

Y SECTION INSPECTION AND LABORATORY SUMMARY, F. Y. 1950 THROUGH 1959

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Station inspections										
Counter Freezer inspections	636	574	512	360	310	264	184	269	252	124
Plant inspection (includes butterfat check-testing in milk plants)	914	944	892	825	802	877	1,027	1,106	1,009	928
Misc. inspection (includes oleomargarine)	552	642	496	622	583	463	423	479	397	410
Scale inspections						106	64	88	80	63
Building plans checked	17	26	39	62	89	116	102	215	208	130
Gallons of milk graded	32,537	9,875	14,170	9,523	28,909	20,702	17,226	36,480	33,920	7,240
Gallons of milk condemned % condemned		631	997		767	501	672	291		
Gallons of cream graded	16,746	41,400	38,340	75,555	2,65	2,42	3,90	80	76,786	68,000
Gallons of cream condemned % condemned		2,007	1,387	1,242	3,526	3,730	4,428	3,502	3,821	4,375
Gallons of cream rejected by creameries and cream stations		4.85	3.62	1.64	2.37	3.09	3.35	3.22	4.98	6.43
Cans and containers inspected	8,707	798	670	240	579	1,586	1,673	817	728	918
Cans and containers condemned % condemned		4,658	7,267	7,857	6,195	4,579	4,189	2,642	1,823	1,931
Samples of milk tested	2,949	4.12	1.28	.89	3.64	1.90	1.38	1.97	1.21	.98
Samples of cream tested	2,371	1,567	2,630	1,293	725	2,940	4,125	4,713	4,299	4,997
Sediment tests	6,012	1,524	2,012	1,057	934	912	726	1,111	873	416
Dairy product inspections		4,741	3,817	701	5,542	3,974	4,409	2,058	1,683	1,229
Pounds of butter weighed and graded			496	782	657	782	295	199	146	132
Pounds of cheese graded	926	396	12,787	1,864,187	6,538,606	4,848,480	1,339,590	715,587	654,752	581,992
Laboratory analyses	86	52	41	548,668	2,059,883	2,082,299	1,649,956	172,547	220,984	11,403
Practical examinations given	120	145	294	1,608	1,961	3,080	1,889	2,156	814	2,924
Meetings attended				35	27	16	12	30	26	11
Service calls				161	136	105	131	153	75	99
Investigations				529	625	553	625	746	823	976
Conferences				28	12	26	18	75		
Station shipments checked	75	20	15	65	55	188	281	256	73	290
Farm inspections	162	127	96	35	31	17	11	21	20	6
Restaurant and store inspections	391	307	222	73	27					
Direct shippers checked	142	23	35	151	127					
Floor checks	23	15	40							
Milk samples collected	186									
Cream samples collected	101									
Butter samples collected	134	187								
Ice cream samples collected	438	244								
Cheese samples collected	56	44								
Condensed milk samples collected	5	9								
Oleomargarine samples collected	6	11								
Samples analyzed in field by inspectors	284	99								
Phosphates and other field tests	195	303	264	74	52	1,880				139
Samples collected and analyzed			509	512	1,429					2,378
Pounds of butter graded			163,288							
Pounds of butter weighed			137,101							
Farm calls and bulk tank inspections	1,943	2,962								
Pounds of cheese rejected										

Source: Annual Reports, State Department of Agriculture.

## Division of Markets

As shown in Chart 5, the Division of Markets of the Colorado State Department of Agriculture is composed of the following sections: fruit and vegetable inspection service (supervisor an employee of the federal government); produce dealers' licensing and frozen food provisioners (same supervisor over both sections); weights and measures; and marketing.

The operations of the Division of Markets and the Marketing Section are financed from the same budget fund; further, while the chief of this division has the general over-all administrative supervision of every section therein, the Marketing Section receives more direct supervision from the division head than do the other sections. Consequently, the activities of the office of chief of this division and the Marketing Section are treated together herein on a combined bases.

### Marketing Section

The Marketing Section administers the Agricultural Marketing Act of 1939, the Cooperative Marketing Law of 1923, and the law relating to branding of potato containers. Additional activities include the federal Hope-Flanigan market research program and related market promotion work. Also, the enforcement of the joint state-federal fruit and vegetable inspection service is a responsibility of this office.

Agricultural Marketing Act. In 1939, the Colorado General Assembly declared "that the marketing of agricultural commodities produced in Colorado, in excess of reasonable and normal market demands therefor; disorderly marketing of such commodities; improper preparation for market and lack of uniform grading and classification of agricultural commodities; unfair methods of competition in the marketing of such commodities and the inability of individual producers to develop new and larger markets for Colorado grown agricultural commodities, result in an unreasonable and unnesseary economic waste of the agricultural wealth of this state."

The General Assembly further declared that it is "the policy of this state to aid agricultural producers in preventing economic waste in the marketing of their agricultural commodities, to develop more efficient and equitable methods in marketing of agricultural commodities and to aid agricultural producers in restoring and maintaining their purchasing power at a more adequate, equitable and reasonable level." The Agricultural Marketing Act of 1939 (1953 C.R.S. 7-3-1 through 7-3-23, as amended) was enacted with the following purposes in mind (Section 7-3-3):

DIVISION OF MARKETS

CHIEF

FRUIT AND VEGETABLE INSPECTION SECTION

SUPERVISOR

INSPECTIONS  
Carloads (Origin  
Trucks (Transit  
(Destination  
Appeal  
Re-use of Containers

CERTIFICATIONS  
Quality  
Grade and Size

OTHER SERVICES  
Educational  
Experimental  
Inspector Training  
Collection Fees

POTATO BRANDING  
Grade and Size  
Marketing Containers

SPRAY RESIDUE  
Laboratory Analysis  
Certification

MARKET NEWS INFORMATION  
In Cooperation with  
Federal Government

MARKETING AGREEMENT AND CO-OP MKTG. SECTION

SUPERVISOR

MEETING MKTG. GROUPS  
Marketing Agreements  
Commodity Groups  
Public Hearings  
Referendums  
Nomination  
Administrative Committee  
Budgets

MEETINGS  
Organization  
Annual  
Council  
Educational  
Conference Leading

COMPLIANCE  
Marketing Orders  
Marketing Regulations  
Court Action

MARKETING GENERALLY  
Commodity Groups  
Grading Programs  
Market Needs  
Consumer Programs  
State Mktg. Conferences

MARKET SURVEYS  
Research

PRODUCE DEALER LICENSING AND REFRIGERATOR LOCKER SECTION

SUPERVISOR

LICENSING  
Brokers  
Dealers  
Commission Merchants  
Bond Comm. Merchants  
Refrigerated Lockers

COMPLIANCE  
Hearings  
Court Action

INVESTIGATIONS  
Non-Payment Accounts  
Fraudulent Practices  
Short Checks

HEARINGS  
Settlement  
Arbitration  
Mediation  
Revocation of License

LOCKER INSPECTION

INSPECTIONS  
Construction  
Equipment  
Temperature  
Packaging

WEIGHTS & MEASURES SECTION

SUPERVISOR

INSPECTIONS  
Large and Small Scales  
Weights  
Packaged Goods  
Measures  
Volume Meters  
Vehicle Tanks  
Containers  
Fabric Measuring Devices  
Farm Milk Tanks

INVESTIGATIONS  
Complaints  
Short Weights  
and Measures  
Scale Repairmen  
Certified Weighers

ADMINISTRATION  
Educational Meetings  
Training Programs  
Licensing of Sales  
Certification of bonded  
Repairmen & Weighmasters  
Hearings  
Court Action

1) To enable agricultural producers of this state, with the aid of the state, more effectively to correlate the marketing of their agricultural commodities with market demands therefor.\*

2) To establish orderly marketing of agricultural commodities.

3) To provide for uniform grading and proper preparation of agricultural commodities for market.

4) To provide methods and means for the development of new and larger markets for agricultural commodities produced in Colorado.

5) To eliminate or reduce the economic waste in the marketing of agricultural commodities.

6) To restore and maintain adequate purchasing power for the agricultural producers of this state.

Marketing orders are the primary means with which the purposes of this program are designed to be effectuated. There are four active marketing orders in effect at the present time in Colorado, as follows (the date of establishment is in parenthesis): Mesa County Peach Order (1939); Potato Marketing Order (1941); Wheat Marketing Order (1958); and Lettuce Marketing Order (1959). Within the past year or so the section has drafted tentative marketing orders at the request of producers of wool, beef, pinto beans, fresh vegetables, and certified seed. However, the section reports, many more meetings, hearings, and referendums must be held before any of these tentative orders can be approved and put into operation.

In this connection, some of the specific duties carried out by the Marketing Section and the office of the chief of the division are:

- 1) Draft marketing orders and amendments to orders;
- 2) Hold hearings on proposed orders and amendments;
- 3) Conduct referendums on proposed orders and amendments;
- 4) Supervise elections of nominees to marketing order boards of control;

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\*"Agricultural commodities" as defined by 1957 C.R.S. supplement 7-3-4 (1) means "any and all agricultural, horticultural, viticultural, and vegetable products, livestock and livestock products, wheat, bees and honey, and poultry and poultry products, produced in the state . . . but does not include sugar beets, timber and timber products, hay, oats, barley, corn and milk and milk products..." However, the statute limits marketing orders concerning cattle to the promotion and sale of beef products, marketing research, and consumer preference research.

- 5) Appoint and assist in organization of boards of control;
- 6) Develop and approve budgets of boards of control;
- 7) Write and issue marketing regulations and assessment regulations as requested by boards of control;
- 8) Enforce regulations of boards of control; and
- 9) Assist boards of control in planning and administering promotional, public relations, and educational programs.

An example of the procedure followed in establishing a marketing order or agreement is presented in the following paragraphs, as reported on pages 82-83 of the agriculture department's annual report for fiscal year 1951.

The Colorado Commissioner of Agriculture receives a request from producers and/or shippers of a given agricultural commodity in a representative area of the state for consideration of a Marketing Agreement. Preliminary meetings with such growers and shippers comprising the industry are held. Explanation of the working of the Act is given by representatives of the Colorado Department of Agriculture and spokesmen for the industry who present the problems for which a solution is sought. The industry then prepares a "Proposed Marketing Agreement." This is mailed to all producers and shippers representing the industry in question. An "Official Hearing" is scheduled at some convenient point or points, at which all representatives of the... industry are prevailed upon and urged to present testimony as to the economic factors involved. The definite provisions of the proposed Agreement are discussed at this hearing and all other factors are considered which might affect the situation.

Following the official hearing, the commissioner prepares a "Tentatively-Approved Agreement" based upon the information and testimony brought out at the official hearing. The "Tentatively-Approved Agreement" is mailed to all growers and shippers in the industry in question, and at the same time, a referendum period is declared. During the referendum period, shippers may approve the "Tentatively-Approved Agreement" by executing it. However, growers vote by ballot, either for or against the proposal. Then each grower ballot is weighted by the production of each individual.

Provisions are made in the proposal and in the final Order for a "Board of Control" made up of producers and/or handlers of the commodity. Candidates for this Board are elected by the groups themselves, and a list is submitted to the Commissioner of Agriculture for final

selection and appointment. This "Board of Control" has the general duties of an advisory committee or a board of directors. Their principal function is to recommend to the commissioner the specific regulations which the industry itself desires under the limitations of the general provisions which have been approved and included in the final order. The commissioner may not initiate or "hand down" any such regulations unless and until they have been recommended by such Board of Control. The commissioner may veto recommendations of the Board of Control if, in his opinion, such recommendation will not effectuate the declared purposes of the Act, or are improper or illegal; but he may not dictate operative regulations.

In order to illustrate the size of the operations of the various marketing orders, and corresponding supervision by the Markets Division, Table 12 is included herein. Separate budgets are filed for the three areas under the state-wide potato marketing order as Area No. 1 (Western Slope), Area No. 2 (San Luis Valley) and Area No. 3 (Northern Colorado). The receipts and expenditures reported for two of the marketing orders, wheat and lettuce, represent their first year's activity.

Cooperative Marketing Law. In 1923, the Colorado Cooperative Marketing Law (1953 C.R.S. 7-4-1 through 7-4-31, as amended) was enacted "in order to promote, foster and encourage the intelligent and orderly marketing of agricultural products through cooperation; and to eliminate speculation and waste; and to make the distribution of agricultural products between producer and consumer as direct as can be efficiently done; and to stabilize the marketing of agricultural products and to provide for the organization and incorporation of cooperative marketing associations for the marketing of such products." (Section 7-4-1)

Assigned the responsibility of administering the Cooperative Marketing Law, the Marketing Section assists agricultural producers in organizing cooperatives and assists already organized groups with such things as amending articles and by-laws, educational programs, and management problems. However, the section reports that, "due to limited personnel and travel funds, we have to depend on the Colorado Cooperative Council to do a considerable amount of the cooperative work which we could and should do."

Potato Branding Law. 1957 C.R.S. Supplement 7-6-37 (2) regulates the marking of containers of potatoes to require the grade, weight of contents, and the name and address of the packer or shipper. An amendment in 1957 added the requirement that all potatoes imported for sale in Colorado must meet the Colorado Marketing Order specifications in regard to quality, grade, and size.

