

DEPARTMENT OF AGRICULTURE

ITEM 34 of the Budget Bill

Budget page 52

FOR SUPPORT OF DEPARTMENT OF AGRICULTURE FROM
THE GENERAL FUND

| | |
|---|-------------|
| Amount requested | \$8,014,368 |
| Estimated to be expended in 1958-59 Fiscal Year | 7,740,637 |

| | |
|------------------------------|-----------|
| Increase (3.5 percent) | \$273,731 |
|------------------------------|-----------|

| | |
|-----------------------------------|-----------|
| TOTAL RECOMMENDED REDUCTION | \$100,000 |
|-----------------------------------|-----------|

GENERAL SUMMARY

The agricultural activities supported from the General Fund are generally of a type aimed at protecting the general welfare of the agricultural industry and the public at large, while those activities in the Department of Agriculture supported from the Department of Agriculture Fund are industry-requested and supported. The following table is a breakdown of the 1958-59 estimate of expenditures of the Department of Agriculture by function. This table also shows the amount expended from the General Fund and the amount expended from the Department of Agriculture Fund for each category along with the total expended and the percentage each fund bears of the total expenditure for each function.

Department of Agriculture Expenditures by Type of Service

| | 1958-59 | | | Percent | |
|--|--------------|----------------------|-----------|--------------|----------------------|
| | General Fund | Dept. of Agric. Fund | Total | General Fund | Dept. of Agric. Fund |
| I. Administration | \$313,277 | \$201,221 | \$514,498 | 60.89 | 39.11 |
| II. Prevention of introduction and spread of crop and livestock pests and disease | 4,680,198 | 147,484 | 4,827,682 | 96.95 | 3.05 |
| 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. | 1,837,059 | 903,962 | 2,741,021 | 67.02 | 32.98 |
| B. Regulation of use and application of injurious agricultural chemicals, and regulation of commercial pest control operators | 60,640 | 25,486 | 86,126 | 70.41 | 29.59 |
| C. Prevention of theft of livestock | | 728,123 | 728,123 | | 100.00 |

Department of Agriculture—Continued

Department of Agriculture Expenditures by Type of Service, 1958-59—Continued

| | <i>General Fund</i> | <i>Dept. of Agric. Fund</i> | <i>Total</i> | <i>Percent General Fund</i> | <i>Percent Dept. of Agric. Fund</i> |
|--|-------------------------|---------------------------------|---------------------|-------------------------------------|---|
| D. Administration of weights and measures laws ----- | 92,281 | 76,695 | 168,976 | 54.61 | 45.39 |
| Total, Protection to the Public and Maintenance of Quality Standards ----- | 1,989,980 | 1,734,266 | 3,724,246 | 53.43 | 46.57 |
| IV. Assistance to producers and handlers in marketing of agricultural products ----- | 753,181 | 4,201,095 | 4,954,276 | 15.20 | 84.80 |
| | <u>\$7,736,636</u> | <u>\$6,284,066</u> | <u>\$14,020,702</u> | | |

NOTE: \$72,500 Federal Co-operative Marketing Research in Category IV paid from Fair and Exposition Fund not included in above totals.

The department consists of four divisions and a varying number of bureaus under each of the divisions as follows:

Division of Administration

The Division of Administration includes the offices of accounts and disbursements, public information, personnel, and a centralized office services unit.

Division of Marketing

The Division of Marketing is comprised of the Bureau of Market News, the Bureau of Markets, the Bureau of Market Enforcement, Bureau of Shipping Point Inspection, Bureau of Milk Control, Bureau of Agricultural Statistics, Bureau of Weights and Measures, and the Bureau of Fruit and Vegetable Standardization.

Division of Plant Industry

The Division of Plant Industry consists of seven bureaus which are the Bureaus of Entomology, Field Crops, Rodent and Weed Control and Seed Inspection, Plant Pathology, Nursery Service, Plant Quarantine, and the Bureau of Chemistry.

Division of Animal Industry

The Division of Animal Industry is composed of the Bureau of Meat Inspection, Bureau of Dairy Service, Bureau of Poultry Inspection, Bureau of Livestock Disease Controls, and the Bureau of Livestock Identification.

