



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #197

### **Livestock Premises Registration Support (Agriculture, Trade and Consumer Protection – Regulatory Programs)**

[LFB 2023-25 Budget Summary: Page 70, #4]

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#### **CURRENT LAW**

Any person keeping livestock is required to register with the Department of Agriculture, Trade and Consumer Protection (DATCP) the premises at which the animals are kept. The law, which took effect in 2005, is primarily intended to allow DATCP animal health staff to respond to potential disease outbreaks by being able to quickly trace animals identified as potential carriers of pathogens. The statutes and Chapter ATCP 17 of the administrative code require premises holding any of the following animals to register with DATCP: (a) bovine animals; (b) equine animals; (c) goats; (d) sheep; (e) swine; (f) poultry; (g) farm-raised deer or elk; (h) captive game birds, such as pheasant, quail or duck; (i) camelids, such as camels, llamas or alpacas; (j) ratites, such as ostrich or emu; and (k) fish. There is no fee for registration of premises, and registrant information is kept confidential with limited exceptions.

Premises registration currently is carried out by a contract between DATCP and the Wisconsin Livestock Identification Consortium (WLIC), a private nonprofit organization with membership including farmer trade organizations, processors, agricultural lenders, genetics firms, and other agribusiness entities. WLIC maintains a central database with addresses, contact information, and lists of species to be able to track livestock movements in the event of an animal disease outbreak. Base funding for the program is \$350,000 GPR annually.

#### **DISCUSSION POINTS**

1. DATCP reports that premises registration assists with prompt responses and traceability in the event of an animal disease or animal-borne human disease outbreak. DATCP reports that large-scale animal disease outbreaks have become more frequent in recent years, as Wisconsin has faced

tuberculosis, pseudorabies, brucellosis, SARS-CoV-2, and highly pathogenic avian influenza (HPAI). When the Department knows where susceptible animals are located statewide, it is able to respond more efficiently to control an outbreak. There are 61,235 active premises registration in Wisconsin as of April, 2023, which has remained relatively stable over the past few years.

2. Assembly Bill 43/Senate Bill 70 would increase funding for livestock premises registration by \$70,000 GPR in each year of the 2023-25 biennium. The most recent change to the WLIC contract occurred under 2017 Wisconsin Act 210, when the appropriation received \$100,000 GPR in additional ongoing funding for WLIC database improvements and maintenance. Funding was used for WLIC to switch to a more robust database, CoreOne, allowing WLIC to keep more records electronically. WLIC enters all certificates of veterinary inspection (CVIs) into this database. CVIs are issued by DATCP's Division of Animal Health and are required for all animals imported into the state. DATCP reports that accessing CVIs electronically allows staff to search through official identification information quickly following an outbreak and comply with federally-required exercises.

3. DATCP and WLIC report several needs for additional funding, in addition to necessary ongoing expenses of regular registration renewals, data center operations, and technical support. WLIC reports that the cost of operations has increased over time due to inflation. WLIC also anticipates using funding to improve animal disease monitoring response by having more official traceability information, such as brucellosis vaccination records, tuberculosis test results, and additional species information, in an electronic searchable format, with CVIs. The WLIC reports needing an additional staff member to perform these monitoring functions. While WLIC has updated the CoreOne database for CVIs, WLIC reports it is unable to maintain real-time bovine CVI data entry during premises registration renewal periods at current staffing levels.

4. The funding increase under the provision is consistent with overall growth in the Consumer Price Index since the last program funding increase was enacted in April of 2018. Given DATCP's statutory obligation to register livestock premises and requests from WLIC for increased funding to maintain operations, the Committee could consider providing \$70,000 GPR annually in 2023-25 for additional staffing at WLIC [Alternative 1].

There are no fees for registering livestock in Wisconsin with DATCP and WLIC and the appropriation is currently fully funded with GPR. The DATCP Division of Animal Health segregated agricultural management (ACM) fund receives revenues from several feed, fertilizer and pesticide license and tonnage fees. ACM SEG currently provides \$381,900 and 4.0 positions for DATCP's animal health program for animal health inspection, testing and enforcement. As of June 30, 2022, the ACM had an available balance of \$12.8 million. The table shows the ACM fund condition in 2021-22, as well as estimated amounts in 2022-23 and the 2023-25 biennium under standard budget adjustments.

## ACM Fund Condition

|                           | Actual<br><u>2021-22</u> | Estimated<br><u>2022-23</u> | JFC to Date<br><u>2023-24</u> | JFC to Date<br><u>2024-25</u> |
|---------------------------|--------------------------|-----------------------------|-------------------------------|-------------------------------|
| Opening Balance           | \$12,999,700             | \$13,235,400                | \$13,060,300                  | \$12,841,500                  |
| Fee Revenue               | \$8,275,000              | \$7,900,000                 | \$8,000,000                   | \$8,000,000                   |
| Interest and Misc. Income | <u>37,800</u>            | <u>60,000</u>               | <u>70,000</u>                 | <u>70,000</u>                 |
| Total Revenue             | \$8,312,800              | \$7,960,000                 | \$8,070,000                   | \$8,070,000                   |
| Expenditures              | <u>-\$8,077,100</u>      | <u>-\$8,135,100</u>         | <u>-\$8,288,800</u>           | <u>-\$8,276,900</u>           |
| Cash Balance              | \$13,235,400             | \$13,070,300                | \$12,841,500                  | \$12,634,600                  |
| Encumbrances              | -\$448,800               | -\$448,800                  | -\$448,800                    | -\$448,800                    |
| Available Balance         | \$12,786,600             | \$12,621,500                | \$12,392,700                  | \$12,185,800                  |

5. It could be considered appropriate to provide additional funding for livestock premises registration from the segregated agrichemical management fund, as the fund is used to support DATCP's animal health program for preventing disease outbreaks in Wisconsin animal herds. The Committee could choose to provide \$70,000 ACM SEG annually for livestock premises registration [Alternative 2]. The Committee could also take no action. DATCP would maintain current funding and contract agreements with WLIC [Alternative 3].

### ALTERNATIVES

1. Provide \$70,000 GPR annually in 2023-25 for livestock premises registration.

| ALT 1 | Change to Base |
|-------|----------------|
| GPR   | \$140,000      |

2. Provide \$70,000 agrichemical management fund SEG annually in 2023-25 for livestock premises registration. Amend an existing ACM SEG appropriation to authorize expenditures for administration of the livestock premises registration program.

| ALT 2 | Change to Base |
|-------|----------------|
| SEG   | \$140,000      |

3. Take no action.

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