

Item 34

Agriculture

Collection Agency Division—Continued

net increase for equipment of \$990, represented by the purchase of an automobile (\$1,290 for an automobile, less \$300 reduction for miscellaneous equipment).

The principal saving is shown in operating expense. The largest single item is a saving of \$1,160 in printing costs. The Collection Agency Law is printed biennially and will not be printed in 1958-59. The net saving in operating expense is \$1,211.

We recommend elimination of one automobile (replacement) from the equipment item of the Collection Agency Division, budget page 33, line 80, for a reduction of \$1,290. We have reviewed the amount budgeted for Operating Expense—Automobile, and believe it is adequate for all necessary state automobile pool auto rental.

Economies and Improvements Requiring Legislation

We recommend interim study of the transfer of the Collection Agency Division to the Department of Professional and Vocational Standards.

DEPARTMENT OF AGRICULTURE

ITEM 34 of the Budget Bill

Budget page 35

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE FROM THE GENERAL FUND

| | |
|---|-------------|
| Amount requested | \$7,936,083 |
| Estimated to be expended in 1957-58 Fiscal Year | 7,522,311 |
| Increase (5.5 percent) | \$413,772 |

Summary of Increase

| | Total increase | INCREASE DUE TO | | Budget Line page No. |
|-------------------------------------|-------------------|-----------------------------------|-----------------|-------------------------|
| | | Workload or salary adjustments | New services | |
| Salaries and wages | \$195,913 | \$164,321 | \$31,592 | 46 67 |
| Operating expense | 223,062 | 223,062 | --- | 46 69 |
| Equipment | —2,108 | —2,108 | --- | 46 71 |
| Less increased reimbursements | —3,095 | —3,095 | --- | |
| Total increase | \$413,772 | \$382,180 | \$31,592 | |

RECOMMENDED REDUCTIONS

| | |
|--|-----------------|
| Reduction in budgeted increases | \$31,592 |
| Improved efficiency and policy reappraisal | None |
| Total reductions | \$31,592 |

Summary of Reductions

| | Amount | Budget Page | Line |
|--|---------|----------------|------|
| Bureau of Plant Quarantine | | | |
| 4 Junior plant quarantine inspectors (effective January, 1959) | \$9,252 | 38 | 74 |
| Bureau of Agricultural Statistics | | | |
| 1 Assistant marketing specialist | 5,772 | 45 | 36 |
| 4.7 Positions of temporary help | 16,568 | 45 | 37 |

Department of Agriculture—Continued

GENERAL SUMMARY

General Fund support is provided for those activities of the Department of Agriculture that are designed to protect the general welfare of the agricultural industry and the consuming public. This is probably best described by Section 30, of the Agricultural Code, which reads as follows:

“The department shall promote and protect the agricultural industry of the State; prevent fraud and deception in the packing or labeling, or in any phase of the marketing of agricultural products governed by this code; prevent fraud and deception in the labeling and marketing of commodities, governed by this code, sold to producers for use in the production of crops in accordance with common practices; prevent the introduction and spread of injurious insect and animal pests, plant disease and noxious weeds; execute the provision of this code, except as otherwise provided, and of other laws administered by the department; and may distribute such insects as are useful in reducing the cost of crop production.”

The administration of this section is carried out by the various bureaus within the Department of Agriculture through the following activities.

1. The Bureau of Livestock Disease Control, Bureau of Entomology, Bureau of Plant Quarantine, prevent the introduction of injurious pests and diseases of livestock and crops by having the State or county operate on behalf of the citizens collectively, where the State's residents individually would be powerless in preventing such introduction or spread.
2. Whenever a pest has gained entrance to the State, the department acts to preserve the welfare of the agricultural industry as a whole against perennial pest control costs which would be excessive and burdensome. For example, when a pest is found in an incipient stage and well circumscribed so that a small appropriation by the State could eradicate it or prevent it from spreading, the department acts to eradicate it, with approval of the Legislature.
3. The activities of the Bureau of Chemistry protect human health against products that have been sprayed with various chemical compounds that might be injurious to human health. Other functions of the department are to protect the general public against diseased or unsanitary products by preventing their being marketed.
4. The prevention of fraud and deception in the labeling or marketing of agricultural products is also performed by the department which is a benefit to the public generally.
5. Not only does the department attempt to prevent fraud and deception in the labeling and marketing of agricultural products for the consumer but also for producers which use these products in the production of additional crops.