Table 12

RECEIPTS AND EXPENDITURES, COLORADO MARKETING ORDER  
BOARDS OF CONTROL\*

<u>Marketing Order</u>	<u>12-Month Period</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Difference</u>
Wheat	5/5/58 - 3/27/59	\$ --0--	\$190,500.62	\$79,565.91	\$110,134.71
Lettuce	7/9/59 - 10/23/59	--0--	16,979.24	6,236.31	10,742.93
Potato -- #1	7/1/58 - 6/30/59	Not Available	848.89	748.52	100.37
Potato -- #2	4/1/58 - 5/31/59	Not Available	48,832.60	42,679.57	6,153.03
Potato -- #3	4/1/58 - 5/31/59	Not Available	29,013.33	29,165.04	-- 151.71
Peach	7/1/58 - 6/30/59	29,273.58	50,398.69	58,512.00	21,160.27

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\* Source: Individual audit reports submitted to State Department of Agriculture

The Marketing Section reports that a certain amount of checking is necessary from time to time to determine that the potato branding requirements are being followed by handlers, brokers, importers, and others. On the whole, however, compliance has been "very good" on the part of those in the potato industry.

Hope-Flanigan Market Service Program. Most of the remaining activity of the Marketing Section is devoted to the Hope-Flanigan Market Service Program in cooperation with the Agricultural Marketing Service of the United States Department of Agriculture. Simply stated, the section reports, the market service program is intended to help agricultural producers market their production to the best advantage.

While this program operates on a matched fund basis, since 1951, when market service work thereunder began in Colorado, no state monies have been directly used; rather matching funds at the state level have been provided by such industry groups as potato growers, peach growers, honey producers, and dairymen. State funds are used to the extent that money appropriated for the salary of one marketing specialist is used to match federal funds in order to employ a second specialist.

At present, market service projects are underway for the Mesa County peach growers, the San Luis Valley potato growers, and the Northern Colorado potato growers. These groups raise the necessary matching funds by assessments under their marketing orders.

Under the Hope-Flanigan program, employees of the Marketing Section assist industry in the planning of these projects, prepare and submit the proposed project and budget to the United States Department of Agriculture for its approval, administer the funds, and make all required reports.

Promotional Activities As a part of the aforementioned activities, the Markets Division is substantially connected with the promotion of Colorado agricultural products. However, most of the funds used for market promotion are furnished by the producers themselves, although Marketing Section personnel are reported to assist producer groups with their promotional activities in every way possible. No state funds are appropriated to the agriculture department to advertise Colorado agricultural products.

Personnel. Personnel in the Marketing Section, excluding the chief of the division, consists of two marketing specialists and two clerk-stenographers. An additional marketing specialist was approved to be employed beginning in fiscal year 1961.

Not all of the employees working in the office of the chief of the Markets Division and in the Marketing Section have been paid from the division's fund. The following tabulation summarizes the personnel position and source of salary from fiscal year 1950 through fiscal year 1960.



<u>Fiscal Year</u>	<u>Personnel*</u>	<u>Source of Salary</u>
1950 through 1953	Chief, Markets Div. Clerk-Stenographer	General Fund General Fund
1954	Chief, Markets Div. Clerk-Stenographer Marketing Spec. (2/3)	General Fund General Fund Produce Dealers
1955	Chief, Markets Div. Clerk-Stenographer Marketing Specialist	General Fund General Fund Produce Dealers
1956	Chief, Markets Div. Clerk-Stenographer Marketing Specialist	General Fund General Fund Produce Dealers
1957	Chief, Markets Div. Clerk-Stenographer Marketing Specialist Marketing Spec. (3/4)	General Fund General Fund General Fund Hope-Flanigan
1958	Chief, Markets Div. Clerk-Stenographer Marketing Specialist Marketing Spec. (3/4)	General Fund General Fund General Fund Hope-Flanigan
1959	Chief, Markets Div. Clerk-Stenographer Marketing Specialist Marketing Specialist	General Fund General Fund General Fund Hope-Flanigan
1960	Chief, Markets Div. Clerk-Stenographer Clerk-Stenographer Marketing Specialist Marketing Specialist	General Fund General Fund Produce Dealers General Fund Hope-Flanigan

\*Full-time employees unless otherwise noted.

### Fruit and Vegetable Inspection Service

Since 1922, Colorado and the federal government have joined together to provide an inspection program for various fruits and vegetables produced in this state. In 1925, the inspection program was made non-compulsory, but in 1929 the law was amended to require compulsory inspection for potatoes, onions, and cabbage. The program was subsequently changed so that today compulsory inspection is generally required for most fruit and vegetables with certain products being exempted therefrom, the most recent of which (onions) was placed on a voluntary basis by action of the General Assembly in 1959.

Fruits and vegetables on the list for compulsory inspection are peaches, cantaloupes, honeydew melons, honeyball melons, water-melons, head lettuce, broccoli, cauliflower, green peas, potatoes, cabbage and spinach. Exempted, in addition to onions, are apples and pears.

Purpose of Program. The joint state-federal inspection program of fruits and vegetables is designed for the benefit and protection of growers, shippers, carriers, and receiving dealers or sellers. However, despite the statement in the law (1953 C.R.S. 7-6-1) that it also "assures the ultimate consumer of the quality and condition of products which are purchased," neither the law as written nor the program as administered provides this service to the consuming public.

The program serves as one of several tools designed to raise the quality of fruits and vegetables produced in Colorado. Also, under the law, proof as to the quality of the produce is provided in the event of any mishap which might occur while it is enroute from the shipper to the receiver.

Activities of the Fruit and Vegetable Inspection Service. The Fruit and Vegetable Inspection Service almost exclusively is devoted to shipping-point inspection work, and the service will not and does not engage in enforcement activities, although it may report violations to marketing order boards of control or to the chief of the Markets Division for his action.\* In addition, as a voluntary, uncompensated service, inspectors collect assessments on producers for marketing order boards of control. Further activities include a continuing educational program with packers and shippers in the course of regular inspection work as well as attending meetings of growers and shippers and marketing order meetings.

Under the joint program inspections are made at the shipping point only. While growers may request inspections of their produce prior to its receipt and packing at the shipping point, the program supervisor reports that growers do not request this service. Inspections of produce at terminal or marketing points are made under a federal program and not under the joint state-federal Fruit and Vegetable Inspection Service. As an additional activity joint state-federal inspectors provide inspection services for canneries and processors.

Shipping-point inspections are usually made on the basis of a combined quality and condition check. At times inspectors also check weight or count on federal governmental purchases when requested to do so. In comparison, federal terminal-point inspections normally are concerned with the condition of the produce after being transported, with inspections for quantity being made only upon specific request.

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\* The U.S.D.A. Manual for Shipping Point Supervisors provides that "...It should be clearly understood that no licensee can be used to enforce state laws or regulations." (p.5)

Table 13 reports the number of annual railway carlot and trucklot inspection certificates issued from fiscal year 1950 through 1959, as well as the number of spray residue inspection certificates. This program was stopped in 1959. The table does not include work performed for canneries and processors as certificates are not issued for these inspections.

Table 13

SHIPPING-POINT INSPECTION CERTIFICATES ISSUED  
BY FRUIT AND VEGETABLE INSPECTION SERVICE

Fiscal Years 1950 Through 1959<sup>a</sup>

<u>Fiscal Year</u>	<u>Carlots</u>	<u>Trucklots</u>	<u>Spray<sup>b</sup> Residue</u>	<u>Total</u>
1950	29,922	20,014	2,169	52,105
1951	21,292	11,241	961	33,494
1952	13,252	11,232	968	25,452
1953	19,606	16,465	1,476	37,547
1954	12,749	23,665	833	37,247
1955	12,181	25,652	2,886	40,719
1956	9,903	23,015	1,327	34,245
1957	7,681	29,988	1,840	39,509
1958	8,387	29,314	1,312	39,013
1959	8,381	29,643	0	38,024

(a) Source: Department of Agriculture records.

(b) Provision for spray residue inspection repealed in 1959.

Personnel of Inspection Service. The staffing pattern of the Fruit and Vegetable Inspection Section has remained virtually unchanged since 1950 with two exceptions, according to the federal supervisor. The first change occurred in June of 1952 when an accountant in the Denver office retired and his position was abolished. The most recent change took place when the district office at Rocky Ford was closed December 1, 1959, as a result of onions being taken off the compulsory inspection list earlier that year and the workload decreasing to such an extent that the district office in the area was no longer needed. In this instance the only full-time employee in the office - the district supervisor - likewise retired; however, in this case, the position has not been abolished. Present full-time staff positions in the Fruit and Vegetable Inspection Section are reported to consist of the following:

One supervisor -- a federal employee whose salary and expenses are paid indirectly by the state.

Four district supervisors -- stationed in Grand Junction, Greeley, and Monte Vista; one vacant position.

One assistant supervisor -- Greeley.

Four clerk-typists -- two in Denver, one in Monte Vista, and one in Greeley; not included here is a clerk-typist who normally works ten to eleven months each year in the Grand Junction office.

However, the operation of the service depends largely on employing seasonal or temporary inspectors and clerical help. Normally, about one-half of these part-time inspectors are employed for less than six months in any one year; about one-fourth are employed from eight to 11 or 12 months, depending on harvest and market conditions.

Similarly, the total number of employees will vary from month to month, as reported in Table 14 for the 12 months in fiscal year 1958. In this table, the average number of days worked by day-rate employees has been applied to the number of such employees and added to the number of full-time employees to arrive at the figures in the final column as representing the total number of full-time months worked in a particular month.

Based on these calculated totals and assuming that the number of employees reflected inspection demands, in fiscal year 1958 the peak months of inspection work were reached in August, September, and October, after which time the demand began to taper off slightly for the next five months. In April, a noticeable decline began, reaching its lowest point in June.

Because of the widely fluctuating need for inspection service during the course of a year, the Fruit and Vegetable Inspection Service offers little full-time opportunities to prospective employees and consequently it is not unusual for the agency to report difficulty in hiring qualified inspectors on a temporary basis. Moreover, all inspectors must be licensed by the federal government before they can be employed.

In this connection, each year training schools for new inspectors are operated by the inspection service so that they may qualify for a federal license. While the exact cost to the state of the training schools would be difficult to determine, the federal supervisor estimates this figure at a minimum of \$3,000 for fiscal year 1959. This total primarily includes salaries for the trainees and for the experienced inspectors who served as instructors.

This type of program appears to be even more expensive when it is noted that most of these trainees only worked from two to six weeks. Moreover, the federal supervisor reports that the expense of

Table 14

FRUIT AND VEGETABLE INSPECTION  
 PERSONNEL EMPLOYED  
Fiscal Year 1958<sup>(a)</sup>

Month	No. of District Suprs.	No. of Other Monthly Emp.	No. of Day-Rate Emp.	Total No. of Emp.	Avg. No. of days worked by Day-Rate Emp.	Day-rate Emp. on a Man Mo. Basis	Total No. of Man Months
July 1957	3	7	35	45	11.69	17.07	27.07
August 1957	3	41	74	128	14.92	45.96	89.96
September 57	3	46	69	118	22.97	65.71	114.71
October 57	4	45	32	82	21.68	28.83	77.83
November 57	4	44	12	60	26.60	13.34	61.34
December 57	4	44	9	57	20.66	7.76	55.76
January 1958	4	45	9	58	21.88	8.18	57.18
February 58	4	45	7	56	21.00	6.14	55.14
March 1958	4	36	9	49	17.88	6.72	46.72
April 1958	4	29	4	37	14.75	2.45	35.45
May 1958	4	16	9	29	16.55	6.21	26.21
June 1958	4	5	7	16	16.71	4.86	13.86

) Source: Agriculture Department records

using some inexperienced inspectors each year is further increased since it normally takes them a few days before they are able to do their work and that he believes 20 or possibly fewer experienced men could do a better job than 30 inexperienced men.

Table 15 reports the annual number of trainees or inexperienced inspectors as compared to experienced inspectors employed by the inspection service from fiscal year 1950 through 1959. The proportions vary somewhat from year to year, ranging from a low of inexperienced personnel in 1955 of six (or six percent) to a high in 1959 of 31 (25.8 percent).

Table 15

COMPARISON OF "TRAINEE" INSPECTORS TO  
TOTAL FRUIT AND VEGETABLE INSPECTORS EMPLOYED

Fiscal Years 1950 Through 1959<sup>a</sup>

<u>Fiscal Year</u>	<u>"Trainee" Inspectors</u>	<u>Experienced Inspectors</u>	<u>Total Number Inspectors Employed</u>
1950	26	101	127
1951	16	89	105
1952	15	68	83
1953	26	84	110
1954	11	86	97
1955	6	94	100
1956	17	78	95
1957	13	98	111
1958	29	89	118
1959	31	89	120

(a) Source: 1959 annual report of Fruit and Vegetable Inspection Service. Total excludes regular district inspection supervisors.