It will be noted that the table above is broken down into four categories of types of services performed by the Department of Agriculture through the bureaus mentioned above. The four categories mentioned in the above table can be further broken down into specific functions as the following tables illustrate. These tables also show the estimate of expenditures for the 1958-59 Fiscal Year by function and source of

Department of Agriculture—Continued

funds and compare that portion of the total expenditures accruing from the General Fund and the Department of Agriculture Fund.

I. Administration

| | 1958-59 F. Y. | | | |
|---|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Departmental Administration -- | \$253,113 | --- | --- | --- |
| Division of Plant Industry— | | | | |
| Administration ----- | 20,216 | --- | --- | --- |
| Division of Animal Industry— | | | | |
| Administration ----- | 20,106 | --- | --- | --- |
| Division of Marketing— | | | | |
| Administration ----- | 19,842 | --- | --- | --- |
| Departmental administrative charges ----- | --- | \$201,221 | --- | --- |
| Totals ----- | \$313,277 | \$201,221 | 60.89 | 39.11 |

II. Prevention of Introduction and Spread of Crop and Livestock Pests and Disease

| | 1958-59 F. Y. | | | |
|----------------------------------|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Entomology ----- | \$888,132 | --- | --- | --- |
| Plant quarantine ----- | 1,268,756 | --- | --- | --- |
| Plant pathology ----- | 198,929 | --- | --- | --- |
| Quick decline of citrus ----- | 50,609 | --- | --- | --- |
| Rodent and weed control ----- | 121,315 | --- | --- | --- |
| Predatory animal control ----- | 216,966 | --- | --- | --- |
| Livestock disease control ----- | 1,935,491 | --- | --- | --- |
| Nursery service ----- | --- | \$145,035 | --- | --- |
| Grain warehouse inspection ----- | --- | 2,449 | --- | --- |
| Totals ----- | \$4,680,198 | \$147,484 | 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.

| | 1958-59 F. Y. | | | |
|--|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Seed inspection ----- | \$108,840 | --- | --- | --- |
| Dairy service ----- | 176,922 | --- | --- | --- |
| Meat inspection ----- | 909,011 | --- | --- | --- |
| Poultry inspection ----- | 361,523 | --- | --- | --- |
| Fruit and vegetable standard ----- | 280,763 | --- | --- | --- |
| Commercial feeding stuffs ----- | --- | \$216,677 | --- | --- |
| Chemistry ----- | --- | 373,604 | --- | --- |
| Dairy service ----- | --- | 142,831 | --- | --- |
| Gasoline, distributor and oil inspection ----- | --- | 170,850 | --- | --- |
| Totals ----- | \$1,837,059 | \$903,962 | 67.02 | 32.98 |

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B. Regulation of use and application of injurious agricultural chemicals, and regulation of commercial pest control operators.

| | 1958-59 F. Y. | | | |
|--|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Agriculture pest control operators ----- | --- | \$25,486 | --- | --- |
| Spray residue and injurious materials enforcement -- | \$60,640 | --- | --- | --- |
| Totals ----- | \$60,640 | \$25,486 | 70.41 | 29.59 |

C. Prevention of theft of livestock.

| | 1958-59 F. Y. | | | |
|-------------------------------|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Livestock identification ---- | --- | \$728,123 | --- | 100.00 |

D. Administration of weights and measures laws.

| | 1958-59 F. Y. | | | |
|---------------------------|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| Weights and measures ---- | \$92,281 | --- | --- | --- |
| Public Weighmasters ---- | --- | \$76,695 | --- | --- |
| Totals ----- | \$92,281 | \$76,695 | 54.61 | 45.39 |
| Totals ----- | \$1,989,980 | \$1,734,266 | 53.43 | 46.57 |