Department of Agriculture—Continued

6. The department also is empowered to enforce and administer laws and promulgate regulations that are designed to serve the general public's benefit.

The following tabulation shows, by major categories, the functions of the department and the source of financing for the current fiscal year. The detail of the Department of Agriculture Fund is more fully explained in our analysis of Item 36.

It should be pointed out that category IV includes \$72,500 from the General Fund for federal co-operative marketing research which is an aid to producers and handlers in the marketing of agricultural products. In addition, approximately \$40,000 is available from industry and \$100,000 from the Federal Government for this work which is not represented in this table. Agricultural research funds are also available to the University of California; however, the university's program is not aimed toward marketing and producers aid.

Department of Agriculture Expenditures by Type of Service, 1957-58

| | General Fund | Dept. of Agric. Fund | Total | Percent General Fund | Percent Dept. of Agric. Fund |
|---|--------------|----------------------|--------------|----------------------|------------------------------|
| I. Administration ----- | \$317,755 | \$180,895 | \$498,650 | 63.72% | 36.28% |
| II. Prevention of introduction and spread of crop and livestock pests and disease---- | 4,499,892 | 141,828 | 4,641,720 | 96.94% | 3.06% |
| III. Protection to the public and maintenance of quality standards | | | | | |
| A. Administration of laws and regulations requiring compliance with standards of composition, grade, quality, sanitary condition, labeling, packing, etc. | 1,826,701 | 900,904 | 2,727,605 | 66.97% | 33.03% |
| B. Regulation of use and application of injurious agricultural chemicals, and regulation of commercial pest control operators ----- | 57,425 | 26,763 | 84,188 | 68.22% | 31.78% |
| C. Prevention of theft of livestock----- | --- | 735,164 | 735,164 | --- | 100.00% |
| D. Administration of weights and measures laws ----- | 104,180 | 89,146 | 193,326 | 53.88% | 46.12% |
| IV. Assistance to producers and handlers in marketing of agricultural products----- | 788,143 | 4,301,324 | 5,089,467 | 15.48% | 84.52% |
| | \$7,594,096 | \$6,376,024 | \$13,970,120 | | |

ANALYSIS

The budget request for the General Fund activities of the Department of Agriculture for the 1958-59 Fiscal Year is \$7,936,083, an increase of 5.5 percent above the estimated expenditures of \$7,522,311 for the 1957-58 Fiscal Year. The \$413,772 increase is broken down divisionally as follows: Departmental Administration \$4,665, Division of Plant Industry \$80,858, Division of Animal Industry \$282,456, and the Division of Marketing \$45,793.

Departmental Administration

The total amount requested for the departmental administration function is \$561,869. However, this activity is reimbursed for the services it performs for special fund functions so that the net requirement from the General Fund is \$262,831. The increase noted in the budget request is primarily attributable to merit salary adjustments and a slight increase in the equipment request.

Department of Agriculture—Continued

Division of Plant Industry

The \$80,858 increase requested for the Division of Plant Industry occurs primarily in three of the five bureaus comprising the division. These three bureaus are discussed in detail below. However, since the Bureau of Rodent and Weed Control and Seed Inspection and the Bureau of Chemistry request only minor increases to cover merit salary adjustments and increases in cost, we have not included them in this report.

Bureau of Entomology

1 *Assistant supervisor of apiary inspection (budget page 37, line 80)* ----- \$5,232

The agency has based its request for this position upon increased workload in the bureau that has been occasioned by an increase in the number of colonies of bees requiring registration. We have examined the workload figures submitted by the department and feel that they indicate the need for the additional position.

2 *Economic entomologists grade II (budget page 37, line 81)* \$10,464

These positions are requested to increase the effort in survey and detection of major insect pests that are not known to exist in California. As an example, 10,000 traps are being maintained in the current year for Mediterranean fruit fly, melon fly, Mexican fruit fly, Oriental fruit fly, cherry fruit fly, Japanese beetle and walnut husk fly.

