
AGENCY OVERVIEW**Date:** 01/13/2011**616 State Seed Department****Time:** 10:57:40

Statutory Authority

North Dakota Century Code Chapters 4-09, 4-10, 4-11, 4-25, 4-26 and 4-42.

Agency Description

The North Dakota State Seed Department (NDSSD) provides services to the North Dakota agricultural industry and concentrates its activities in enforcement of seed laws, certification, promotion and marketing of field seeds and potatoes. A nine-member Seed Commission, that represents the agricultural industries using the department services, serves as the board of directors. This board establishes policy, approves major program changes recommended by administration, appoints a manager and approves budgets. The department employs 30 full-time and 40-50 temporary and part-time staff in Fargo, a regional office in Grafton, and throughout the state on a seasonal basis. The NDSSD is a self-funded agency with revenues generated by service fees.

The department operates four primary programs as part of its role in North Dakota agriculture. The four major programs are the Seed Regulatory Program, Potato Program, Field Seeds Program, and the Laboratory Services Program.

Agency Mission Statement

To assure integrity of the seed industry through a commitment to client service and product quality.

Agency Performance Measures

Biennial audit.

Planned: Biennial satisfaction/needs survey of customers in all program service areas.

Acres applied for certification

Bushels/Lbs. of seed final certified upon lab analysis

*Both areas are jointly dependent on climactic, economic and industry factors and agency performance.

Annual AOSCA compliance audit

Ring/Referee tests: Validation tests performed cooperatively with accredited laboratories nationwide. NDSSD participates in referee tests in both Seed and Diagnostic labs, validating the expertise in each area.

Professional development: Accreditation of individual staff in Certified and/or Registered Seed Technologist categories (among other accreditation programs at national level). Professional and laboratory accreditations are granted through a process of proficiency testing and auditing.

USDA/other federal program accreditations: Testing laboratories are provided opportunity to comply with standards developed by the federal government to prove service quality (see above). Accredited laboratories are listed for use in certain federal testing schemes, often on issues of quarantined pests that affect entire industry segments (ex. Karnal Bunt, Potato Mop Top Virus).

Cwt. of seed and commercial potatoes provided shipping point (grade) inspections.

Lbs. of seed produced and sold through NDSSD Potato Seedstocks enterprise area.

*All areas are jointly dependent on climactic, economic and industry factors and agency performance

Number of seed samples procured and tested.

Number of seed samples found out of compliance with state and federal seed laws.

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*This area also provides an indication of the success of Field Seed program certification efforts. Number of complaints related to seed performance and quality.

Major Accomplishments

1. Maintained financial stability during the past decade, despite adverse circumstances in the agriculture economy.
2. Completed, and annually reviewed, a strategic planning process that will guide agency program development.
3. Introduced web-based information systems in a secure online form designed to provide inspection results to producers and seed companies quickly and reliably. An online application for services is being integrated.
4. Expanded laboratory test services in response to industry demands, including those related to specific Genetic Modification events and crop diseases common to this region.
5. Experienced expansion in production and sale of nuclear seed stocks developed in tissue culture and greenhouse facilities.
6. Received accreditation and licensing to issue phytosanitary certificates in potato program, in cooperation with the North Dakota Department of Agriculture designated authority for Animal and Plant Health Inspection Service (APHIS) phyto issues.
7. Initiated the integration of key components of International Standards Organization (ISO) quality programs in the Field Seed, Regulatory and Laboratory Services programs. Potato programs are currently under development.
8. Implemented Good Handling Practices/Good Agriculture Practices audit services through cooperative agreement with US Department of Agriculture-Agricultural Marketing Service primarily on commercial potato farms throughout North Dakota.

Future Critical Issues

Advancements in biotechnology will prove to have a significant impact on the work of the State Seed Department in the future. While traditional inspection, certification and laboratory services will remain important to agriculture in regard to northern grown crops, development and use of trait bearing varieties of crops will demand expansion of inspection and lab services designed specifically for those traits. The funding of program expansions absent predictable revenue flows, especially in laboratory service programs, is a major challenge faced by the Seed Department.