IV. Assistance to Producers and Handlers in Marketing of Agricultural Products

| | 1958-59 F. Y. | | | |
|---|---------------|--------------------------------|----------------------|--|
| | General Fund | Department of Agriculture Fund | Percent General Fund | Percent Department of Agriculture Fund |
| General marketing service --- | \$53,912 | --- | --- | --- |
| Market news ----- | 588,799 | --- | --- | --- |
| Market News Service at Klamath Ch. 1473/57 -- | 6,000 | --- | --- | --- |
| Agricultural statistics ----- | 104,470 | --- | --- | --- |
| Field crops inspection ----- | --- | \$313,380 | --- | --- |
| Seed testing and certification ----- | --- | 37,615 | --- | --- |
| Dairy service ----- | --- | 37,200 | --- | --- |
| Markets ----- | --- | 11,787 | --- | --- |
| Market enforcement ----- | --- | 303,008 | --- | --- |
| Milk control ----- | --- | 1,026,959 | --- | --- |
| Canning tomato inspection --- | --- | 747,088 | --- | --- |
| Seed potato certification ----- | --- | 55,636 | --- | --- |
| Shipping point inspection --- | --- | 1,688,422 | --- | --- |
| Totals ----- | \$753,181 | \$4,201,095 | 15.20 | 84.80 |
| <i>Fairs and Exposition Fund</i> | | | | |
| Federal Cooperative Marketing Research --- | --- | \$72,500 | --- | --- |

Despite the general national economic recessional tendencies in 1958 the value of California's 1958 crop production is 3 percent above

Department of Agriculture—Continued

1957 with the 1958 estimate set at \$1,762,809,000. This amount, however, is 4 percent below the alltime high year of 1956. We should point out also that this figure does not include livestock production, flowers or nursery products. The actual tonnage produced in 1958 is less than that produced in 1957 or 1956 as the increase of 3 percent is due to higher unit prices.

ANALYSIS

| | Summary of Reductions | Amount | Budget | |
|-------------------------|-----------------------|-----------|--------|------|
| | | | Page | Line |
| Undistributed reduction | ----- | \$100,000 | 52 | 31 |

The Department of Agriculture has requested \$8,014,368 to support the General Fund activities of the department while it is estimated that \$7,740,637 will be expended during the current fiscal year which is an increase of $3\frac{1}{2}$ percent or \$273,731. The department proposes to add two positions of seasonal and temporary help in the Bureau of Entomology, four junior plant quarantine inspectors to man the new Truckee inspection station, and 0.7 of one position in the Bureau of Meat Inspection. These positions all appear to be justified on the basis of increased workload while the balance of the increase in salaries and wages is brought about by normal merit salary adjustments.

The amount requested for operating expenses appears to be in line as does the amount requested for equipment. The proposed budget would allow the department to maintain the level of service that is currently available; however, we feel that further savings can be made in the two areas mentioned below.

The Division of Animal Industry's Bureau of Livestock Disease Control operates a disease control and eradication program concerned with brucellosis in dairy and beef cattle. It is estimated that the Department expended approximately \$700,000 for this program during the 1957-58 Fiscal Year while approximately \$1,000,000 is estimated for expenditure in the budget year under consideration.

Brucellosis is a disease of cattle which can be transmitted to humans through the handling of infected animals or drinking raw milk. When a human contracts this disease it is commonly known as undulant fever. Undulant fever presents a problem of public health. However, most urban residents are protected in that the milk they consume is pasteurized. Probably the greatest problem attributable to brucellosis which affects the beef production cattlemen is that diseased cows frequently abort. This would not be of primary concern to the dairy farmer since the production of milk would be little affected by such a condition. However, to the cattlemen concerned with beef production the loss of calves is significant. It would therefore appear that the vaccination of both beef and dairy calves is highly desirable from both the standpoint of public health and from an economic standpoint. Since the General Fund has historically borne the cost of activities designed to protect human health, and since undulant fever is a public health problem, we believe that the General Fund should continue to pay the cost of the program where dairy animals are concerned. However, in the case of beef animals since this is an economic consid-

Department of Agriculture—Continued

eration it would appear that the beef cattle industry should pay a substantial part of the cost of eradicating brucellosis in beef cattle. If the beef cattle industry were to collect fees to pay the cost of brucellosis vaccine, contract vaccinations, and brucellosis indemnities, the State General Fund would be relieved of approximately \$350,000.

In view of the foregoing, we recommend that legislative study be given to the matter of General Fund support being provided for that portion of the brucellosis control program devoted to the beef cattle industry with a view to reducing the amount of funds necessary from the General Fund.