1 *Systematic entomologist grade II (budget page 37, line 82)* -- \$5,232

The request for this position is based upon the number of insect identifications required of currently authorized personnel. County agricultural commissioners and individuals submit specimens they have collected for laboratory determination. For example, during 1956 more than 100,000 insect identifications were made by the five positions assigned to this work. This amounts to approximately 90 per day. From our examination of the workload data submitted it would appear that the position is justified.

3 *Field assistants grade I (budget page 38, line 10)*----- \$12,582

The three field assistants, grade I, are requested for the Mexican fruit fly survey and treatment program on a full-time basis to replace seasonal agricultural inspector positions that have been hired from the temporary help category. It will be noted that temporary help has been decreased accordingly. It would appear from the workload data submitted by the department that the request for the positions on a full-time basis is justified.

4 *Field assistants grade I (budget page 38, line 12)*----- \$16,776

These positions are requested for use in the Khapra beetle suppression program and like the positions above would be offset by a decrease in seasonal and temporary help. The department feels that positions on a full-time basis will better meet the needs of the program.

Operating expenses for the Bureau of Entomology show a slight

Department of Agriculture—Continued

decrease which is offset by a slight increase in its equipment request. We recommend approval of the Bureau of Entomology's request as budgeted.

Bureau of Plant Quarantine

1 Junior plant quarantine inspector (budget page 38, line 73) — \$4,626

One additional inspector is requested on a full-time basis since traffic has increased to such an extent at the Hornbrook border station as to justify full-time authorization. It should be pointed out that no additional cost will result as seasonal help will be reduced by 12 man-months.

1 Intermediate plant quarantine inspector (budget page 38, line 72) ----- \$4,980

4 Junior plant quarantine inspectors (budget page 38, line 75) 18,504

With the development of the marine base at Twentynine Palms a new roadway was constructed between Amboy on Highway 66 to Twentynine Palms which is located on Highway 187. This roadway provides an alternate route for traffic coming into the State which would allow the traffic to bypass existing agricultural inspection stations. As traffic has developed on the new highway part-time inspection services have been maintained. However, traffic has now increased to where the department requests construction of a border inspection station in the 1958-59 Capital Outlay Budget. The proposed station is planned for completion on January 1, 1959, at which time three of the positions above would be authorized.

The intermediate plant quarantine inspector position and the one junior plant quarantine inspector position are requested for the full budget year, and these positions will be offset by a reduction in seasonal and temporary help. We recommend inclusion of the positions in the bureau's budget.

4 Junior plant quarantine inspectors (effective January 1, 1959, budget page 38, line 75) ----- \$9,252

The Bureau of Plant Quarantine is requesting four additional junior plant quarantine inspector positions for the Truckee border station, since a new highway is being constructed around Truckee which requires maintaining two border inspection stations very close to one another. It will be noted that the positions are budgeted to be effective January 1, 1959. However, we have discussed the construction of the highway with the Division of Highways and find that they do not plan to complete this portion of the project until October, 1959. Consequently, we can see no reason for budgeting positions or operating expenses connected therewith in the 1958-59 budget year but recommend that they be deferred for consideration in the 1959-60 budget request. This will result in a savings of salaries of \$9,252 plus related operating expenses.

Operating expenses for the Bureau of Plant Quarantine are requested at \$1,600 more than was estimated to be expended in the current fiscal year while equipment is approximately \$2,500 less. With the exceptions noted above we recommend approval of the bureau's budget as requested.

Department of Agriculture—Continued

Bureau of Plant Pathology

The major portion of the increase in the Bureau of Plant Pathology is brought about by the request for two additional full time positions and an increase of 2.4 positions in temporary help.

1 Assistant plant pathologist (budget page 39, line 45)----- \$5,232

This position is requested to help alleviate increasing workload in the area of plant disease detection. We have examined workload figures submitted by the bureau and on the basis of these figures it would appear that the position is justified. Consequently, we recommend approval.

1 Junior intermediate stenographer-clerk (budget page 39, line 47) ----- \$3,294

Additional clerical assistance is requested to process correspondence relative to laboratory analyses and weekly reports of the field survey crews. Part-time help has been employed in the past to meet the needs of the bureau, consequently, the amount requested for this position will be offset by 50 percent through a reduction of the seasonal help requested. We recommend approval of the position.

