	64,570	135,430
Beef Excellence Program	100,000	100,000	0	200,000	100,000	100,000
Total Agriculture Product Utilization Grant Fund	300,000	234,430	65,570	400,000	164,570	235,430
<b>MISSOURI QUALIFIED FUEL ETHANOL PRODUCER FUND</b>						
Missouri Ethanol Producer Incentive Program	0	0	0	4,925,000	4,790,895	134,105
Total Missouri Qualified Fuel Ethanol Producer Fund	0	0	0	4,925,000	4,790,895	134,105
<b>AQUACULTURE MARKETING DEVELOPMENT FUND</b>						
Missouri Aquaculture Council	11,000	4,585	6,415	11,000	4,005	6,995
Missouri Agricultural and Small Business Development Authority Personal Service	9,173	0	9,173	9,103	0	9,103
Total Aquaculture Marketing Development Fund	20,173	4,585	15,588	20,103	4,005	16,098
<b>LIVESTOCK SALES AND MARKETS FEES FUND</b>						
Livestock Markets	30,690	8,637	22,053	32,115	8,832	23,283
Total Livestock Sales and Markets Fees Fund	30,690	8,637	22,053	32,115	8,832	23,283

## Appendix B

Department of Agriculture  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
APPLE MERCHANDISING FUND						
Research, Promotion and Market Development of Apples	11,000	4,389	6,611	11,000	0	11,000
Total Apple Merchandising Fund	11,000	4,389	6,611	11,000	0	11,000
LIVESTOCK DEALER LAW ENFORCEMENT AND ADMINISTRATION FUND						
Livestock Dealer Law Enforcement	0	0	0	11,677	0	11,677
Total Livestock Dealer Law Enforcement and Administration Fund	0	0	0	11,677	0	11,677
MILK INSPECTION FEES FUND						
State Milk Board Personal Service	331,871	271,574	60,297	329,208	267,237	61,971
State Milk Board Expense and Equipment	249,760	169,896	79,864	297,432	158,008	139,424
Milk Board Local Health	802,262	595,595	206,667	803,212	632,873	170,339
Agriculture State Owned	4,716	4,715	1	4,661	4,644	17
Total Milk Inspection Fees Fund	1,388,609	1,041,780	346,829	1,434,513	1,062,762	371,751
GRAIN INSPECTION FEES FUND						
Agriculture Leasing	25,761	25,744	17	25,781	25,764	17
Grain Regulatory Services Expense and Equipment	271,744	170,990	100,754	274,636	215,079	59,557
Grain Regulatory Services Personal Service	1,412,950	1,046,253	366,697	1,500,381	938,411	561,970
Payment of Federal User Fee	100,000	79,755	20,245	100,000	61,428	38,572
Agriculture State Owned	3,383	3,382	1	3,345	3,330	15
Director's Office Personal Service	55,812	51,671	4,141	55,476	54,708	768
Director's Office Expense and Equipment	5,867	0	5,867	7,342	1,533	5,809
Total Grain Inspection Fees Fund	1,875,517	1,377,795	497,722	1,966,961	1,300,253	666,708
DAIRY PLANT INSPECTION AND GRADING FUND						
Dairy Plant Inspections	4,552	0	4,552	7,754	0	7,754
Total Dairy Plant Inspection and Grading Fund	4,552	0	4,552	7,754	0	7,754
PETROLEUM INSPECTION FUND						
Agriculture Leasing	6,405	6,396	9	7,463	6,439	1,024
Weights and Measures Personal Service	1,543,007	1,246,746	296,261	1,531,705	1,331,106	200,599
Weights and Measures Expense and Equipment	728,857	439,958	288,899	757,817	396,314	361,503
Agriculture State Owned	92,669	92,669	0	88,264	87,991	273
Director's Office Personal Service	18,724	18,698	26	33	32	1
Director's Office Expense and Equipment	8,363	0	8,363	0	0	0
Total Petroleum Inspection Fund	2,398,025	1,804,467	593,558	2,385,282	1,821,882	563,400
AGRICULTURE BUSINESS DEVELOPMENT FUND						
Governor's Conference on Agriculture	210,638	159,485	51,153	216,593	0	216,593
AgriMissouri Program Expense and Equipment	0	0	0	10,000	0	10,000
Agriculture Business Development Personal Service	8,480	0	8,480	8,435	0	8,435
Agriculture Business Development Expense and Equipment	193,920	80,889	113,031	213,775	54,773	159,002
Agriculture State Owned	0	0	0	2,691	2,679	12
Total Agriculture Business Development Fund	413,038	240,374	172,664	451,494	57,452	394,042
MISSOURI PET SPAY/NEUTER FUND						
Animal Health Administration Expense and Equipment	50,000	19,708	30,292	50,000	19,615	30,385
Total Missouri Pet Spay/Neuter Fund	50,000	19,708	30,292	50,000	19,615	30,385