The Department of Agriculture has been fortunate in having capable fiscal administrators operating its various functions. This can be illustrated by noting the following table which shows the amount reverted from the budgeted appropriations for each fiscal year from 1953-54 to 1957-58.

| General Fund Support | | | | | |
|------------------------|------------|------|------------------|--------------------|--|
| F. Y. | Reversions | | Date reverted | Amount reverted | |
| | Chapter | Item | | | |
| 1953-54 | 971/53 | 40 | 6/30/55 | \$309,483.72 | |
| 1954-55 | 1/54 | 39 | 6/30/56 | 94,693.61 | |
| 1955-56 | 777/55 | 40 | 6/30/57 | 77,430.42 | |
| 1956-57 | 1/56 | 41 | 6/30/58 | 99,142.65 | |
| 1957-58 | 600/57 | 37 | 6/30/59 | 262,718.39* | |
| Total | | | | \$843,468.29 | |
| Annual average savings | | | | \$168,693.76 | |

* Estimated amount.

It will be noted that the Department of Agriculture has consistently ended each fiscal year for this period of time with substantial savings which were reverted to the General Fund for reappropriation by the Legislature in financing the ensuing year's budget. While we feel that the department should be commended for its diligence in causing these savings to come about, it would appear on the other hand that there has been a consistent overappropriation in terms of meeting the actual needs of the department. The total amount reverted over the past five years is \$843,468.79 which is an average of \$168,693.76 per year. In view of the fact that consistent reversions have been made historically it would appear reasonable to reduce the amount appropriated to the department at the beginning of the fiscal year. We would not feel that it would be unreasonable to reduce the amount requested by the Department of Agriculture by \$100,000, which should not seriously affect the operation of the department. *Consequently, we recommend the amount requested by the Department of Agriculture be reduced by \$100,000.*

Department of Agriculture

FEDERAL, CO-OPERATIVE MARKETING RESEARCH

ITEM 35 of the Budget Bill

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FOR SUPPORT OF FEDERAL, CO-OPERATIVE MARKETING
RESEARCH FROM THE FAIR AND EXPOSITION FUND

| | |
|---|----------|
| Amount requested ----- | \$72,500 |
| Estimated to be expended in 1958-59 Fiscal Year ----- | 72,500 |

| | |
|----------------|------|
| Increase ----- | None |
|----------------|------|

| | |
|-----------------------------------|------|
| TOTAL RECOMMENDED REDUCTION ----- | None |
|-----------------------------------|------|

GENERAL SUMMARY

This program has been carried on since 1947 for the purpose of conducting research in the marketing of California's agricultural products. Examples of this research are as follows: development of better methods of certifying virus-free fruit and nut trees and vineyard stock and developing new sampling and estimating techniques so that more accurate statistics may be available for the industry's benefit. The primary aim of the function is to aid the industry by making available to them the best marketing techniques known.

ANALYSIS

The same level of service is proposed for the 1959-60 Fiscal Year as is in existence currently. It should be pointed out that this function is supported 50 percent by the State and 50 percent by the Federal Government as has been the case since its inception. The State had expended \$643,760 as its share from the beginning of the program in 1947 to July 1, 1958. The greater portion of this amount has been expended for research on agricultural statistics while lesser amounts were spent on marketing research, fruit and vegetable standardization, plant pathology, market news, and seed inspection research. The State's share of this program was provided from the General Fund prior to the 1958-59 Fiscal Year. 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, the Legislature decided that it was reasonable to provide the State's share from the Fair and Exposition Fund.

We feel that there is a policy question that can be raised with respect to the federal co-operative research program with regard to the relationship of the amount of state, federal and industry funds involved. The table below indicates the amount of money provided by the Federal Government, the State and private industry. It will be noted that of the grand total of \$109,776.10 provided by the Federal Government \$76,915 of this is matched by state funds, whereas the balance of \$39,138.90 is matched from industry sources. We question whether the State should continue to supply tax moneys to the extent that it has in the past since this program has had \$643,760 contributed from the state treasury since it began in 1947. We would recommend that top priority be given to those projects where industry funds are available by de-emphasizing the state-supported projects. With the exception of the above we recommend approval of the items as budgeted.