Inspections. As mentioned previously, the joint federal-state program is concerned largely with shipping-point inspections in regard to grade and quality of the produce, while the federal government makes the inspection normally in regard to condition only at the terminal wholesale market. The relatively minor balance of the inspection service rendered under the joint program is usually

provided only to canneries and processors as growers are not requesting inspections of their produce before it reaches the shipper, although they can request this service if they so desire.

Table 16 presents a ten-year comparison of shipping point inspections performed in the five districts into which the state was divided during that period -- Arkansas Valley, Denver, Platte Valley, San Luis Valley, and Western Colorado. (The Arkansas Valley district office closed December 1, 1959.) Shipping point inspections are broken down as to railway carlots and trucklots, as well as spray residue inspections which were made until the law was repealed in 1959. Rather than reporting the number of inspection certificates issued or the amount of fees charged, for comparative purposes Table 16 contains percentage figures based on the proportion of inspection fee charges by districts.

As shown in Table 16, around one-half of the total annual shipping-point inspections were made in the San Luis Valley District. Next in terms of inspections made was the Platte Valley District which received between 22 percent and 36 percent of the inspections, followed by the Western Colorado District with between ten percent and 19 percent. Between two percent and ten percent of the inspections were performed in the Arkansas Valley, with comparatively few of the inspections being made out of the Denver office.

### Produce Dealers' Section

The Produce Dealers' Section of the Division of Markets is responsible for carrying out the provisions of the Produce Dealers Act, Chapter 90, Session Laws of 1937. In general, the Produce Dealers' Act provides for the investigation and elimination of unfair trade practices involved in the wholesale purchase of Colorado agricultural products. Listed below are the basic responsibilities of the Produce Dealers' Section:

- 1) To issue licenses to all dealers, brokers, commission merchants and agents in order to eliminate irresponsible wholesale buyers of Colorado agricultural products.
- 2) To promote fair dealings between buyers and growers of agricultural products.
- 3) To insure farmers and stock raisers proper payment for their crops by the elimination of worthless checks and other unfair trade practices.
- 4) To provide an unbiased tribunal for the adjustment of controversies between growers and buyers.

The Produce Dealers' Act of 1937 (C.R.S. 1953, Section 7-5-1 through 7-5-15) has never been amended. However, the section adopted regulations in 1941 after an attorney general's opinion stated that this would be in conformity with the statute. This was also reinforced by a Supreme Court Case, State of Colorado v. Ziegler, March 30, 1942.

Table 16

PROPORTION OF CERTIFICATE CHARGES BY TYPE OF  
INSPECTION FOR FRUIT AND VEGETABLE DISTRICTS  
Fiscal Years 1950 Through 1959(a)

Fiscal Year	Arkansas Valley				Denver				Platte Valley			
	Rail	Truck	Spray	Total	Rail	Truck	Spray	Total	Rail	Truck	Spray	Total
1950	4.40	3.59	0	7.99	3.84	2.07	0.22	6.13	11.56	9.97	.01	21.54
1951	0.94	0.66	0	1.60	0.42	0.38	0	.80	21.36	14.67	0	36.03
1952	1.76	5.75	0	7.51	2.54	2.46	0	5.00	9.46	18.29	0	27.75
1953	1.49	5.47	0	6.96	1.17	0.59	0	1.76	9.00	15.77	0	24.77
1954	1.01	6.51	0	7.52	0.69	0.96	0	1.65	6.17	22.33	0	28.50
1955	1.28	5.95	0	7.23	1.23	2.09	0	3.32	3.20	21.97	0	25.17
1956	1.30	7.65	0	8.95	1.31	1.79	0	3.10	2.75	24.13	0	26.88
1957	1.32	8.41	0	9.73	0.89	1.96	0	2.85	1.73	26.16	0	27.89
1958	0.69	8.79	0	9.48	0.71	2.13	0	2.84	1.09	22.46	0	23.55
1959	1.35	8.61	0	9.96	0.49	1.85	0	2.34	1.45	20.38	0	21.83

  

Fiscal Year	San Luis Valley				Western Colorado				Grand Total
	Rail	Truck	Spray	Total	Rail	Truck	Spray	Total	
1950	37.66	11.14	.16	48.96	10.73	2.29	2.36	15.38	100.00%
1951	33.00	12.08	.02	45.10	12.26	2.71	1.50	16.47	100.00%
1952	30.20	16.96	.65	47.81	8.86	1.39	1.68	11.93	100.00%
1953	31.01	19.16	.17	50.34	11.25	2.96	1.96	16.17	100.00%
1954	21.20	27.40	.12	48.72	9.12	3.58	.91	13.61	100.00%
1955	16.04	28.73	.50	45.27	11.43	4.59	2.99	19.01	100.00%
1956	15.90	25.87	.21	41.98	11.01	6.46	1.62	19.09	100.00%
1957	10.72	34.01	.18	44.91	7.08	5.94	1.60	14.62	100.00%
1958	17.02	32.98	.65	50.65	6.52	5.41	1.55	13.48	100.00%
1959	16.78	38.66	0	55.44	4.76	5.67	0	10.43	100.00%

(a) Excluding non-certificate charges for canneries and processors.



Inspection Schedules and Organization. At the present time, section inspectors reside in seven permanent districts, as reported in Table 17. These districts are assigned as permanent inspection areas. According to the supervisor, the districts are designed so that each inspector has a sufficient workload for the year and in order that travel costs may be kept to a minimum. Furthermore, the Denver district has two inspectors, with the assistant supervisor acting as one of these inspectors. The supervisor also states that there is no need for inspectors to shift from district to district during peak seasons since the section engages in other activities during the non-harvest seasons. The supervisor also reports that if an inspector resides and works in a district permanently, he may become more thoroughly acquainted with the activities and the people of a district to the extent that he is aware of new truck operators or dealers coming into an area. Thus, he may be able to gain the confidence of the dealers and growers and be able to settle disputes before they reach the formal complaint stage.

Even though an inspector is assigned to a permanent district, the supervisor prepares inspection schedules for each quarter and mails out specific assignments about three weeks in advance of their effective date. This allows an inspector to know, ahead of time, just where he will be, so that he may plan his calls or actions on complaints accordingly. The Denver office is thus able to control the activities of the inspectors with regard to seasonal conditions but still enables the inspectors to integrate their specific problems.

Another area in which the individual inspectors assume responsibility is that of travel. The supervisor allows the individual inspector discretion in selecting travel routes, but encourages the inspectors to organize their routes so as to minimize travel costs. Also, when the supervisor is in the field with the inspector, he concentrates on improving the efficiency of travel operations. In addition, the supervisor is familiar with each inspection area and checks the weekly reports of the inspectors to see that travel costs are reasonable.

Activities of the Section. One of the primary functions of the section is the investigation of grower complaints and to provide a means of arbitration in settling disputes resulting from such complaints as short or worthless checks and market price controversies between growers and buyers. As previously mentioned, the supervisor states that wherever possible the district inspector will attempt to settle the issue without recourse to a hearing. Often times, through the joint cooperation of the inspector and the parties involved, such problems as disputed prices with commission merchants or dealers' failure to make payments to growers may be settled by the informal action of the inspector.

Generally, the procedure in handling producer complaints is to submit a formal complaint application to the grower in order that the grower may have his complaint notarized. This protects the department in any action taken and allows the department to request that a warrant be issued in case a settlement can not be made and a hearing must be called. In some cases, the dealer is not a resident

Table 17

PRODUCE DEALERS' SECTION--  
 INSPECTORS' LOCATION AND TERRITORIES:  
 FOR WORK ON PRODUCE DEALERS AND  
 LOCKER PLANTS & MARKETING ORDER COMPLIANCE -- 1960

SUPERVISOR -- DENVER

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DENVER	GREELEY	BRUSH	LAMAR	PUEBLO	MONTE VISTA	GRAND JUNCTION
2	1	1	1	1	1	1
Inspectors	Inspector	Inspector	Inspector	Inspector	Inspector	Inspector
1 Inspector Denver Only	Northern Colorado	Northeastern Colorado	Southeastern and Eastern Colorado	Southern Colorado Salida to La Junta	San Luis Valley & San Juan Basin	Western Slope

1 Inspector  
 1/2 Time - Denver  
 1/2 Time - East to  
 Limon  
 So. to Colo. Spgs.  
 No. to Boulder

of the inspection district in which a purchase is made and the inspector is unable to make any contact with the dealer. The supervisor reports that inspectors are not allowed to make special trips out of their districts in handling complaints in such situations, but that they must limit their complaint activities to the daily inspection routine. If an inspector is unable to carry out an investigation, he forwards all the information he has obtained regarding the complaint to the Denver office. At this point, the supervisor takes action in regard to contacting the parties involved and establishes a hearing date, if necessary.

At the present time, approximately 75 percent of the complaints involve short or worthless checks. Section 7-5-13 (2), C.R.S. 1953, states in part:

Any person, engaged in business as a commission merchant, dealer, broker or agent, as defined in this article, or any other person who, with intent to defraud, shall make or draw or utter or deliver any check, draft, or order for the payment of money upon any bank or other depository, in payment to the owner of the purchase price of any farm products or any part thereof upon obtaining possession or control thereof, when at the time of such making, drawing, uttering or delivery the maker or drawer has not sufficient funds in or credit with such bank or other depository for the payment of such check, draft or order in full upon its presentation, shall be guilty of a felony . . .

Under Section 40-14-20, C.R.S. 1957 Supplement, a short check involving non-farm products is a misdemeanor. Therefore, extradition from another state under a short-check charge can only result in a case involving farm products.

The supervisor reports that approximately 40 percent of his time is spent with hearing and investigation of complaints. Despite the fact that a large percent of the complaints involve short checks and that the section is responsible for collecting a considerable sum of money for the growers, as may be noted in the following tabulation, the supervisor states that it is not the job of the department to act as a collection agency, but that this is incidental to carrying out the law.

<u>Fiscal Year</u>	<u>No. of Com-plaints Notarized</u>	<u>No. of Settle-ments</u>	<u>% of Settle-ments</u>	<u>Amt. of Resti-tution to Growers</u>
1950	Not Available	79		\$34,007
1951	Not Available	63	90 <sup>a</sup>	35,799
1952	Not Available	58		44,407
1953	91	74	81	46,242
1954	152	142	93	36,982
1955	110	91	83	42,283
1956	124	90	73	49,695
1957	112	84	75	30,995
1958	141	98	70	95,593
1959	110	81	74	48,703

a. The 90% figure was estimated by Produce Dealers' Section.

In addition to the complaints listed in the foregoing table, a number of informal complaints are settled each year. In fiscal year 1959, for example, 75 informal complaints were settled satisfactorily to the parties involved. This figure gives an indication of the success inspectors in the field have in making adjustments before complaints become too serious.

Another aspect of the section's activities is the checking of licensed dealers and applicants to determine whether they fulfill the statutory requirements. Since only a small number of commission merchants and dealers send their license fees into the office after applications are sent out, it is necessary for the inspectors to spend a considerable amount of their time at ports of entry, feed mills, lumber yards, fruit and vegetable inspection stations, truck parking lots, elevators, loading docks, and other areas where truckers or buyers frequent.

Inspectors may operate at livestock sales rings even though purchases made at these rings are exempt from the law. However, many of the buyers making purchases at the livestock sales rings often make additional purchases away from the rings which place them under jurisdiction of the law. The problem of collecting license fees requires a great deal of time and the supervisor adds that it is one of the major problems of the section.

The section carries on a number of other services for the department of agriculture in addition to the administration of the Produce Dealers' Act. (Among these services is the inspection of refrigerated lockers which will be discussed in the Frozen Food Provisioners' Section subsequently herein.) Table 18 outlines in part a breakdown of the work performed by produce dealer inspectors in regard to their major inspection activities. For example, for fiscal year 1956, of the 51,831 contacts (excluding service calls as listed in Table 18), 54.5 percent were made under the Produce Dealers' Law; 1.8 percent were made in connection with Refrigerated Locker Law; 2.1 percent were made for the Feed and Fertilizer Section; 24.2 percent for the Poultry and Egg Section; and 17.4 percent were made for marketing order compliance. Since 45.5 percent of the contacts made by the inspectors were in areas other than produce dealer activities, the section is reimbursed from revenues received from these other functions. Thus, for fiscal year 1960 the salary of one inspector was paid by the Poultry and Egg Section; one-half of the supervisor's salary was paid by the Refrigerated Locker Section; and the travel expenses of the inspector in the San Luis area was reimbursed by the area potato board for a five-month period from November through March.

The decline of contacts made (Table 18) for fiscal year 1959 in the Poultry and Egg Section is largely due to the increase in personnel in the Poultry and Egg Section from six inspectors in fiscal year 1956 to nine inspectors in fiscal years 1957 through 1959. In addition, the drop in contacts under marketing orders for fiscal year 1959 resulted from the discontinuance of compliance work concerning potato branding and honey orders.