## Appendix B

Department of Agriculture  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
ORGANIC PRODUCTION AND CERTIFICATION FUND						
Plant Industries Program Expense and Equipment	36	36	0	0	0	0
Total Organic Production and Certification Fund	36	36	0	0	0	0
AGRICULTURE BOND TRUSTEE FUND						
Bond Trustee Account	135,000	0	135,000	135,000	0	135,000
Total Agriculture Bond Trustee Fund	135,000	0	135,000	135,000	0	135,000
MISSOURI QUALIFIED BIODIESEL PRODUCER INCENTIVE FUND						
Biodiesel Incentive Program	5,525,000	5,359,250	165,750	4,925,000	4,925,000	0
Agriculture Business Development Expense and Equipment	0	0	0	152,367	152,367	0
Total Missouri Qualified Biodiesel Producer Incentive Fund	5,525,000	5,359,250	165,750	5,077,367	5,077,367	0
MISSOURI WINE AND GRAPE FUND						
Wine and Grape Board Expense and Equipment	1,598,695	1,505,289	93,406	1,616,093	1,302,483	313,610
Wine and Grape Board Personal Service	260,337	202,681	57,656	210,182	200,668	9,514
Agriculture Leasing	0	0	0	5,710	543	5,167
Director's Office Personal Service	58,924	53,370	5,554	58,579	58,161	418
Director's Office Expense and Equipment	6,727	0	6,727	7,737	2,746	4,991
Agriculture State Owned	2,719	2,718	1	0	0	0
Total Missouri Wine And Grape Fund	1,927,402	1,764,058	163,344	1,898,301	1,564,601	333,700
VETERINARY STUDENT LOAN PAYMENT FUND						
Veterinary Student Loan Program	180,000	116,400	63,600	180,000	120,000	60,000
Total Veterinary Student Loan Payment Fund	180,000	116,400	63,600	180,000	120,000	60,000
BOLL WEEVIL SUPPRESSION AND ERADICATION FUND						
Boll Weevil Eradication Personal Service	39,230	847	38,383	38,948	0	38,948
Boll Weevil Eradication Expense and Equipment	24,657	187	24,470	29,780	42	29,738
Agriculture State Owned	1,439	1,439	0	1,423	1,417	6
Total Boll Weevil Suppression and Eradication Fund	65,326	2,473	62,853	70,151	1,459	68,692
MISSOURI WINE MARKETING AND RESEARCH DEVELOPMENT FUND						
Missouri Wine Marketing and Research Council	111,000	41,737	69,263	111,000	35,628	75,372
Total Missouri Wine Marketing and Research Development Fund	111,000	41,737	69,263	111,000	35,628	75,372
AGRICULTURE DEVELOPMENT FUND						
Agriculture Business Development Personal Service	74,271	43,587	30,684	73,817	45,013	28,804
Agriculture Business Development Expense and Equipment	41,744	30,965	10,779	46,987	20,858	26,129
Agriculture State Owned	1,535	1,534	1	1,518	1,512	6
Agriculture Development Fund Investments	100,000	9,000	91,000	100,000	10,000	90,000
Total Agriculture Development Fund	217,550	85,086	132,464	222,322	77,383	144,939
LIVESTOCK FEED CORPORATE INPUT LOAN FUND						
Livestock Feed and Corporate Loan	50,000	0	50,000	50,000	0	50,000
Total Livestock Feed Corporate Input Loan Fund	50,000	0	50,000	50,000	0	50,000
INSTITUTION GIFT TRUST FUND						
Agriculture Business Awareness Program	22,815	0	22,815	24,389	0	24,389
Gift Trust Fund Expense and Equipment	5,000	0	5,000	5,000	0	5,000
Total Institution Gift Trust Fund	27,815	0	27,815	29,389	0	29,389