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Agriculture

Department of Agriculture—Continued

Federal Co-operative Marketing Research

| <i>Project</i> | <i>Budget 1958-59</i> | <i>Financing Federal</i> | <i>State</i> | <i>Industry</i> |
|--|---------------------------|------------------------------|--------------|-----------------|
| Agricultural statistics ----- | \$69,000.00 | \$34,500.00 | \$34,500.00 | |
| Bureau of Markets ----- | 29,309.00 | 14,654.50 | 14,654.50 | |
| Bureau of Fruit and Vegetable Standardization ----- | 13,130.00 | 6,565.00 | 6,565.00 | |
| Bureau of Plant Pathology ----- | 42,391.00 | 21,195.50 | 21,195.50 | |
| Subtotal, State Financed Projects ----- | \$153,830.00 | \$76,915.00 | \$76,915.00 | |
| Canning Bartlett Pears ----- | \$4,000.00 | \$2,000.00 | | \$2,000.00 |
| Grapes ----- | 28,000.00 | 14,000.00 | | 14,000.00 |
| Walnuts ----- | 20,000.00 | 8,430.55 | | 11,569.45 |
| Lemons ----- | 20,000.00 | 8,430.55 | | 11,569.45 |
| Subtotal, Industry Financed Projects ----- | \$72,000.00 | \$32,861.10 | | \$39,138.90 |
| Grand Total ----- | \$225,830.00 | \$109,776.10 | \$76,915.00 | \$39,138.90 |
| Financing: | | | | |
| New federal money ----- | | \$100,000.00 | | |
| Federal carryover from 1957-58 ----- | | 9,776.10 | | |
| | | \$109,776.10 | | |
| Continuing Appropriation—Retirement ----- | | | \$4,415.00 | |
| Item 35, Budget Act of 1958 ----- | | | 72,500.00 | |
| | | | \$76,915.00 | |
| Industry deposits as above ----- | | | | \$39,138.90 |

Department of Agriculture

ITEM 36 of the Budget Bill

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

| | |
|---|-------------|
| Amount requested ----- | \$6,330,568 |
| Estimated to be expended in 1958-59 Fiscal Year ----- | 6,285,282 |
| Increase (0.7 percent) ----- | \$45,286 |

TOTAL RECOMMENDED REDUCTION ----- None

GENERAL SUMMARY

This portion of the Department of Agriculture's budget, commonly known as the special fund activities, is supported by the Agriculture Fund, which is a fund that is made up of 23 subfunds that receive the fees that are collected from the particular segments of the industry interested in supporting programs provided. These fees are made up of licenses, tonnage, taxes, registration fees and other assessments collected by the department and deposited to the credit of that particular function of the Department of Agriculture which is supported by its subfund.

**Department of Agriculture—Continued
ANALYSIS**

The \$6,330,568 requested for the 1959-60 Fiscal Year is \$45,286 or 0.7 percent greater than the \$6,285,282 anticipated for expenditure in the current fiscal year. The same level of service is proposed for the budget year as is available currently. Two positions are being added to meet the demands of increased workload. The first position being that of an intermediate typist-clerk at \$3,456, which is requested in the Bureau of Livestock Identification to handle work occasioned by the creation of the California Beef Council. We should point out, however, the cost of this position is being reimbursed by the council itself. The second position that is being requested is that of an electronics technician at \$4,740 in the Bureau of Fruit and Vegetable Standardization. This position would be used to maintain the electronic devices (agtrons) used by this bureau in the inspection of tomatoes. This appears to be an economical move, since the agtrons were purchased some time ago and are now requiring more maintenance than was the case formerly. The department feels that this additional position will cost less than equivalent service contracts in the future. The balance of the increases noted in the special fund activities of the Department of Agriculture are brought about by merit salary adjustments and the higher estimated costs of commodities and services. The requests appear reasonable. We should point out that the Agriculture Fund is in a solvent condition as it is estimated that the accumulated surplus as of July 1, 1959, will be \$3,218,932. We recommend approval of this item as requested.

**Department of Agriculture
POULTRY IMPROVEMENT COMMISSION**

ITEM 37 of the Budget Bill

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

| | |
|---|-------------|
| Amount requested | \$153,780 |
| Estimated to be expended in 1958-59 Fiscal Year | 149,236 |
| Increase (3.0 percent) | \$4,544 |
| TOTAL RECOMMENDED REDUCTION | None |

GENERAL SUMMARY

The Poultry Improvement Commission which was created by Chapter 950, Statutes of 1939, consists of seven members of the poultry industry appointed by the Governor and three ex officio members which are the Chief of the Poultry Division of the University of California, Chief of the Veterinary Division of the University of California, and the Director of the State Department of Agriculture. The commission's activities are on two sites, one located north of Modesto which has complete facilities for conducting chicken projects which include a random sample egg laying test and a random sample chicken meat production test. The turkey facilities are located east of Keyes where random sample turkey fryer production and random sample meat production tests are conducted. The primary function of the agency is providing timely

Department of Agriculture—Continued

information on breeding, management, poultry production and feeding practices to the industry and other interested parties.