Table 18

CONTACTS AND SERVICE CALLS PERFORMED  
BY PRODUCE DEALER INSPECTORS  
Fiscal Years 1952 through 1959\*

<u>Contacts Made by Produce Inspectors</u>												
<u>Fiscal Year</u>	<u>Service Calls</u>	<u>Produce</u>		<u>Refrigerated Locker</u>		<u>Feed &amp; Fertilizer</u>		<u>Poultry &amp; Egg</u>		<u>Marketing Orders</u>		<u>Total Contacts</u>
		<u>No. of</u>	<u>%</u>	<u>No. of</u>	<u>%</u>	<u>No. of</u>	<u>%</u>	<u>No. of</u>	<u>%</u>	<u>No. of</u>	<u>%</u>	
1952	11,365	17,732	43.4	1,043	2.6	250	.6	11,524	28.2	10,292	25.2	40,841
1953	11,676	18,980	44.4	838	2.0	821	1.9	12,583	29.4	9,529	22.3	42,751
1954	2,941	27,142	49.6	838	1.5	840	1.5	14,866	27.2	11,048	20.2	54,734
1955	1,695	27,619	52.3	1,022	1.9	861	1.6	13,203	25.0	10,141	19.2	52,846
1956	4,261	28,242	54.5	953	1.8	1,109	2.1	12,517	24.2	9,010	17.4	51,831
1957	-----	29,416	-----	-----	---	-----	---	-----	----	-----	----	-----
1958	-----	-----	-----	-----	---	-----	---	-----	----	-----	----	-----
1959	1,167	30,955	89.5	904	2.6	163	.5	1,263	3.7	1,288	3.7	34,573

\*Source: Annual reports and departmental records of Produce Dealers' Section. Most of the information for fiscal years 1957 and 1958 is not available.

Another aspect of the Produce Dealers' Section is that non-produce dealers services are adjusted to the demands of produce inspection seasons. Thus, when the press of harvest season is reduced, the inspectors spend more time in other pursuits so that these activities do not conflict with the licensing activities of the Produce Dealers' Section.

Licensing Practices. Section 7-5-2, C.R.S. 1953, lists three exemptions for persons or dealers requiring produce licenses:

1) Any person buying farm produce for the purpose of reselling the same in artificially dried, processed, canned or other preserved form or processor of farm products or manufacturers of products therefrom.

2) Any person or exchange dealing in livestock and operating at a public livestock market and subject to and operating under a bond required by the United States to secure the performance of their obligations.

3) Any cash buyer.

According to the section chief, all trucks carrying agricultural produce are checked for compliance with statutory licensing and bonding requirements. A trucker must purchase a dealers' license if he is not a bona fide "haul-for-hire" operator or a "cash buyer." However, the burden of proof is on the trucker and unless he can prove that he is a "haul-for-hire" operator by showing his Public Utilities Commission permit and cargo insurance or satisfy the inspector that cash was paid for the merchandise, a produce dealers' license is required. All out-of-state trucks carrying agriculture products into Colorado are licensed, since the law does not limit its application to Colorado products (Attorney General's opinion, page 18, "Produce Dealers' Section -- Rules and Regulations"). Trucks licensed under the United States Department of Agriculture (Perishable Agriculture Commodities Act) are not exempt from obtaining a Colorado license (Regulations 7, page 10 of the "Rules and Regulations").

The following tabulation provides a breakdown of licenses issued from fiscal year 1950 through 1959:

<u>Fiscal Year</u>	<u>Twenty-five dollar licenses<sup>a</sup></u>			<u>Total</u>	<u>One-dollar licenses Agents</u>
	<u>Commission Merchants</u>	<u>Brokers</u>	<u>Other Dealers</u>		
1950	85	822	1,233	2,140	509
1951	79	813	1,174	2,066	462
1952	70	809	1,321	2,200	468
1953	74	739	1,518	2,394	342
1954	72	769	1,684	2,525	352
1955	73	841	1,775	2,689	317
1956	74	810	1,972	2,811	249
1957	--	---	-----	2,815	247
1958	--	---	-----	2,821	237
1959	--	---	-----	2,976	231

a. Since 1957 one license is issued annually for commission merchants, brokers and dealers in order to save printing and administrative costs.

As may be noted, commission merchants constitute a small segment of the licenses issued. Since the merchants are the only buyers involved in price disputes over market fluctuations, most of the complaints involve short or worthless checks.

The section supervisor further states that the department questionably issues about 1,000 licenses a year, at least in a technical sense. Since many truckers are actually operating on a "haul-for-hire" basis but are not properly insured and licensed, the department issues them produce dealers' licenses. The truckers would probably rather purchase a \$25.00 license from the Produce Dealers' Section than be forced to purchase cargo insurance and a haul-for-hire permit from the Public Utilities Commission.

Promotional Activities. The supervisor reports that all inspectors within the section are attempting to promote Colorado products by such means as carrying out compliance to marketing orders; encouraging shippers to display signs advertising Colorado products on their trucks; and attending meetings with growers and other interested groups to explain the purpose of the Produce Dealers' Act. The section also furnishes grocery stores and produce houses with literature advertising Colorado products. In the same vein, during the potato harvest, trucks have been supplied signs featuring Colorado potatoes as a part of market promotions, and elsewhere pamphlets relating to other products such as lamb, pork, and honey have been distributed throughout the inspection territories.

#### Frozen Food Provisioners' Section

In 1947, the Refrigerated Locker Law was enacted at the request of the refrigerated locker industry. At that time, many of the locker plants were in poor condition in regard to sanitation practices, plant facilities, maintenance of adequate temperatures, and other problems of food preservation. The low standards of locker plants during this period resulted from wartime policies of the federal government in encouraging the expansion of locker facilities. That is, the pressing food shortage of meats resulted in a number of plants being established in facilities not designed properly for sustained freezer operations. Thus, the rapid expansion of locker plants coupled with a complete lack of standards and control for the industry resulted in as much as 35 percent food spoilage which necessitated passage of the Refrigerated Locker Law.

The pattern of the industry has radically changed since the passage of the 1947 law. The locker industry was based on locker rentals which constituted more than two-thirds of the business during the first few years the law was in effect. However, the sudden and rapid growth of "home" freezers, both for urban and rural areas, brought about a decline in the need for rental space of lockers. Consequently, individual locker operators had to adjust to the situation or go out-of-business.

Advanced practitioners in the industry adjusted first of all by developing their operation into a service organization contributing to the needs of home freezers instead of competing against them. This was made possible by changing the basis of their operations from locker storage to the processing of meats, both domestic and wild. This includes cutting, wrapping, and quick freezing as a part of the processing business. Emphasis on processing increased from less than one-third of the business of the locker industry in 1949 to approximately 75 percent in 1959.

Legislative Authority. The original Colorado Refrigerated Locker Law was adopted in 1947 (Section 7-14-1 through 7-14-9, C.R.S. 1953). House Bill 312, 1959 Session, made a number of significant amendments in order to revise the law in keeping with the changing pattern of the industry. Generally, the 1959 changes provided for the inclusion of "food plan operators" and "processors" and resulted in extending the scope of the law. The old "Refrigerated Locker Board" was replaced by the "Frozen Food Provisioners' Board" and was enlarged and diversified. Moreover, the enforcement of the act was removed from the board and charged to the department of agriculture. The following amendments constitute the major changes:

7-14-1 Citation. This article shall be known, and may be cited as "The Colorado Frozen Food Provisioners' Law."

7-14-2 (c). "Processor" shall mean any person, firm, or corporation who sells, and/or cuts up, processes, packages, wraps, stores or freezes meat, meat products or food and food products, for storage in a locker box, home freezer....

7-14-2 (e). "Food plan operator" shall mean any person, firm, or corporation other than a processor or a locker plant operator, engaged in the business of soliciting, negotiating....

7-14-3 (1). There is hereby created in the Department of Agriculture a board to be known as the Frozen Food Provisioners' Board, which shall be under the supervision of the Commissioner of Agriculture, composed of four members and the Commissioner of Agriculture as an ex-officio member. One member shall be appointed from the frozen food locker industry, one member from the livestock industry, one member from the processor's industry, and one member from the retail grocer's and meat industry, by the Governor for a period of four years. No member of the board shall be appointed to a succeeding term.

7-14-3 (4). This placed the enforcement of the law and the rules under the Department of Agriculture instead of the "Locker Board."

7-14-3 (5). Prescribes fair trade practices in regard to advertising. In part, the section states "...Such advertising shall not be misleading or deceiving in respect to grade, quality, quantity, price per pound or piece, or in any other manner. For grade determination of meats, such grades shall conform with United States Department of Agriculture standards for designating meat grades."



7-14-5 (1). Stipulates that license fees for locker plants, processors, and food plan operators would be \$25.00 per year. Prior to this amendment the license fees were not to exceed \$25.00 per year.

7-14-5 (3). Provides for a bonding requirement of not to exceed \$25,000. This bond maximum is high for the average food plan operator since the bonding companies usually require a business to gross at least \$100,000 per year before bonding for that amount. The supervisor states that the standard practice of the bonding companies would set the bond figure at approximately \$5,000.

7-14-10. If 75 percent of a grocer's business results from sales other than sales of those frozen food products mentioned in this act, such grocer shall not be subject to the provisions of this act.

In addition to the above amendments, the Frozen Food Provisioners' Board adopted rules and regulations as authorized by H.B. 312, 1959 Session. For the most part, the rules adopted by the board were in regard to specific sanitary conditions, packaging regulations, and the identification and care of meats.

Personnel Status. Since the section is not financially self-sufficient, the inspection program is supported and carried out by produce dealer inspectors. The present practice of the department of agriculture is to integrate locker inspection into the routes and inspection schedules of produce section personnel. This is intended to minimize the expenses incurred per inspection and stabilize the workload during reduced produce inspection periods.

Activities. The section's inspection process is primarily concerned with insuring proper sanitation, preparation, and preservation of frozen foods. Inspections are consequently performed for a two-fold purpose: protection to the customer and elevation of the standards of sanitation and preservation of frozen foods will increase customer appeal and boost the economic soundness of the industry.

The section is now engaged in joint-cooperative inspection surveys with the Denver, Tri-County, and Colorado Springs Health Departments. Grand Junction may possibly engage in a similar joint program with the state at a later date. At the present time, these survey programs involve department of agriculture inspectors and local health department inspectors making the surveys together. When the surveys are completed, the department of agriculture may perform all the inspection in the Tri-County and Colorado Springs areas; however, duplicate inspection with a local agency may exist in Denver since the City and County has its own inspection programs. Denver health inspectors have established much more rigid standards than the state, and, according to the supervisor, these standards are so inflexible that they are working a hardship on the industry. Also, the health inspectors are primarily concerned with sanitation, reports the supervisor, whereas the agriculture department is also interested in other aspects of the industry.

The number of inspections per license issued has gradually increased in the last ten years. This increase in inspections per plant may in part be attributed to the drop in the number of licensed plants, as may be noted in Table 19, but not altogether, since inspections in fiscal year 1959 were a little over double the number of inspections in fiscal year 1950. In 1959, there were approximately 5.40 inspections per license issued. This figure would be slightly higher per plant since a change of ownership requires a new license so the number of licenses does not necessarily represent the number of plants. At the present time, Section 7-14-6 prescribes the following number of inspections: "At least one each six months and oftener if necessary, the board shall cause all premises licensed thereunder to be inspected."

Maintenance of Standards. Compliance requirements of the department are based on a policy of encouragement to the individual locker operators and the promotion of high standards within their plants. Thus, for minor sanitary problems, ineffective or unreliable equipment, and improper methods of preparation, the department urges correction of these items by emphasizing the accompanying benefits to the individual operator and the industry. An example of this would be the issuance of "State-approved" stickers to the operators who successfully meet all requirements. The supervisor feels that this emphasis on cooperation and promotion is much more effective than to obtain compliance by threats of license suspension. The supervisor states that numerous times he has encouraged operators in methods of increasing productivity of their operations, thus developing favorable attitudes for raising the levels of their plants and a desire to cooperate with the department of agriculture. In this way, the section engages in promotional activities at the same time it is gaining compliance with the law and regulations.

### Weights and Measures Section

A state weights and measures law for Colorado was enacted in 1953, the administration of which was assigned to the Commissioner of Agriculture. Prior to 1953, supervision of weights and measures in this state was provided on a local level under city ordinances.

The 1953 legislation (1953 C.R.S. 151-1-1 through 151-1-37, as amended) established standards, definitions of units, and administrative powers and duties, providing in part that the Commissioner of Agriculture "shall have and keep a general supervision over the weights and measures offered for sale, sold, or in use in the state." In 1955 the law was substantially amended with the addition of definitions for "tanks," "textile meters," and "cordage meters," and by exempting motor fuel tanks and pharmacists' prescription scales having less than a four-ounce capacity from the following statement in regard to testing and other duties.