## Appendix B

Department of Agriculture  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>AGRICULTURE PROTECTION FUND</b>						
Director's Office Personal Service	699,945	699,607	338	696,252	696,252	0
Director's Office Expense and Equipment	1,676,189	826,298	849,891	143,488	143,488	0
Refund Account	13,500	6,673	6,827	13,500	4,726	8,774
Agriculture Business Development Personal Service	1,063,917	1,038,530	25,387	1,056,986	1,039,504	17,482
Agriculture Business Development Expense and Equipment	425,004	399,991	25,013	435,731	430,077	5,654
AgriMissouri Program Personal Service	35,825	11,403	24,422	35,553	33,090	2,463
AgriMissouri Program Expense and Equipment	118,756	117,041	1,715	118,756	108,519	10,237
Animal Health Administration Expense and Equipment	2,462	684	1,778	2,462	2,445	17
Grain Regulatory Services Expense and Equipment	44,170	19,407	24,763	44,170	30,379	13,791
Plant Industries Program Personal Service	1,622,285	1,620,457	1,828	1,610,425	1,573,476	36,949
Plant Industries Program Expense and Equipment	381,058	378,817	2,241	801,651	761,731	39,920
Gypsy Moth Control Program Personal Service	129,087	112,918	16,169	128,107	122,891	5,216
Gypsy Moth Control Program Expense and Equipment	58,000	33,677	24,323	58,000	30,975	27,025
Weights and Measures Personal Service	515,250	511,233	4,017	510,583	506,685	3,898
Weights and Measures Expense and Equipment	690,429	683,706	6,723	401,557	401,557	0
Agriculture Leasing	1,731	1,730	1	1,756	1,732	24
Agriculture State Owned	245,618	245,618	0	234,374	181,706	52,668
Urban Agriculture Program	25,000	25,000	0	25,000	0	25,000
Total Agriculture Protection Fund	7,748,226	6,732,790	1,015,436	6,318,351	6,069,233	249,118
<b>LIVESTOCK FEED CORPORATION LOAN PROGRAM FUND</b>						
Agriculture and Small Business Development Authority Personal Service	11,050	0	11,050	11,000	0	11,000
Agriculture and Small Business Development Authority Expense and Equipment	2,000	0	2,000	4,000	0	4,000
Total Livestock Feed Corporation Loan Program Fund	13,050	0	13,050	15,000	0	15,000
<b>FEDERAL STIMULUS-MDA FUND</b>						
ARRA Grants	0	0	0	2,104,326	1,870,181	234,145
ARRA Grants Personal Service	0	0	0	137,452	130,805	6,647
ARRA Grants Expense and Equipment	0	0	0	6,898	4,718	2,180
Director's Office Personal Service	37,000	36,261	739	0	0	0
Director's Office Expense and Equipment	2,000	182	1,818	0	0	0
Total Federal Stimulus-MDA Fund	39,000	36,443	2,557	2,248,676	2,005,704	242,972
Total All Funds	\$ 34,678,750	27,180,851	7,497,899	39,661,847	32,877,173	6,784,674

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2014	2013
General Revenue Fund		
Personal Service	\$ 113,725	112,858
Expense and Equipment	32,937	29,535
Leasing	4,720	7,393
Total General Revenue Fund	\$ 151,382	149,786

## Appendix C

### Department of Agriculture Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 12,000,655	12,000,576	11,565,365	11,197,019	11,122,787
Travel, in-state	462,281	406,537	438,383	407,288	446,062
Travel, out-of-state	154,262	194,973	116,627	84,779	117,999
Fuel and utilities	39,149	36,129	35,886	39,397	56,103
Supplies	1,836,733	1,775,089	1,770,584	1,442,284	1,284,337
Professional development	280,581	229,047	260,895	169,953	132,190
Communication service and supplies	231,681	234,992	218,859	179,299	178,749
Services:					
Professional	2,911,947	2,454,538	2,223,116	2,493,835	2,195,230
Housekeeping and janitorial	9,558	10,983	8,566	9,152	35,049
Maintenance and repair	386,623	260,070	373,913	254,321	308,457
Equipment:					
Computer	42,325	76,556	32,451	23,614	166,631
Motorized	683,013	912,070	495,035	296,239	107,373
Office	22,600	26,894	32,347	17,343	19,498
Other	238,028	367,706	317,144	277,969	228,382
Property and improvements	66,600	990	0	0	0
Building lease payments	707,354	638,541	1,172,093	1,223,248	1,215,962
Equipment rental and leases	3,560	7,346	9,453	2,986	6,651
Miscellaneous expenses	157,889	34,778	150,356	30,728	174,535
Rebillable expenses	27,147	0	0	0	0
Refunds	9,038	6,944	15,042	3,382	6,968
Program distributions	6,909,827	13,202,414	22,728,998	22,746,782	32,799,264
Total Expenditures	\$ 27,180,851	32,877,173	41,965,113	40,899,618	50,602,227

## Appendix D

### Department of Agriculture Comparative Statement of General Capital Assets

Asset Type:	June 30,	
	2014	2013
Buildings	\$ 1,315,379	1,315,379
Equipment	5,916,565	5,667,556
Improvements Other Than Buildings	45,294	45,294
Intangible Assets	17,000	17,000
Tools	34,860	40,935
Vehicles	5,154,472	4,651,495
Total	\$ 12,483,570	11,737,659

Fund of Acquisition:	June 30, 2014
General Revenue	\$ 3,782,312
Agriculture - Federal and Other	1,847,036
Animal Health Laboratory Fees	304,551
Animal Care Reserve	221,604
Livestock Brands	46,356
Third State Building Trust	1,054,974
Single Purpose Animal Facility Loan Program	42,653
State Fair Fees	1,963
Agriculture Land Survey Revolving Services	241,376
Livestock Sales and Markets Fees	5,698
Milk Inspection Fees	132,630
Grain Inspection Fees	250,680
Petroleum Inspection Fund	2,911,728
Missouri Land Survey	246,975
Agriculture Business Development	32,274
Missouri Wine and Grape Fund	8,890
Boll Weevil Suppression and Eradication	7,486
Agriculture Development	1,403
Agriculture Protection	1,342,981
Total	\$ 12,483,570