2.4 Positions temporary help (budget page 39, line 48)----- \$9,260

The equivalent of 2.4 full-time positions is requested to intensify work in the area of eradicating existing plant diseases that appear to be spreading. These diseases would include yellow bud mosaic, a disease of peach trees, broomrape—a disease of tomatoes, and pear tree decline.

Operating expenses have been requested to increase approximately \$7,000 over the current year's estimate, which is primarily attributable to expenses related to the additional positions mentioned above. Equipment shows an increase of around \$4,000 which appears to be justified. We recommend the bureau's budget as submitted.

Division of Animal Industry

The \$282,456 increase requested for the budget year over the estimate of the current year is brought about primarily by the request to increase brucellosis indemnities by \$180,000 and the request for five additional poultry plant sanitation inspectors in the Bureau of Poultry Inspections. Chapters 2299 and 2289 of the Statutes of 1957 provided for a bovine brucellosis control program. In addition, it is requested that the contract brucellosis vaccine program be increased by some \$24,000 due to an increase in the cost of the vaccine itself. The balance of the increases in the Division of Animal Industry are due to normal merit salary adjustments, and other minor increases in operating expenses and equipment.

Bureau of Poultry Inspection

The increase in the Bureau of Poultry Inspection is brought about by a request for five additional positions and an increase in operating expenses of \$6,098 for a total request for operating expenses of \$80,563, of which \$9,000 is attributable to the new positions as a result of an increase in the request for travel and field expenses. Equipment is also increased to provide equipment for these positions.

Department of Agriculture—Continued

5 Poultry plant sanitation inspectors (budget page 43, line 36) \$23,130

While the request for five poultry plant inspectors represents an increase of \$23,130 in salaries and wages, \$18,083 in operating expenses and equipment bring the total to \$41,213. The bureau points out that they require these additional inspectors to step up the frequency of inspections in the 660 licensed poultry processing plants. It is claimed that they have been averaging one visit for every 8 to 21 days, whereas they would prefer to inspect the plants three to four times a week.

While we do not object to providing the inspectors, we would like to draw the Legislature's attention to the fact that this is not a requirement but is a standard that the bureau desires to maintain and we question whether this standard should be established when it might be possible to concentrate on certain areas on a spot check basis and achieve comparable results. For example, if daily visits were made to a plant that was felt to be operating in violation of recognized evisceration procedures and the operations were corrected within a short period of time, it would appear that no further visits would be necessary again within a few days. However, the plant in question would have no knowledge as to when the inspectors might show up again to check on the procedures being followed. It would appear to us that it would be possible to follow up on a once a week basis after an initial concentrated cleanup inspection had been made. Consequently, we wish to point out to the Legislature, the standard proposed by the department for the purpose of clarifying the intent of the original legislation with regard to the scope of sanitation inspection to be provided.

With the above exception we recommend approval of the division's budget request.

Division of Marketing

The \$45,793 increase requested by the Division of Marketing is primarily accounted for by the request for one assistant marketing specialist position in the Bureau of Agricultural Statistics and the equivalent of 4.7 positions of temporary help. These additional positions will cost \$22,340. The details of these requests appear below.

1 Assistant marketing specialist (budget page 45, line 36)---- \$5,772

4.7 Positions temporary help (budget page 45, line 37)----- 16,568

The bureau has requested additional help for the statistical activities in order to appraise the various techniques that are used in preparing county crop estimates. Currently each county uses its own method which proves confusing when attempting to compile them on a comparable basis. The ultimate goal of the program is to establish uniform estimating procedures which should save time and money in the future. It should be pointed out that the program involves 175 crop and livestock items and 57 counties with as many as 70,000 estimates being made each year.

Due to the increased demand for county and area statistics the county agricultural commissioners passed a resolution at their spring convention requesting additional help from the State for this program.

Department of Agriculture—Continued

While we recognize the desirability of instituting such a program which would possibly result in uniformity of reporting, it should be pointed out that the commissioners have been attempting to accomplish this for 18 years without substantial success. This is a new program for which we failed to find justification to include in this budget year request.