The department shall test or cause to be tested for accuracy every scale, textile meter, tank, or cordage meter to which a license has been issued, at least every

Table 19

LOCKER LICENSES ISSUED AND INSPECTIONS PERFORMED  
Fiscal Years 1950 through 1959\*

<u>Fiscal Year</u>	<u>Number of Licenses Issued</u>	<u>Number of Inspections Made</u>	<u>Average Number of Inspections Per License Issued**</u>
1950	234	482	2.06
1951	223	567	2.54
1952	219	706	3.22
1953	215	838	3.90
1954	210	838	3.99
1955	213	1022	4.80
1956	201	953	4.74
1957	195	873	4.48
1958	178	847	4.76
1959	171	924	5.40

\* Source: Annual Reports, Refrigerated Locker Section.

\*\*Licenses issued does not necessarily reflect the number of locker plants in existence, since there may have been a change of ownership. For example, in fiscal year 1959, 171 licenses were issued to 160 locker plants.

twelve months or more often if necessary. It shall be the duty of the inspector making the tests to make minor adjustments to all scales, tanks, textile meters, and cordage meters that may be required to make them measure correctly. Nothing in this section shall prevent an inspector from testing a scale, tank, textile meter, or cordage meter and issuing a sticker before the issuance of a license and certificate; provided the inspector collects the license fee, or the owner of such scale, tank, textile meter, or cordage meter can show a satisfactory current evidence that such fee is in the process of being paid; provided, however, that unless requested by the owner of a tank, or unless the department receives information indicating a test is necessary, annual tests of tanks shall not be mandatory; provided further that if such tank has been tested and calibrated by a private concern properly equipped to do such testing, no state test shall be required during the first year of operation of such tank. It shall be the duty of the owner of a tank to report any alterations or changes made to, or replacement of parts of any licensed tank which would in any way effect the provisions of this article. (C.R.S. Supplement 151-1-23 (6) )

Section 151-1-35, C.R.S. 1953 provided a \$35,000 loan from general fund for the purchase of equipment and an additional loan from the state general fund of \$17,000 was also authorized in 1955, making a total of \$52,000 loaned to the Weights and Measures Section from this source since it was established in 1953.

Activities of Weights and Measures Section. Weights and measures supervision involves the comparing, calibrating, testing, designing, and specification and tolerances of most weighing and measuring devices used commercially in this state, as well as checking correct package content. The supervisor of the Weights and Measures Section emphasized that this activity is concerned with quantity only and not quality. In addition to commercial weights and measures, the section is responsible for the weighing and measuring equipment for all state institutions, state highway contractors, and ports of entry.

Table 20 contains figures relating to the activities of the Weights and Measures Section from fiscal year 1954 through 1959. As shown therein, the number of licenses issued annually has steadily increased, rising from 8,311 in 1955 to 9,317 in 1959 (figures are unavailable for 1954). On the other hand, no uniform pattern for the number of inspections of scales, weights, meters, and packages is noted from one year to the next.

As a result of these inspections, the percentage of scales condemned by state inspectors has decreased from 17.0 percent in 1954 to 10.1 percent in 1959. Contrastingly, with the exception of 1958, the percentage of weights condemned was substantially lower, normally ranging between 1.5 percent and 4.6 percent. A wide variation may be noted for condemned cordage meters tested of between 22.2 percent and 5.0 percent, whereas fabric meters tested ranged between 10.3 percent and 4.9 percent condemnations.

STATE INSPECTION													
Fiscal Year	Licenses Issued <sup>b</sup>	Service Calls <sup>e</sup>	SCALES		WEIGHTS		FABRIC METERS		CORDAGE METERS		PACKAGES		
			Scales Checked	% of Scales Condemned <sup>g</sup>	Weights Checked	% of Weights Condemned	Meters Tested	% Meters Condemned	Meters Checked	% Meters Condemned	Packages Checked	% Over Weight <sup>i</sup>	% Short Weight <sup>i</sup>
1954		3,123	13,812	17.0	12,817	1.6							
1955	8,311	4,093	18,290	12.7	17,068	1.8					9,378	23.5	43.8
1956	8,664	5,696	16,706	12.8	14,889	4.6	249	9.6	32	21.9	9,979	17.9	29.0
1957	8,809	4,845	17,822	16.3	15,848	2.4	229	8.7	72	22.2	13,614	24.6	22.4
1958	9,220	5,151	21,323	12.2	18,348	7.0	370	10.3	83	18.1	16,073	13.6	20.9
1959	9,317	5,078	18,626	10.1	15,143	1.5	345	4.9	80	5.0	14,025	5.9	8.2
<u>DENVER AND PUEBLO INSPECTION</u>													
1954			7,697	10.2	3,982	2.9							
1955			9,281	8.1	4,296	2.4					14,964	15.3	28.7
1956			6,617	10.2 <sup>f</sup>	2,698	2.7	174	24.1	0	0	8,832	14.0	20.2
1957 <sup>d</sup>		722	6,066	4.2	2,611	.7	207	6.3	15	0	2,565 <sup>h</sup>	1.8 <sup>h</sup>	10.7 <sup>h</sup>
1958		40	8,136	5.7	3,421	.1	135	4.4	22	0	3,565	5.4	21.8
1959		60	10,550	5.5	6,863	2.7	188	3.7	30	0	20,873	6.3	6.9

a. Source: Weights and Measures Section, State Department of Agriculture. The figures for Denver and Pueblo include only the data submitted to the State Department of Agriculture and are incomplete in some cases.

b. All licenses are issued by the State whether inspection is done by Denver or Pueblo or not. Figures for 1954 are unavailable.

c. This year includes only 7 months reported work done by the City of Denver.

d. This year includes only 8 months reported work done by the City of Denver.

e. Pueblo does not report service calls. The Denver data is also incomplete.

f. The 10.2% was calculated on Pueblo figures since the condemned figures for Denver were unavailable.

g. Condemned scales include incorrect scales whether in favor of operator or against.

h. Denver figures were not available; figure and per cents are for Pueblo only.

i. Per cent of packages overweight and shortweight includes samples within tolerance as well as those rejected or remarked.

The percentage figures reported for overweight and shortweight packages include those within established tolerances as well as those rejected or set aside for remarking. With this reservation in mind, a large decrease of overweight and shortweight packages is reported -- from a total of 67.3 percent in 1955 to 14.1 percent in 1959.

Table 20 also includes figures, where available, on the activities of weights and measures inspectors employed by Denver and Pueblo. Comparing the activities of the local inspectors with those of the state inspectors, it appears that the former devote proportionately more of their efforts to the checking of packages, but this may be possible because they do no large-scale inspection work, leaving this area to state inspectors.

The weights and measures law, as quoted previously herein, requires that every scale, textile meter, tank, or cordage meter for which a license has been issued shall be tested at least once every 12 months. C.R.S. 151-1-8 provides that all weights and measures used in checking the receipt or disbursements of supplies in every institution for the maintenance of which moneys are appropriated by the legislature shall be tested or calibrated at least once annually. Additionally, C.R.S. 151-1-9 states that all weights and measures commercially used in determining the weight, measurement, or count of commodities or things sold, or offered or exposed for sale, on the basis of weight or measure, in computing any charge or payment for services rendered on the basis of weight or of measure, or in determining weight or measurement when a charge is made for such determination, shall be inspected and tested annually. Further, this section authorizes the weighing, measuring, and inspecting of packages or amounts of commodities offered for sale or sold from time to time to determine whether they contain the amounts represented in accordance with law.

The supervisor of the Weights and Measures Section reports that, in regard to the inspection required under C.R.S. 151-1-8, weights and measures used in connection with state institutions are checked annually. However, while this section of the law also contains a provision relating to city standards of weight and measure, the state has not as yet checked these as provided by law but will begin to do so as soon as the necessary equipment is available.

Concerning the inspections required by C.R.S. 151-1-9, the supervisor estimates that, due to staff limitations, approximately 75 percent of the inspections required are being made each year. He points out that the location of the scales is important in this case as those yielding small fees in out-of-way places may not be checked once each year. On the other hand, some scales may be inspected more often than once each year.

On the subject of staff, the number of employees of the Weights and Measures Section has remained almost constant since it was established in fiscal year 1954; at the same time the number of men in Denver and in Pueblo increased from four to five

(from three to four in Denver alone). As may be noted in the following tabulation, the amount of full-time employees in the Weights and Measures Section, as reported by the supervisor, shows a slight increase during the six-year period, from 8.5 full-time employees in 1954 to 9.5 in 1958 and a drop to 9.0 in 1959.

<u>Fiscal Year</u>	<u>Section Staff</u>			<u>Sub Total</u>	<u>City Field Men</u>			<u>Total</u>
	<u>Full Time</u>	<u>½ Time</u>	<u>¼ Time</u>		<u>Denver</u>	<u>Pueblo</u>	<u>Sub Total</u>	
1954	8	1		8.50	3	1	4	12.50
1955	8		4	9.00	3	1	4	13.00
1956	8		1	8.25	3	1	4	12.25
1957	8		2	8.50	4	1	5	13.50
1958	9	1		9.50	4	1	5	14.50
1959	9			9.00	4	1	5	14.00

The staff positions of the Weights and Measures Section presently consist of the supervisor, assistant supervisor, six inspectors, and a clerk-stenographer. The supervisor, assistant supervisor, and clerk-stenographer are stationed in the Denver office. The six inspectors are located, by type of activity, as follows:

<u>Location</u>	<u>Type of Activity</u>
Grand Junction (western slope)	Small capacity scales
Longmont (north central and north east Colorado)	Small capacity scales
Pueblo (south and south-eastern Colorado)	Small capacity scales
Denver (central and eastern Colorado)	Small capacity scales
Denver (eastern slope)	Large capacity scales
La Junta (western slope)	Large capacity scales

Each of the four inspectors engaged in small-capacity activity is supplied with the following equipment: 30-pound test kits, set of grain weights, set of gram weights, five 50-pound weights, and one even-balance scale (five-pound capacity). The two inspectors testing large capacity scales are each equipped with a truck, ten 1,000-pound weights, small kit, and gram weights, but they do not have any grain weights or five-pound even-balance scales. Eventually, the supervisor states, it is planned that these latter two inspectors will be completely equipped to test both large-capacity and small-capacity scales; to do this will cost an estimated \$400 for additional equipment for both units.

## FINANCING THE STATE DEPARTMENT OF AGRICULTURE

### Fiscal Years 1950 Through 1959

#### Sources of Financing

The activities of the State Department of Agriculture are financed by general fund appropriations and by cash fund receipts. During the ten-year period, fiscal years 1950 through 1959, as reported in Table 21, "normal" expenditures of the department more than doubled, rising from \$600,400 in 1950 to \$1,236,093 in 1959.

Over this same ten-year period, the department's normal operations financed from the general fund increased proportionately more than cash fund operations did. That is, comparing 1950 and 1959 totals, expenses financed by general fund appropriations increased some 145 percent whereas cash fund expenses increased 94 percent. Similarly, in 1950 the general fund supported 23.8 percent of total normal departmental expenses, but by 1959 this figure had increased to 28.2 percent.

On the other hand, in terms of actual dollars, cash fund expenses increased from \$457,663 in 1950 to \$887,085 in 1959, or some \$430,000 more, while annual general fund expenses for normal activities increased \$206,271 during the ten years.

Table 21 shows considerable fluctuation from year to year in terms of general fund expenditures. This situation results largely from the inclusion of emergency fund expenditures (general fund appropriations) for such activities as drought relief and grasshopper control.

On the basis of total departmental expenses, general fund expenditures varied from 22.5 percent of the total in 1950 to 50.1 percent in 1959. However, most of the time, between 70 and 75 percent of the total annual expenses were supplied by cash fund revenues.

Table 22 contains a comparison of the annual value of Colorado agricultural production and the expenses of operating the agriculture department from 1950 through 1958. Because the "value" figures are reported on a calendar-year basis while the cost figures are on a fiscal-year basis, the two totals are not exactly comparable. However, such a comparison does serve to furnish some idea of the relationship between the two.

In this connection, it may be noted that, comparing 1950 to 1958, the value of Colorado agricultural products totaled \$527.2 million and \$602.2 million, respectively, or an increase of 14.2 percent, while normal operating costs of the department increased 75.7 percent and total costs rose 127.9 percent for the period.



Table 21

COMPARISON OF EXPENDITURES FROM CASH AND GENERAL FUND  
STATE DEPARTMENT OF AGRICULTURE  
Fiscal Years 1950 through 1959<sup>(a)</sup>

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Normal General Fund Expenses <sup>(b)</sup>	\$142,737	\$159,938	\$172,234	\$198,805	\$223,173	\$229,447	\$233,706	\$262,917	\$303,567	\$349,008
Per cent of Total	23.77	27.68	27.34	28.52	26.42	25.77	27.83	28.27	28.78	28.23
Normal Cash Fund Expenses <sup>(c)</sup>	\$457,663	\$417,835	\$457,644	\$498,155	\$621,568	\$660,812	\$606,067	\$667,021	\$751,308	\$887,085
Per cent of Total	76.23	72.32	72.66	71.48	73.58	74.23	72.17	71.73	71.22	71.77
Total of Normal Dept. Expenses	\$600,400	\$577,773	\$629,878	\$696,960	\$844,741	\$890,259	\$839,773	\$929,938	1,054,875	1,236,093
All General Fund Expenses	\$142,737	\$174,438	\$186,734	\$213,305	\$250,301	\$281,800	\$246,038	\$322,645	\$495,852	1,104,018
Per cent of Grand Total	22.48	28.10	26.53	26.72	24.88	28.91	27.44	29.66	34.26	50.11
All Cash and Revolving Fund Expend.	\$492,282	\$446,314	\$517,004	\$585,111	\$755,918	\$693,046	\$650,641	\$765,209	\$951,510	1,099,198
Per cent of Grand Total	77.52	71.90	73.47	73.28	75.12	71.09	72.56	70.34	65.74	49.89
Grand Total all Expenses	\$635,019	\$620,752	\$703,738	\$798,416	1,006,219	\$974,846	\$896,679	1,087,854	1,447,362	2,203,216

(a) Source: State Auditor's reports, fiscal years 1950 through 1957; agriculture department records, fiscal years 1958 and 1959.