The Laboratory Services component of NDSSD is challenged to meet demands for advanced genetic, trait and quality analysis of all crops. As the agency responsible for seed certification, we believe that a concurrent obligation of the department is to provide the public with independent, third party verification services for seed and commodity characteristics currently available, and under development by private industry and public universities. Purchase or lease of high-cost, high tech equipment intended to meet this demand is one of the challenges referred to above.

The Field Seed Program will see a parallel increase in demand for services that are customized to meet the needs of a changing industry. While traditional seed certification acreage remains strong, Quality Assurance (QA), Identity Preservation (IP) and other nontraditional audit and inspection programs will increase dramatically in coming years. Maintenance of NDSSD reputation as a national leader in field crop certification will require an increased emphasis on technology and training in both Field Seed and Laboratory Service units of the Department.

As biotechnology impacts field inspection and laboratory work, our Regulatory Program workload will expand similarly. Today, varieties are seldom released without Plant Variety Protection, royalty agreements or technology fees attached. This trend will expand the regulatory obligations of the Department in terms of enforcement of seed laws, protection of proprietary rights and collection of research fees. North Dakota's regulatory program has the reputation among peers as one of the best in the region. To continue this progress, and to respond to the development and marketing of high-value seed traits, investigations of illegal seed movement and piracy may need to expand to farmer-dealers and on-farm sites in the future.

Increasing disease and environmental pressures are contributing to a decline in seed potato production acres. However, difficult growing conditions increase the demand for high quality seed, and technical resources of the Potato Program. Continued shifts in cropping patterns, varietal demand and irrigated acres will test Potato Program resources in meeting producer needs for inspection, technical consultation, certification and foundation seed stocks developed in NDSSD facilities.

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Potato Certification, the highest cost crop service nationwide, remains an important function of the NDSSD program as the State's designated authority for certification. Potato certification programs nationwide, including the NDSSD program, are becoming more actively involved with National/International plant quarantine issues in partnership with State and Federal plant health officers (NDDA and USDA/APHIS). Plant quarantine issues put additional stress on state programs and administration in terms of time commitment interacting with Federal entities. This fact has come to bear with NDSSD's active involvement with USDA/APHIS on potato nematode soil survey programs, leading to construction of a warehouse facility at the Grafton regional office.

Finally, due to legal challenges faced in the past biennium it is clear that the Department must provide a major emphasis, both technically and financially, on the issue of legal liability. The issues surrounding variety identity, trait enhancement and crop performance have all fallen upon certification agencies to some degree. The agency will invest funds during the next biennium to upgrade training, testing resources and legal resources to protect against the potential "mining" of state monies through litigation.

REQUEST SUMMARY

616 State Seed Department

Bill#: HB1022

Date: 01/13/2011

Biennium: 2011-2013

Time: 10:57:40

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
By Major Program					
Administration	397,274	888,500	(157,808)	730,692	0
Seed Regulatory Program	425,677	600,424	0	600,424	0
Potato Program	1,607,822	2,122,914	0	2,122,914	0
Field Seeds	1,231,765	1,752,542	0	1,752,542	0
Lab Services	1,101,795	1,463,115	15,000	1,478,115	0
Total Major Program	4,764,333	6,827,495	(142,808)	6,684,687	0
By Line Item					
Seed Operations	4,764,333	6,827,495	(142,808)	6,684,687	0
Total Line Items	4,764,333	6,827,495	(142,808)	6,684,687	0
By Funding Source					
General Fund					
Federal Funds					
Special Funds	4,764,333	6,827,495	(142,808)	6,684,687	0
Total Funding Source	4,764,333	6,827,495	(142,808)	6,684,687	0
Total FTE	30.00	30.00	0.00	30.00	0.00