Consequently, *we recommend the deletion of the above positions at a savings of \$22,340 plus incidental expenses to be determined by the agency and the Department of Finance.*

Operating expenses and equipment requested by the bureaus comprising this division appear to be reasonable in consideration of need and present day costs. Consequently, we recommend approval of the Division of Marketing's budget as requested with exception of the above.

Department of Agriculture

FEDERAL, CO-OPERATIVE MARKETING RESEARCH

ITEM 35 of the Budget Bill

Budget page 47

FOR SUPPORT OF FEDERAL, CO-OPERATIVE MARKETING RESEARCH FROM THE GENERAL FUND

| | |
|--|----------|
| Amount requested | \$72,500 |
| Estimated to be expended in 1957-58 Fiscal Year..... | 72,500 |
| <hr/> | |
| Increase | None |

RECOMMENDATION

Appropriate from the Fair and Exposition Fund.

GENERAL SUMMARY

The function of this program is to conduct research in the development of better methods for certifying virus-free fruit and nut trees and vineyard stock and to develop new sampling and estimating methods so that more accurate agricultural statistics can be developed. This activity is also attempting to develop better standards of maturity and is studying packages and containers to find better procedures to follow in marketing products. The overall objective of the program is to improve market conditions which, in turn, would aid the industry by making available to them the best marketing practices known to agricultural and merchandising science.

ANALYSIS

The same level of service is proposed for 1958-59 as exists in the current fiscal year. The program will be supported 50 percent by the Federal Government and 50 percent by the State, as has been the case in the past.

The table following shows actual expenditures by bureau from the 1947-48 Fiscal Year to the 1956-57 year.

Department of Agriculture—Continued
Federal Co-operative Marketing Research—State Expenditures

| Fiscal Year | Total state expenditures | Agricultural Statistics | Fruit and Vegetable | | | Market News | Seed Inspection |
|---------------|--------------------------|-------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | | | Markets | Standardization | Plant Pathology | | |
| 1947-48 | \$5,734.43 | \$3,379.30 | \$126.62 | \$1,063.94 | --- | --- | \$664.57 |
| 1948-49 | 66,258.79 | 44,231.57 | 10,552.09 | 5,545.46 | --- | --- | 4,094.58 |
| 1949-50 | 68,702.21 | 39,443.87 | 9,806.86 | 7,339.38 | \$1,301.87 | 7,329.08 | 3,481.15 |
| 1950-51 | 62,958.83 | 30,262.45 | 9,580.30 | 6,296.51 | 4,312.62 | 9,309.25 | 2,697.70 |
| 1951-52 | 66,728.18 | 30,413.68 | 10,589.76 | 6,762.36 | 4,026.11 | 11,499.66 | 3,436.61 |
| 1952-53 | 59,001.21 | 21,825.63 | 9,475.76 | 6,587.92 | 6,080.97 | 11,812.40 | 3,218.53 |
| 1953-54 | 54,981.01 | 32,270.67 | 6,937.65 | 7,737.10 | 8,035.59 | --- | --- |
| 1954-55 | 61,905.57 | 31,082.60 | 8,990.13 | 8,553.01 | 13,279.83 | --- | --- |
| 1955-56 | 70,013.54 | 32,133.64 | 12,182.37 | 8,950.43 | 16,717.10 | --- | --- |
| 1956-57 | 66,221.29 | 28,033.87 | 11,594.01 | 8,943.69 | 17,649.72 | --- | --- |
| Totals | \$582,505.06 | \$293,577.28 | \$89,835.55 | \$67,809.80 | \$71,403.81 | \$42,285.48 | \$17,593.14 |

In view of the fact that the federal allocation is made available to aid our agricultural industry it would appear to be to the State's advantage to provide \$72,500 by this item. However, since federal co-operative marketing research is used in promoting California agricultural products, rather than for the protective measures generally supported from the General Fund, it would seem reasonable to provide the State's share of the program from the Fair and Exposition Fund.

Consequently, we recommend that the \$72,500 requested by this item be provided from the Fair and Exposition Fund.