(b) Does not include emergency or disaster fund expenses, and stock show and other premiums.

(c) Does not include Hail Insurance, Hope-Flanigan, and Veterinary Revolving Fund expenses.

Table 22

COMPARISON OF VALUE OF COLORADO AGRICULTURAL PRODUCTION  
AND COST OF OPERATION OF STATE DEPARTMENT OF AGRICULTURE  
1950 through 1959(a)

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Cost of Normal Agriculture Department Activities(b)	\$ 600,400	\$ 577,773	\$ 629,878	\$ 696,960	\$ 844,741	\$ 890,259	\$ 839,773	\$ 929,938	\$ 1,054,875	\$ 1,236,093
Per cent of Normal 1950 Costs	100.0	96.2	104.9	116.1	142.5	148.3	139.9	154.9	175.7	205.9
Correlation of Normal Departmental Costs to Total Value of Colo. Agriculture Products	1.14	0.97	1.01	1.38	1.81	2.09	1.84	1.85	1.75	Not Available
Total Costs of State Dept. of Agriculture	\$ 635,019	\$ 620,752	\$ 703,738	\$ 798,416	\$ 1,006,219	\$ 974,846	\$ 896,679	\$ 1,087,854	\$ 1,447,362	\$ 2,203,216
Per cent of 1950 Total Costs	100.0	97.7	110.8	125.7	158.5	153.5	141.2	171.3	227.9	347.0
Correlation of Total Dept. of Agriculture Costs to Total Value of Colo. Ag. Products	1.20	1.04	1.13	1.58	2.15	2.29	1.97	2.16	2.40	Not Available
Total Value of Colo. Agricultural Products(c)	\$527,200,000	\$596,700,000	\$624,800,000	\$505,500,000	\$467,000,000	\$426,200,000	\$455,700,000	\$503,800,000	\$602,200,000	Not Available
Per cent of 1950 Value of Colorado Agricultural Products	100.0	113.2	118.5	95.9	88.6	80.8	86.4	95.6	114.2	

(a) Cost of operation of Department of Agriculture - Source: Auditor's reports, fiscal years 1950 through 1957; agriculture department records, fiscal years 1958 and 1959. Cost figures are for fiscal years; value figures are for calendar years.

(b) Excludes Hail Insurance Program, Veterinarian Revolving Fund, Hope-Flanigan Fund, Emergency Funds, Disaster Fund, Stock Show Premiums, etc.

(c) Includes cash income, government payments and value of products consumer in farms where produced. Source: Colo. Crop and Livestock Reporting Service.

Tables 23, 24, and 25 provide an over-all summary of revenues and expenditures for the agriculture department from fiscal year 1950 through 1959. In Table 23 the activities are divided into those financed by general fund appropriations and those which are not. Most of the activities in this latter group are supported by cash receipts from license and inspection fees, but a few involve federal funds, local collections or assessments, and insurance premiums.

The figures in Table 24 contain annual costs by activity, thereby showing the dollar changes in the various programs during the ten-year period. The largest increase between 1950 and 1959 occurred in the activities of the Division of Administrative Services both in terms of actual dollars and of percentage change. Part of this increase resulted from the addition of soil conservation work in 1957.

A comparison of expenditures by object, i.e., personal services, maintenance and operation, etc., is presented in Table 25. While some increase between 1950 and 1959 took place in all categories, the costs for personal services represent the greatest gain. Accounting for this increase, and in large part for the increase in travel and subsistence expenses, is the addition of more employees and adjustments upward in over-all salary scales during the ten-year period.

Concerning cash fund payments to the general fund, a decrease in this expense may be noted beginning in fiscal year 1955 after reaching a high of \$45,921 paid in 1954. In order to contribute to the cost of general governmental services provided these activities, the law requires a payment of five percent or ten percent of cash fund collections except for hail insurance and the revolving funds whose receipts are kept intact. In 1949, this service charge was set at ten percent of collections, but as of April 1, 1955, the amount of payments from the Fruit and Vegetable Inspection Service Fund was reduced to five percent. This reduction was the major factor contributing to the decline in this expense in fiscal years 1955 through 1959 compared to 1954.

## Revenues and Expenditures by Activity

### Division of Administrative Services

Central Administration. All of the expenses for the central administrative activities of the Division of Administrative Services, including the commissioner's office, are borne by general fund appropriations. It may be noted in Table 26 that total expenditures have ranged from \$47,883 in fiscal year 1950 to \$122,618 in fiscal year 1959, representing an increase of \$74,735 or 156 percent more in 1959 than in 1950. On the basis of expenditure purpose, most of the increase is found in personal services and in maintenance and operation. Capital outlay held fairly steady but increased noticeably in 1959 largely as a result of purchasing a sensimatic bookkeeping machine (\$6,103.50) and a validating machine (\$2,875.00).

Table 23

SUMMARY OF APPROPRIATIONS AND RECEIPTS  
STATE DEPARTMENT OF AGRICULTURE  
FISCAL YEARS 1950 THROUGH 1959<sup>(a)</sup>

ACTIVITIES	FISCAL YEARS									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
<b>General Fund Appropriations</b>										
Commissioner & Admin. Services	\$ 70,000	\$ 76,812	\$ 70,648	\$ 74,433	\$75,102	\$ 83,829	\$ 88,702	\$104,028 <sup>(b)</sup>	\$ 95,560	\$117,782
Soil Conservation	--	--	--	--	--	--	--	--	16,736	19,106
Rodent Supervision	2,500	2,500	None	3,500	3,500	3,500	3,000	2,500	2,500	2,500
Agriculture Statistics <sup>(c)</sup>	--	--	--	--	--	--	--	--	16,672	17,648
Predator Animal	7,500	7,500	--	--	--	--	--	--	--	--
Division of Plant Industry	50,751	51,142	37,478	46,421	46,129	46,955	49,745	48,579	58,124	64,199
Chief of Animal Industry	9,060	12,077	11,127	9,871	10,544	11,592	13,074	15,797	14,861	16,209
Dairy Section	23,294	23,611	22,266	26,407	27,000	26,011	26,325	27,144	30,837	41,098
State Veterinarian	--	(e)	25,063	33,033	34,000	35,857	35,610	36,035	51,030	56,433
Animal T.B. Control	2,500	2,500	1,500	1,500	1,000	1,000	625	700	3,000	2,000
Misc. Livestock Disease Control	1,500	1,500	1,500	1,000	20,000	10,000	6,032	--	--	--
Division of Markets	10,248	10,342	10,468	10,397	11,109	12,192	12,700	17,470	20,485	21,113
Stock Show and other Premiums	--	14,500	14,500	14,500	--	--	--	--	--	--
Emergency Funds	--	--	--	--	1,200,000	1,213,141	711,053	717,215	200,000	200,000
Disaster Fund	--	--	--	--	--	--	--	--	--	778,237 <sup>(d)</sup>
Sub-Total - Appropriations	\$177,353	\$202,484	\$194,550	\$221,062	\$1,428,384	\$1,444,077	\$946,866	\$984,016	\$509,805	\$1,336,325
<b>Cash Funds Receipts</b>										
Predator Control	\$ 29,804	\$ 34,140	\$ 39,264	\$ 92,053	\$112,248	\$ 89,201	\$ 65,186	\$ 50,756	\$ 71,229	\$181,005
Rodent Control	13,369	8,472	6,706	8,055	8,572	9,175	9,022	10,055	13,192	15,023
Plant Insect Control	3,006	2,708	2,133	2,302	2,053	6,375	7,532	8,248	9,543	11,582
Insecticide Inspection	7,475	4,830	4,770	7,642	8,581	8,698	9,933	8,511	4,419	10,109
Vet. Sanitary fund	--	7,215 <sup>(h)</sup>	--	--	--	--	--	--	--	--
Poultry & Egg	29,756	29,766	44,367	44,785	45,684	42,703	51,060	76,717	79,968	78,541
Dairy Cash	8,192	6,074	5,077	8,426	10,114	12,136	9,913	7,350	6,927	8,678
Oleo Fund	1,250	1,525	750	1,800	1,275	1,590	1,325	1,250	1,200	1,575
Feed Fund	26,169	27,885	31,453	29,275	30,074	30,982	32,004	36,476	33,309	37,610
Fertilizer Fund	4,161	13,420	11,932	15,644	16,390	16,155	14,909	18,451	18,482	21,624
Fruit & Vegetable Inspection	291,740	286,386	191,154	271,745	274,465	294,461	270,333	326,926	341,818	410,318
Produce Dealers	52,723	52,794	57,165	61,182	66,113	67,545	71,787	53,999	70,725	76,580
Refrigerated Lockers	5,175	5,920	5,900	3,850	5,250	5,050	5,025	4,950	4,650	4,300
Weights and Measures	--	--	--	35,000	53,990	55,743	83,047	50,800	78,918	80,406
Hail Insurance	25,199	22,021	31,327	78,480	89,944	25,105	11,195	15,744	34,647	21,257
Hope-Flanigan Fund	--	(g)	7,720	3,000	6,220	28,866	6,126	4,763	657	8,000
Veterinary Revolving Fund	--	(f)	29,901	23,955	21,899	16,053	15,897	73,727	153,900	186,608
Sub-Total - Cash Receipts	\$498,019	\$515,708	\$469,619	\$687,194	\$752,872	\$709,838	\$664,294	\$748,723	\$923,584	\$1,153,216
Total Appropriations and Receipts	675,372	718,192	664,169	908,256	2,181,256	2,153,915	1,611,160	1,732,739	1,433,389	2,489,541

(a) Source: State Auditor's reports, fiscal years 1950 through 1957; agriculture department records, fiscal years 1958 and 1959.

(b) For fiscal year 1957, over-all appropriation for Administrative Services Division included monies for soil conservation and agriculture statistics.

(c) Appropriation for fiscal years 1950 through 1957 included in general appropriation for administrative services division.

(d) Includes governor's authorization of \$485,500 of \$1,500,000 appropriated by legislature plus receipts of \$292,737.

(e) The State Veterinarian Fund was financed from the office of the Chief of Animal Industry for fiscal years 1950 and 1951.

(f) Receipts were first collected for the Veterinarian Revolving Fund in fiscal year 1951.

(g) The Hope-Flanigan Fund first began operation in fiscal year 1951.

(h) Monies transferred from State Board of Stock Inspection Commissioners to Department of Agriculture for sanitary inspection purposes.