REQUEST DETAIL616 State Seed Department
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Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Seed Operations					
Salaries - Permanent	2,027,707	2,622,120	0	2,622,120	0
Temporary Salaries	431,271	645,000	0	645,000	0
Overtime	49,131	35,000	0	35,000	0
Fringe Benefits	752,118	1,099,417	0	1,099,417	0
Travel	302,322	408,000	0	408,000	0
Supplies - IT Software	69,309	32,000	0	32,000	0
Supply/Material-Professional	55,586	81,500	15,000	96,500	0
Food and Clothing	0	1,000	0	1,000	0
Bldg, Ground, Maintenance	3,822	17,000	0	17,000	0
Miscellaneous Supplies	1,819	6,980	0	6,980	0
Office Supplies	22,619	31,000	0	31,000	0
Postage	57,239	72,000	0	72,000	0
Printing	41,266	58,000	0	58,000	0
IT Equip Under \$5,000	499	5,000	0	5,000	0
Other Equip Under \$5,000	0	23,000	0	23,000	0
Utilities	151,628	184,000	0	184,000	0
Insurance	4,005	12,478	0	12,478	0
Rentals/Leases-Equip & Other	22,931	28,000	0	28,000	0
Repairs	23,783	55,000	0	55,000	0
IT - Data Processing	14,131	23,000	0	23,000	0
IT - Communications	29,025	38,000	0	38,000	0
IT Contractual Srvcs and Rprs	29,253	37,000	0	37,000	0
Professional Development	59,252	87,000	0	87,000	0
Operating Fees and Services	70,332	121,500	0	121,500	0
Fees - Professional Services	44,444	54,000	0	54,000	0
Medical, Dental and Optical	75,509	97,000	0	97,000	0
Non-Operating Expenses	0	200,000	0	200,000	0
Land and Buildings	0	200,000	(200,000)	0	0
Extraordinary Repairs	4,563	98,500	67,192	165,692	0
Equipment Over \$5000	20,428	55,000	15,000	70,000	0
IT Equip/Sftware Over \$5000	10,341	200,000	(40,000)	160,000	0
Grants, Benefits & Claims	390,000	200,000	0	200,000	0
Total	4,764,333	6,827,495	(142,808)	6,684,687	0
Seed Operations					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	4,764,333	6,827,495	(142,808)	6,684,687	0
Total	4,764,333	6,827,495	(142,808)	6,684,687	0

REQUEST DETAIL

616 State Seed Department
 Biennium: 2011-2013

Bill#: HB1022

Date: 01/13/2011
 Time: 10:57:40

Description	Expenditures 2007-2009 Biennium	Present Budget 2009-2011	Budget Request Change	Requested Budget 2011-2013 Biennium	Optional Budget Request
Funding Sources					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	4,764,333	6,827,495	(142,808)	6,684,687	0
Total Funding Sources	4,764,333	6,827,495	(142,808)	6,684,687	0

CHANGE PACKAGE SUMMARY

616 State Seed Department

Biennium: 2011-2013

Bill#: HB1022

Date: 01/13/2011

Time: 10:57:40

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
Base Budget Changes						
Ongoing Budget Changes						
A-A 2 Inflationary and volumn increase		0.00	0	0	15,000	15,000
A-A 3 Add current biennium capital assets		0.00	0	0	395,692	395,692
A-F 1 Remove prior biennium capital assets		0.00	0	0	(553,500)	(553,500)
Total Ongoing Budget Changes		0.00	0	0	(142,808)	(142,808)
Total Base Budget Changes		0.00	0	0	(142,808)	(142,808)

BUDGET CHANGES NARRATIVE

616 State Seed Department

Bill#: HB1022

Date: 01/13/2011

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Change Group: A	Change Type: A	Change No: 2	Priority: 1
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Inflationary and volumn increase

Increase due to inflationary cost increases and new mandatory testing which will increase test volumn

Change Group: A	Change Type: A	Change No: 3	Priority: 1
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Add current biennium capital assets

Add request for current biennium capital assets

Change Group: A	Change Type: F	Change No: 1	Priority: 1
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Remove prior biennium capital assets

Remove prior biennium capital assets.