Department of Agriculture

ITEM 36 of the Budget Bill

Budget page 48

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE FROM THE DEPARTMENT OF AGRICULTURE FUND

| | |
|---|-------------|
| Amount requested | \$6,423,579 |
| Estimated to be expended in 1957-58 Fiscal Year | 6,376,024 |
| Increase (0.7 percent) | \$47,555 |

Summary of Increase

| | Total increase | INCREASE DUE TO | | Budget Line page No. |
|-----------------------|-------------------|--------------------------------|--------------|----------------------|
| | | Workload or salary adjustments | New services | |
| Salaries and wages | \$69,301 | \$69,301 | --- | 54 48 |
| Operating expense | 21,866 | 21,866 | --- | 54 50 |
| Equipment | 43,612 | 43,612 | --- | 54 52 |
| Total increase | \$47,555 | \$47,555 | --- | |

RECOMMENDED REDUCTIONS ----- None

GENERAL SUMMARY

The functions of the Department of Agriculture supported by the Department of Agriculture Fund are of types that benefit particular segments of the agricultural industry, and which have been industry-requested and industry-supported. Fees are collected from these particular segments of the industry by licenses, tonnage taxes, registration fees, etc., which are collected by the department and deposited to the credit of that particular function of the Department of Agriculture which the fees support. Approximately 45 percent of the funds expended by the department are provided by industry. This has been historically true as the following table illustrates.

Department of Agriculture—Continued

| <i>Fiscal year</i> | <i>General Fund</i> | <i>Percent of total</i> | <i>Agriculture Fund</i> | <i>Percent of total</i> | <i>Total</i> |
|--------------------|---------------------|-------------------------|-------------------------|-------------------------|--------------|
| 1948-49 | \$3,911,154 | 55.4 | \$3,145,295 | 44.6 | \$7,056,449 |
| 1958-59 * | 7,936,083 | 55.3 | 6,423,579 | 44.7 | 14,359,662 |

* Requested amounts.

ANALYSIS

The amount requested by the special fund activities of the Department of Agriculture is \$6,423,579 as compared to the estimate for the current fiscal year of \$6,376,024, an increase of \$47,555, or 0.74 percent. Revenues for the 1958-59 Fiscal Year that will accrue to the Agriculture Fund are estimated at \$6,628,011. When retirement is added to the \$6,473,579 requested above, total expenditures are estimated at \$6,720,258, which would indicate an operational deficit of \$92,247. However, the accumulated surplus estimated for June 30, 1958 in the Agriculture Fund is \$3,447,294. This is made up of a \$1,936,168 estimate of investment in the Agriculture Building Fund and current assets of \$1,511,126. In light of the surplus that is available to support these functions, the prospective operating deficit for the budget year under consideration, presents, in our opinion, no serious fiscal problem.

Division of Plant Industry

The increase proposed for the Division of Plant Industry is \$28,806 greater than the current year's estimate of expenditures of \$1,117,939. This increase is brought about by normal merit salary adjustments, while operating expenses and equipment remain substantially the same as in the current year. We recommend approval of the division's budget as requested.

Division of Animal Industry

The two activities supported as special fund functions within the Division of Animal Industry are the Bureau of Livestock Identification and a portion of the Bureau of Dairy Service. The request of the division for the 1958-59 Fiscal Year is \$942,767 which is approximately \$500 below that estimated for expenditure in the current year. This slight reduction is brought about by increases occasioned by normal merit salary adjustments which are more than offset by decreases in the equipment request. We recommend approval of the division's budget as submitted.

Division of Marketing

The Division of Marketing is requesting \$1,774,289, an increase of \$10,049 over the estimate for expenditures in the current year. The increase proposed is brought about by normal merit salary adjustments and slight increases in operating expenses which are partially offset by decreases in amounts requested for equipment. We have examined the detail of the division's request and feel that it is reasonable in the light of present day costs. Consequently, we recommend approval of the division's budget as requested.