## SUMMARY OF EXPENDITURES BY ACTIVITY

## STATE DEPARTMENT OF AGRICULTURE

FISCAL YEARS 1950 THROUGH 1959<sup>(a)</sup>

Activity	Fiscal Years									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Commiss. & Chief of Adm Services*	\$ 47,883	\$ 59,936	\$ 67,724	\$ 70,628	\$ 74,442	\$ 83,474	\$ 88,247	\$ 77,888	\$ 93,339	\$122,618
Soil Conservation*	--	--	--	--	--	--	--	14,526	15,753	17,829
Agriculture Statistics <sup>(b)*</sup>	--	--	--	--	--	--	--	14,128	16,304	16,645
Predatory Animal Control***	41,439	37,940	35,174	45,797	107,748	101,944	84,718	51,861	75,998	160,699
Supervision of Rodent Control Program*	2,500	2,497	none	3,500	3,499	3,495	2,985	2,496	2,497	2,387
Preparation of Rodenticides**	11,499	7,296	9,389	8,464	8,779	8,503	9,417	9,417	11,520	14,585
Sub-Total	\$103,321	\$107,669	\$112,287	\$128,389	\$194,468	\$197,416	\$185,367	\$170,316	\$215,411	\$334,763
Chief Plant Industry Division*	41,500	43,166	35,684	44,955	45,720	46,415	49,076	50,226	57,274	60,467
Plant Insect Control**	5,074	5,218	2,058	4,358	3,308	3,168	3,534	6,770	10,795	10,172
Insecticide Inspection**	2,968	3,091	10,368	7,774	4,371	8,552	7,542	9,344	10,888	8,649
Sub-Total	\$ 49,542	\$ 51,475	\$ 48,110	\$ 57,087	\$ 53,399	\$ 58,135	\$ 60,152	\$ 66,340	\$ 78,957	\$ 79,288
Office of Animal Industry*	8,495	11,237	10,571	9,521	10,388	11,324	12,912	14,993	13,821	15,741
Veterinarian-Sanitation Inspection**	--	5,698(h)	--	--	--	--	--	--	--	--
Poultry and Egg Section**	31,621	26,811	32,721	39,501	40,381	46,815	46,545	62,090	79,699	88,299
Dairy Section*	22,692	22,928	21,846	26,192	26,839	25,881	26,283	25,999	32,536	40,838
Dairy Section**	4,595	4,122	8,416	5,166	8,101	9,412	9,735	12,224	10,378	7,437
Oleomargarine Fund**	155	215	1,867	479	488	867	312	816	888	762
Feed Fund**j	29,434	30,890	57,292	30,505	26,386	26,853	24,407	33,038	33,219	40,637
Fertilizer Fund**	8,514	8,904	10,529	14,927	12,000	11,074	14,332	16,787	19,599	16,930
State Veterinarian*	--	--	24,021	32,046	33,472	35,743	35,104	40,266	39,167	50,577
Animal I.B. Control*	2,495	2,301	1,347	1,330	557	951	531	678	407	448
Misc. Livestock Disease Control* (c)	1,064	1,202	931	895	17,204	9,973	5,937	--	--	--
Sub-Total	\$109,065	\$114,308	\$169,541	\$160,562	\$175,816	\$178,893	\$176,098	\$206,891	\$229,714	\$261,669
Division of Markets Fund*	8,609	9,171	10,110	9,738	11,052	12,191	12,631	21,717	32,469	21,458
Fruit & Vegetable Inspection **	265,957	232,751	227,303	272,287	281,356	295,918	272,113	323,349	340,917	387,066
Produce Dealers**	57,808	56,386	56,678	63,652	65,721	68,798	68,569	65,976	71,809	67,708
Refrigerated lockers**	6,098	6,013	5,849	5,045	4,648	6,577	5,829	3,199	3,680	2,307
Weights & Measures**	--	--	--	200	58,281	72,331	59,014	72,150	81,918	81,834
Sub-Total	\$338,472	\$304,321	\$299,940	\$350,922	\$421,058	\$455,815	\$418,156	\$486,391	\$530,793	\$560,373
Stock Show premiums, Seed Show, etc.*	--	14,500	14,500	14,500	--	--	--	--	--	--
Hail Insurance Program**	34,619	23,222	30,721	60,217	110,357	12,810	21,441	18,644	35,875	23,444
Hope-Flanigan Fund**	--	5,257	7,700	3,653	4,745	3,553	5,982	9,776	14,893	10,172
Veterinary Revolving Fund**	--	--	20,939	23,086	19,248	15,871	17,151	69,768	149,434	178,497
Emergency Funds*	--	--	--	--	27,128	52,353	12,332	59,728	192,285	19,846
Disaster Fund(d)*	--	--	--	--	--	--	--	--	--	735,164
Sub-Total of Misc. Activities	\$ 34,619	\$ 42,979	\$ 73,860	\$101,456	\$161,478	\$ 84,587	\$ 56,906	\$157,916	\$392,487	\$967,123
Grand Total Expenditures	\$635,019	\$620,752	\$703,738	\$798,416	\$1,006,219	\$974,846	\$896,679	\$1,087,854	\$1,447,362	\$2,203,216

(a) Source: State Auditor's reports, fiscal years 1950 through 1957; agriculture department records 1958 and 1959. Expenditures include monies transferred to General Fund from cash funds.

(b) Prior to 1957 expenditures for agricultural statistics were included under the Chief of Division of Administration Services.

(c) Miscellaneous livestock disease control expenses are included under emergency fund expenses for fiscal years 1957 through 1959.

(d) The disaster fund includes expenditures for grasshopper control.

(e) The State Veterinarian Fund was financed from the office of the Chief of Animal Industry for fiscal years 1950 and 1951.

(f) Expenses first occurred under the Veterinarian Revolving Fund in fiscal year 1952.

(g) The Hope-Flanigan Fund began operating in fiscal year 1951.

(h) Expenses incurred for sanitation inspection for State Board of Stock Inspection Commissioners.

\* Financed by general fund appropriations.

\*\* Supported by cash fund or other receipts.

\*\*\* Supported by general fund and cash funds.

Table 25  
SUMMARY OF EXPENDITURES BY OBJECT  
STATE DEPARTMENT OF AGRICULTURE  
FISCAL YEARS 1950 THROUGH 1959<sup>(a)</sup>

O B J E C T	F I S C A L   Y E A R S									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Division of Administrative Services										
Personal Services	\$ 65,175	\$ 71,679	\$ 78,249	\$ 79,460	\$ 131,609	\$ 137,518	\$128,141	\$ 115,402	\$ 148,618	\$ 218,391
Maint. & Operation	20,885	18,799	19,306	27,194	29,626	26,931	28,407	32,014	35,447	45,327
Travel & Subsistence	14,504	14,760	12,374	15,134	29,173	29,566	24,187	19,273	24,442	43,887
Other	2,756	2,429	2,357	6,602	4,061	3,401	4,633	3,629	6,904	27,158
Sub-Total	\$103,321	\$107,669	\$112,287	\$128,389	\$ 194,468	\$ 197,416	\$185,367	\$ 170,316	\$ 215,411	\$ 334,763
Division of Plant Industry										
Personal Services	37,006	38,340	36,365	41,046	41,340	42,882	46,035	54,441	60,823	62,711
Maint. & Operation	3,782	5,485	4,803	6,230	5,508	7,667	5,128	3,571	4,585	4,187
Travel & Subsistence	6,036	4,912	3,847	3,737	3,957	4,479	4,257	4,852	5,990	5,473
10% to Gen. Fund	1,048	754	690	994	1,063	1,508	1,746	1,595	1,395	2,036
Other	1,670	1,984	2,405	5,078	1,531	1,600	2,985	1,880	6,162	4,882
Sub-Total	\$ 49,542	\$ 51,475	\$ 48,110	\$ 57,087	\$ 53,399	\$ 58,135	\$ 60,152	\$ 66,340	\$ 78,957	\$ 79,288
Division of Markets										
Personal Services	222,669	204,026	206,424	234,634	268,617	284,460	273,973	319,158	351,841	366,662
Maint. & Operation	8,004	5,913	5,222	6,885	13,704	14,300	16,273	26,536	30,694	27,076
Travel & Subsistence	57,227	46,404	49,187	56,794	62,247	71,153	67,939	78,285	81,234	83,083
5% or 10% to Gen. Fund	34,953	34,384	25,421	33,653	34,570	33,423	21,203	22,237	24,627	28,397
Other	15,618	13,595	13,685	18,956	41,918	52,480	38,768	40,177	42,398	55,155
Sub-Total	\$ 338,472	\$ 304,321	\$ 299,940	\$ 350,922	\$ 421,058	\$ 455,815	\$ 418,156	\$ 486,391	\$ 530,793	\$ 560,373
Division of Animal Industry										
Personal Services	70,854	72,662	89,914	102,715	122,521	125,144	121,465	149,016	164,102	191,194
Maint. & Operation	12,166	15,148	9,091	19,660	16,264	19,117	17,758	16,014	13,875	14,652
Travel & Subsistence	14,123	13,465	17,107	16,250	19,535	17,747	19,246	22,150	27,075	28,078
10% to Gen. Fund	6,952	7,867	9,358	9,982	10,288	10,302	10,763	13,839	13,527	14,868
Other	4,968	5,164	44,068	11,953	7,205	6,581	6,865	5,871	11,133	12,875
Sub-Total	\$ 109,065	\$ 114,308	\$ 169,541	\$ 160,562	\$ 175,816	\$ 178,893	\$ 176,098	\$ 206,891	\$ 229,714	\$ 261,669
Miscellaneous Activities <sup>(b)</sup>										
Personal Services	11,235	11,664	18,324	21,782	49,834	59,332	18,171	85,057	225,124	199,203
Maint. & Operation	1,487	20,886	44,105	32,302	14,664	19,612	28,135	57,686	145,369	746,336
Travel & Subsistence	659	590	961	1,092	2,231	1,549	1,610	6,426	14,929	15,503
Other	21,239	9,839	10,470	46,280	94,750	4,093	8,990	8,749	7,064	6,080
Sub-Total	\$ 34,619	\$ 42,979	\$ 73,860	\$ 101,456	\$ 161,478	\$ 84,587	\$ 56,906	\$ 157,916	\$ 392,487	\$ 967,123
Total for Department										
Personal Services	406,939	398,371	429,276	479,637	613,921	649,336	587,785	723,074	950,508	1,038,161
Maint. & Operation	46,324	66,231	82,527	92,271	79,766	87,627	95,701	135,821	229,970	837,578
Travel & Subsistence	92,549	80,131	83,476	93,007	117,143	124,494	117,239	130,986	153,670	176,024
5% or 10% to Gen. Fund	42,953	43,005	35,469	44,629	45,921	45,233	33,712	37,671	39,549	45,301
Other	46,251	33,011	72,985	88,867	149,465	68,155	62,241	60,306	73,661	106,150
Grand Total	\$ 635,019	\$ 620,752	\$ 703,738	\$ 798,416	\$1,006,219	\$ 974,846	\$ 896,679	\$1,087,854	\$1,447,362	\$2,203,216

(a) Source: State Auditor's reports, fiscal years 1950 through 1957; agriculture department records 1958 and 1959. Totals may not balance as a result of rounding to nearest dollar.

(b) Miscellaneous activities includes expenditures for Hail Insurance Program, Hope-Flanagan Fund, Veterinary Revolving Fund, Emergency Funds, the Disaster Fund, Stock Show premiums, etc.

Table 26

EXPENDITURES OF OFFICE OF COMMISSIONER AND ADMINISTRATIVE  
SERVICES DIVISION (a)

Fiscal Years 1950 Through 1959 (b)

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maint. and Operation</u>	<u>Retirement</u>	<u>Capital</u>	<u>Total</u>
1950	\$33,420	\$11,706	\$1,263	\$ 1,493	\$ 47,883
1951	43,420	14,086	1,929	500	59,936
1952	50,442	14,998	2,059	225	67,724
1953	44,327	22,880	1,944	1,477	70,628
1954	52,247	19,368	2,328	500	74,442
1955	61,219	18,957	2,822	476	83,474
1956	64,633	18,982	2,830	1,803	88,247
1957	55,982	19,195	1,764	947	77,888
1958	67,925	19,885	3,002	2,527	93,339
1959	80,370	24,276	4,529	13,443	122,618

(a) Includes appropriations and expenditures for office of Commissioner of Agriculture, Chief of Administrative Services, Administrative Services Division, and fiscal and personnel services.

(b) Source: Auditor's reports, fiscal years 1950 through 1956; agriculture department records, 1957 through 1959. Totals may not balance as a result of rounding to nearest dollar.

Soil Conservation. Prior to 1957, the State Soil Conservation Board functioned without the assistance of a full-time staff. During this period, general fund monies were allocated from the Administrative Services Division for stenographic services, planning, printing and other miscellaneous activities.

Since 1957 the board has been provided a full-time staff which accounts for most of the expenditures listed in the following tabulation. During this three-year period, general fund monies were apportioned to two different funds but for the sake of clarity the revenues and expenditures have been consolidated in this single table. Since the activities of the Soil Conservation Section require the attendance of the section supervisor and the soil conservation representative in the various districts over the state, it may be noted that travel expenses are relatively high; these expenses will undoubtedly increase when training manuals are completed and more time is devoted to the actual management of the districts and to the establishment of sound administrative practices.

Fiscal Year	E X P E N S E S *				
	Personal Services	Maint. & Operation	Travel & Sub.	Other	Total
1957	\$11,453	\$390	\$2,136	\$549	\$14,526
1958	11,633	769	2,595	756	15,753
1959	13,746	580	2,734	770	17,829

\*Totals may not balance as a result of rounding to the nearest dollar.

Agricultural Statistics. During the past few years, the General Assembly has made an annual general fund appropriation of about \$16,000 for support of the agricultural statistics program in Colorado; at the same time, the federal government has been contributing approximately \$90,000 each year. As reported in Table 27, by far the greatest share of expenditures has been used for salaries. (Information is not available for the years prior to 1955 when this program was carried as part of the budget for the Division of Administrative Services (Table 26).)

Predator Animal and Rodent Control. Three separate funds are used by the agriculture department in connection with predator animal and rodent control work: Predator Animal Control Fund (supported by collections from assessments on sheep and goats, county contributions, livestock associations, etc.); Rodent Pest Control Supervision Fund (general fund appropriations); and Rodent Pest Control Revolving Fund (sales of poisons). Altogether, including the activities of other governmental units, the various predator animal and rodent control programs are financed by the federal government (Fish and Wildlife Service and Bureau of Land Management), the State Department of Agriculture, the State Game and Fish Department, counties, and the Colorado Wool Growers Association.



