

STATE SEED DEPARTMENT - TRENDS IN BUDGET AND FEES

This memorandum is in response to a request from the Public Services Committee for information on any trends in the budget of the State Seed Department or in fees charged by the department. The information used for this memorandum and the attached table were provided by the State Seed Department.

Attached as Appendix A is a table that lists appropriations and actual expenditures for the bienniums beginning in 1995 to present. The table divides the information into the five different programs contained in the State Seed Department--administration, seed regulatory, potato, field seed, and laboratory services.

The seed regulatory program enforces state and federal seed laws. The field staff inspects seed lots offered for sale to ensure proper labeling and adherence to state standards for purity and other quality factors.

The administration program provides for the administration of the facility, equipment, technology, and support services of the department.

The potato program provides for field inspection and certification. The potato program provides for field inspection and certification of seed potatoes, grade inspections for seed growers and commercial growers and processors, licensing and bonding of wholesale potato dealers, approval for seed quality of imported potatoes, winter disease testing, promotion of North Dakota-certified potato seed, and the production and distribution of foundation seed stocks.

The field seed program provides for field inspection and certification of crops, final certification or grading of seed, inspection and approval of certified seed conditioning plants and bulk retail facilities, acceptance of imported seed, development of custom programs, and promotion of North Dakota-certified seed.

The laboratory services program provides diagnostic laboratory testing to determine seed quality. Testing

includes germination testing, seed disease and pathology testing, seed trait analysis, and genetically modified organism event testing.

The apparent trend shown by the table is that the total appropriated funds and the actual expenditures have remained constant for the last eight budgeted years. Within that overall stability, there has been growth in the laboratory services program, but a reduction in the potato program. There has been a reduction in the field seed program; however, during the 1999-2001 biennium the seed laboratory and diagnostic laboratory were moved from the field seed program into other programs.

There have been two fee increases in the last 10 years at the State Seed Department. The revenues of the State Seed Department primarily consist of certification and inspection fees. The first increase was for fees related to potato field inspections. The fee was increased from \$15 to \$18 an acre, effective June 2002. The second increase was for laboratory fees. Generally, these fees were increased by \$1 to \$2 per test for seed laboratory determinations and slightly more for certain diagnostic laboratory determinations. A copy of these fee increases, effective July 2001, is attached as Appendix B.

A copy of the last audit of the State Seed Department is attached as Appendix C. The two noteworthy accomplishments highlighted in the audit were technology upgrades, including the construction of a web site, and completed inspections and final certifications of record acres and bushels of certified seed while operating expenses remained almost static during the period.

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