**Department of Agriculture
POULTRY IMPROVEMENT COMMISSION**

ITEM 37 of the Budget Bill

Budget page 57

**FOR SUPPORT OF POULTRY IMPROVEMENT COMMISSION FROM THE
POULTRY TESTING PROJECT FUND**

| | |
|---|-----------|
| Amount requested | \$155,441 |
| Estimated to be expended in 1957-58 Fiscal Year | 148,072 |
| <hr/> | |
| Increase (5 percent) | \$7,369 |
| RECOMMENDED REDUCTIONS | None |

GENERAL SUMMARY

Chapter 73 of the Statutes of 1947 added Sections 43 through 48 to the Agricultural Code which created the Poultry Improvement Commission. The commission is composed of seven members of the poultry industry which are appointed by the Governor along with three ex officio members as follows:

1. The Chief of the Poultry Division of the University of California
2. The Chief of the Veterinary Division of the University of California
3. The Director of the State Department of Agriculture.

The commission is currently conducting three tests, random sample laying, random sample chicken meat production, and random sample turkey meat production. It is planned to commence a random sample turkey frier production test early in 1958 and yearly thereafter. The commission is operating two facilities, one located north of Modesto and the other east of Keyes where the turkey projects are conducted. The agency's work is aimed at providing information on poultry production, breeding, management and feeding practices to the industry and other interested parties.

ANALYSIS

The level of service proposed for the 1958-59 Fiscal Year is substantially the same as that available at the present time. One additional position is requested below:

1 *Poultry assistant (budget page 57, line 72)*

\$3,540

The above position is intended to provide additional help in maintaining the chicken project which has been expanded to a considerable extent as a result of capital outlay expenditures of \$20,000 in the 1957-58 Fiscal Year, which provided additional cages. We should point out that the net cost of this position will be \$540 based on a \$3,000 increase in revenue anticipated as a result of this position operating an existing egg cleaning machine which will bring higher prices for eggs sold by the commission.

Operating expenses have stayed substantially the same with only minor increases caused by workload. However, it should be pointed out that "operating expenses—field" indicate a \$5,000 increase over the current fiscal year. This is brought about by the need for maintenance painting, fence repairs and other minor maintenance projects which did not occur in the prior year. Equipment indicates a decrease of \$5,643.

Poultry Improvement Commission—Continued

As was pointed out in our analysis of the 1957 Budget Act appropriation for this item, the activities of the Poultry Improvement Commission are just one of the many state-supported media by which the poultry industry is promoted in California. We also pointed out other aids to the industry and recommended to the Legislature that an evaluation be made of these programs with a view to determining the proper amount of state support that should be provided in relation to industry's contribution which would possibly result in an increase in entrance fees for this activity. The Assembly Ways and Means Subcommittee which considered this item, requested the Department of Finance and the Poultry Improvement Commission to make such an evaluation with a review by this office. At the time of this writing no work has been done on this subject. However, we expect study to begin soon for reporting during the 1959 General Session of the Legislature.

**Department of Agriculture
POULTRY IMPROVEMENT COMMISSION**

ITEM 38 of the Budget Bill

Budget page 58

**FOR AUGMENTATION OF POULTRY TESTING PROJECT FUND
FROM THE FAIR AND EXPOSITION FUND**

| | |
|---|-----------|
| Amount requested | \$115,240 |
| Estimated to be expended in 1957-58 Fiscal Year | 90,176 |
| | \$25,064 |

RECOMMENDED REDUCTIONS..... None

ANALYSIS

This item provides an appropriation to augment the Poultry Testing Project Fund which supports the activities of the Poultry Improvement Commission as explained under our analysis of the previous item.

It is estimated that entry fees will provide \$7,000 in revenues while the sale of eggs and poultry will provide \$49,385 and miscellaneous revenues will provide \$275, or a total of \$56,660. Since the revenues are not, and have not been, sufficient since the creation of the commission to support its activities, an appropriation from the Fair and Exposition Fund has been required for this purpose.

We recommend approval.

DEPARTMENT OF CORRECTIONS

GENERAL ANALYSIS

The Department of Corrections, with administrative headquarters at Sacramento, has administrative jurisdiction over the state penal system. Included in this system are eight institutions housing adult male felons and one branch facility utilizing the former women's prison at Tehachapi. There are a number of forestry and highway road camps operated either year round or seasonally as part of the overall operations of some of the male institutions. The agency plans to open a new 1,200-man capacity penal plant, designated the North Facility, which will be operated as a satellite of the main institution at Soledad. Work is also progressing on the planned permanent institution to