ANALYSIS

The \$153,780 requested as the Poultry Improvement Commission's budget is \$4,544 greater than the \$149,236 estimated for expenditure in the 1958-59 Fiscal Year. This is a 3 percent increase accounted for by merit salary adjustments and increases in operating expense which are partially offset by a \$2,204 reduction in equipment. The amount requested will allow the commission to continue at the present level of service without any measureable increase in workload.

We feel that the amount submitted is reasonable to maintain the present operation under the current management practices being followed. However, from a preliminary examination of the methods and mechanics involved in compiling reports, reproducing them and mailing them it would appear that further economies could be effected by having the central office service unit of the Department of Agriculture handle the duplicating, addressing, stuffing, and mailing of the reports in lieu of maintaining duplicating, addressograph, and posting equipment at the Poultry Improvement Commission Office in Modesto. While we have not made a detailed examination of this procedure, we believe it reasonable to assume that one clerical position could be eliminated and the present office equipment involved transferred to other agencies requiring it at some savings to the State.

As we have pointed out in previous analyses of the Poultry Improvement Commission's budget requests, income from the operation of the project has never been sufficient to pay the expense of its operations. Historically revenues have approximated one-third of the actual cost of operation even though fees have been adjusted slightly from time to time. It is estimated that fees collected from entrants will account for \$7,200 and the sale of eggs and poultry will cause \$46,685 to accrue during the 1959-60 Fiscal Year. In total this would be \$53,885 whereas the Fair and Exposition Fund will provide \$103,925 by appropriation of the next item.

We recommend approval of the item as requested.

Dept. of Agriculture

POULTRY IMPROVEMENT COMMISSION

ITEM 38 of the Budget Bill

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

Amount requested _____ \$103,925
Estimated to be expended in 1958-59 Fiscal Year _____ 115,240

Decrease (9.8 percent) _____ \$11,315

TOTAL RECOMMENDED REDUCTION _____ None

**Poultry Improvement Commission—Continued
ANALYSIS**

The amount provided by this item serves as an augmentation to the Poultry Testing Project Fund which supports the program conducted by the Poultry Improvement Commission at both the poultry testing project at Modesto and the turkey project at Keyes, the operations of which were explained in our analysis of the previous item. It is estimated that entry fees will account for \$7,200 in revenue for the Poultry Testing Project Fund while the sale of eggs and poultry and turkeys will cause \$46,685 to accrue to the fund for a total of \$53,885. Consequently, the normal revenues of the projects are not sufficient to pay the costs of the program as has been the case since the inception of the Poultry Improvement Commission. This accounts for the need for this item of appropriation from the Fair and Exposition Fund. We recommend approval of the item as requested.

DEPARTMENT OF CORRECTIONS**GENERAL ANALYSIS**

The Department of Corrections is charged with the care, custody, control and treatment of all adult felons committed by the courts of this State to the state penal system and those released on parole. Thus, the two primary functions of this department are custody for immediate protection of the public, and treatment for the rehabilitation of the inmate which also means future protection to the public from the antisocial activities of released inmates. The latter is a goal of our state penal correctional system and, while not an accomplished fact, increasing effort is being expended in seeking the causes and cures.

The state correctional system in California consists of the Departmental Administration and Division of Adult Paroles, eight penal institutions and four related groups. The related groups are the Adult Authority consisting of seven members, which is the sentencing and paroling authority for all adult male felons. This agency has administrative staff assigned to offices at Sacramento and San Francisco. The board of trustees consists of five members and performs the same function for adult female felons as does the Adult Authority for the males. The board of trustees has an administrative staff and also has jurisdiction over the female parole operation. These two agencies also render advice and recommendations to the Director of the Department of Corrections.

The Board of Corrections is also an advisory group consisting of 21 members, chaired by the Director of Corrections and having representatives from the Department of Corrections, the Department of the Youth Authority, the Adult Authority, Youth Authority Board, Board of Trustees, and two appointees of the Governor.

The Correctional Industries Commission, consisting of seven members, gives advice and guidance to the correctional industries program in the various state prisons and to the Director of Corrections as to this program.