Table 27

COLORADO CROP AND LIVESTOCK REPORTING SERVICE EXPENDITURES  
STATE DEPARTMENT OF AGRICULTURE

Fiscal Years 1955 Through 1959\*

<u>Fiscal Year</u>	<u>E X P E N S E S</u>				
	<u>Personal Services</u>	<u>Maint. &amp; Operation**</u>	<u>Travel &amp; Subs.</u>	<u>Other</u>	<u>Total</u>
1955	\$10,330	\$3,180	\$907	\$513	\$14,929
1956	9,277	2,885	618	308	13,088
1957	10,320	2,825	615	369	14,128
1958	12,383	2,602	700	619	16,304
1959	12,726	2,685	470	764	16,645

\*Totals may not balance as a result of rounding to nearest dollar. Prior to 1955, program carried under budget of division of Administrative Services.

\*\*This expense is primarily for printing of data collected.

Table 28 presents a breakdown of the revenues and expenditures of funds administered by the department for predator animal control. In addition to the funds reported therein, a total of \$15,000 was appropriated for fiscal years 1950 and 1951 from the general fund for the continuation of the federal-state agreements, but this was the only time during the ten-year period when general fund monies were made available for this program.

Funds to pay for the technical supervision of the dissemination of rodenticides by counties and municipalities are normally appropriated from the state general fund. However, as may be noted in Table 29, no such appropriation was made for fiscal year 1952; similarly, no such appropriation was made for fiscal year 1961. Usually, the General Assembly appropriates between \$2,500 and \$3,500 to cover the annual costs of this technical supervision.

Distinct from the appropriated monies from the general fund is a separate revolving cash fund for the preparation and sale of rodenticides, the receipts and expenditures for which are reported in Table 30. The increase in the ending balance beginning in 1958 results from the addition to the actual cost figure in order to increase the balance to a satisfactory working level.

In regard to this revolving fund, Section 6-7-10, C.R.S. 1953, provides: "All poisons or other materials for such control furnished by the state to such co-operators shall be supplied at actual cost and the state shall be reimbursed by such co-operators, landowners, lessees or contract holders for the actual cost of materials and labor, other than supervision, expended by the state in such treatment under co-operative agreements with them..." (Emphasis added.) Thus, the department of agriculture, in establishing a revolving fund for the preparation of materials, may not use funds so acquired for supervisory purposes. In Table 27, some expenditures for travel and subsistence are reported which would appear to be in possible conflict with the provision of Section 6-7-10 previously quoted. The management assistant of the U. S. Fish and Wildlife Service stated that such expenses were incurred in supervisory activities regarding the dissemination of rodenticides. He further added, however, that this practice is being abolished.

Hail Insurance. One of the problems of the Hail Insurance Section is that normal operations are on a calendar-year basis, while the other activities of the department of agriculture are on a fiscal-year basis. This necessitates two bookkeeping systems: the central bookkeeping system of the department of agriculture which operates on a cash system and on a fiscal year, and the hail insurance books which are based on a calendar year. Another aspect further confusing the problem is that some hail insurance premiums are placed on the tax rolls and are not collected until the following year.

Table 28

PREDATORY ANIMAL CONTROL FUND  
DIVISION OF ADMINISTRATIVE SERVICES

Fiscal Years 1950 Through 1959\*

Fiscal Year	Beginning Balance	Receipts**	Personal Services	Expenses			Other	Total	Ending Balance
				Maint. & Operation	Travel & Subsistence				
1950	\$22,668	\$29,804	\$21,738	\$ 4,534	\$ 7,668		\$---	\$33,940	\$18,532
1951	18,532	34,140	18,270	4,514	7,656		---	30,440	22,233
1952	22,233	39,264	24,776	4,496	5,847		55	35,174	26,323
1953	26,323	92,053	31,321	4,784	8,514		1,179	45,797	72,580
1954	72,580	112,248	75,863	7,996	22,921		968	107,748	77,080
1955	77,080	89,201	72,804	6,085	23,055		---	101,944	64,338
1956	64,338	65,186	60,256	6,531	17,931		---	84,718	44,806
1957	44,806	50,756	35,397	5,228	11,236		---	51,861	43,701
1958	43,701	71,229	54,123	6,455	15,420		---	75,998	38,932
1959	38,932	181,005	108,688	11,138	33,326		7,547	160,699	59,238

\*Totals may not balance as a result of rounding to nearest dollar.

\*\*For fiscal years 1950 and 1951 receipts were collected from a 6-mill levy on sheep and goats. From 1952 to 1956, mill levy on sheep and goats was 10 mills and was increased to 20 mills in 1957. From 1952 to 1954 a 1/2-mill levy was assessed on all cattle (excluding sheep and goats) and all dozens of poultry. From 1953 to 1956 there were also some miscellaneous receipts from reimbursements for lost property. For all years some income was derived from fur or miscellaneous sales. In order to centralize payrolls, beginning in fiscal year 1959, contributions of about 17 wool growers associations and 44 counties were included in receipts of department of agriculture.

Table 29

RODENT PEST CONTROL--GENERAL FUND APPROPRIATIONS  
DIVISION OF ADMINISTRATIVE SERVICES

Fiscal Years 1950 through 1959\*

<u>Fiscal Year</u>	<u>Appropriations</u>	<u>Expenses</u>				<u>Total</u>	<u>Ending Balance</u>
		<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Travel</u>	<u>Other</u>		
1950	\$2,500	\$2,423	\$ 2	\$ 75	\$---	\$2,500	\$ 0
1951	2,500	2,190	200	106	---	2,497	3
1952	NONE	---	---	---	---	NONE	---
1953	3,500	3,500	---	---	---	3,500	0
1954	3,500	3,234	---	---	265	3,499	1
1955	3,500	3,495	---	---	---	3,495	5
1956	3,000	2,985	---	---	---	2,985	15
1957	2,500	2,250	---	245	---	2,496	4
1958	2,500	1,711	---	786	---	2,497	3
1959	2,500	1,653	61	640	33	2,387	113

\*Totals may not balance as a result of rounding to nearest dollar.

Table 30

RODENT PEST CONTROL REVOLVING FUND  
DIVISION OF ADMINISTRATIVE SERVICES

Fiscal Years 1950 through 1959\*

Fiscal Year	Begin- ning Balance	Receipts**	Expenses				Total	Ending Balance
			Personal Services	Maint. & Operation	Travel Expense	Other		
1950	\$ 722	\$13,369	\$ 298	\$10,314	\$ 887	\$ ---	\$11,499	\$2,592
1951	2,592	8,472	319	6,447	530	---	7,296	3,768
1952	3,768	6,706	3,031	5,635	704	18	9,389	1,085
1953	1,085	8,055	312	4,812	1,338	2,002	8,464	676
1954	676	8,572	265	7,659	855	---	8,779	469
1955	469	9,175	---	7,562	838	103	8,503	1,141
1956	1,141	9,022	267	8,277	873	---	9,417	745
1957	745	10,055	---	8,992	425	---	9,417	1,384
1958	1,384	13,192	843	10,313	364	---	11,520	3,056
1959	3,056	15,023	1,208	12,879	425	72	14,585	3,494

\*Totals may not balance as a result of rounding to nearest dollar. This fund is for the preparation of rodenticides for sale to counties and municipalities.

\*\*Receipts: Collections from sale of poisons and eradicators.

For the preceding reasons, the fiscal aspects of the hail insurance section are presented in Table 31 on a fiscal-year basis, and in Table 32 on a calendar-year basis. In examining these tables, it may be noted that there is considerable fluctuation in premiums. This reflects the variation in crops and to some degree the varying attitudes of the growers regarding hail insurance.

### Division of Plant Industry

The activities of the Plant Industry Division are predominantly supported by general fund appropriations. Table 33 reports the percentage of general fund appropriations in comparison with the cash fund receipts for nursery inspections and insecticide registrations. General fund appropriations comprised 74.7 percent of the division's funds for fiscal year 1959, while collections from nursery and greenhouse receipts amounted to 13.5 percent and insecticide registrations about 11.8 percent. In general, appropriations from the general fund ranged from a high of 87.2 percent of available funds in fiscal year 1951 to a low of 74 percent in 1956. In actual dollars, general fund appropriations reached an all-time high of \$64,199 in 1959 and a low, for the ten-year period, of \$37,478 in fiscal year 1952, as shown in Table 34.

In relating appropriations and cash receipts of various activities with time spent on these activities for fiscal year 1959, the work budget prepared by the department shows about 6.6 percent of the staff entomologists' time was being used for seed inspections, 14.7 percent for nursery work, and 6.8 percent for pesticides. On the other hand, 11.8 percent of the total available revenue for the plant division was received from pesticide registration and would seem to indicate that receipts in this cash fund exceed costs. Receipts from nursery inspections were slightly less, correspondingly, than the time allocated in the work budget. The work budget indicates 14.7 percent of the employees' time was being used for nursery work while receipts amounted to about 13.5 percent of available funds. However, some caution must be used in viewing this relationship since the division chief reports that the work budget is an approximation of time spent on various activities.

License receipts for aerial-spray operators have not been deposited either in the insecticide fund (Table 35) or the Plant Insect Control Fund (Table 36). Receipts from these licenses are deposited directly to the general fund as the law does not authorize the depositing of receipts to a cash fund. For fiscal year 1959, a total of \$1,081 was collected from the licensing of aerial-spray operators.

### Division of Animal Industry

Office of Division Chief. Since fiscal year 1950 expenditures of the office of the Chief Animal Industry Division have almost doubled--from \$8,495 in 1950 to \$15,741 in 1959. Most of this in-

Table 31

STATE HAIL INSURANCE FUND  
DIVISION OF ADMINISTRATIVE SERVICESFiscal Years 1950 Through 1959 (a)

<u>Fiscal Year</u>	<u>Beginning Balance</u>	(b) <u>Receipts</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Losses Paid</u>	<u>Other</u>	<u>Total</u>	<u>Ending Balance</u>
1950	\$23,439	\$25,199	\$11,235	\$ 2,146	\$20,998	\$ 241	\$ 34,619	\$14,019
1951	14,019	22,021	11,664	1,719	9,487	352	23,222	12,818
1952	12,818	31,327	10,871	9,380	9,946	524	30,721	13,424
1953	13,424	78,480	12,750	1,635	29,253	16,579(c)	60,217	31,687
1954	31,687	89,944	14,185	1,869	61,304	33,000(c)	110,357	11,274
1955	11,274	25,105	8,981	1,485	---	2,344	12,810	23,568
1956	23,568	11,195	9,510	3,962	7,460	509	21,441	13,322
1957	13,322	15,774	3,193	7,310	2,223	5,918	18,644	10,452
1958	10,452	34,647	7,933	22,410	2,412	3,119	35,875	9,224
1959	9,224	21,257	5,247	12,745	5,154	298	23,444	7,037

(a) Totals may not balance as a result of rounding to nearest dollar.

(b) Includes cash collections for premiums and premium tax collections from counties.

(c) Includes commissions paid.

Table 32

STATE HAIL INSURANCE PROGRAM  
DIVISION OF ADMINISTRATIVE SERVICESCalendar Years 1949 Through 1959

<u>Year</u>	<u>Total Risk</u>	<u>Total Premiums</u>	<u>Total Loss</u>	<u>Pro-Rata % Paid</u>	<u>Losses Pro-Rata Paid</u>	<u>Total Acres Insured</u>	<u>Number of Policies</u>	<u>Loss Ratio</u>
1949	\$ 270,866	\$ 28,268	\$ 26,197	---	---	38,451	233	9.5%
1950	250,531	25,232	13,730	---	---	34,854	238	5.4
1951	199,909	20,243	23,902	65%	\$ 15,536	27,304	226	11.9
1952	814,004	84,869	38,645	---	---	103,508	437	4.74
1953	1,163,774	139,707	224,943	51%	114,949	122,532	570	19.32
1954	213,108	25,906	760	---	---	24,430	131	3.5
1955	77,084	8,796	9,572	---	---	8,420	63	12.41
1956	168,347	20,075	31,770	55%	17,474	17,846	116	18.87
1957	435,509	53,944	28,921	---	---	45,800	249	6.64
1958	1,185,719	145,429	221,087	55%	121,598	108,687	489	18.64
1959	598,254	71,961	50,013	---	---	53,779	251	8.35



Table 33

PLANT INDUSTRY DIVISION  
RELATIONSHIP OF FUNDS AVAILABLE

Fiscal Years 1950 Through 1959\*

Fiscal Year	<u>General Fund</u>		<u>Cash Funds</u>				<u>Total Funds</u>	
	<u>Appropriations</u> Amount	<u>% of Total</u>	<u>Insecticide Inspection</u>		<u>Plant and Insect Control</u>		<u>Available</u>	
			<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
1950	\$50,571	82.9	\$7,475	12.2	\$3,006	4.9	\$61,232	100.0
1951	51,142	87.2	4,830	8.2	2,708	4.6	58,680	100.0
1952	37,478	84.5	4,770	10.7	2,133	4.8	44,381	100.0
1953	46,421	82.4	7,642	13.5	2,302	4.1	56,366	100.0
1954	46,129	81.3	8,581	15.1	2,053	3.6	56,763	100.0
1955	46,955	75.7	8,698	14.0	6,375	10.3	62,027	100.0
1956	49,745	74.0	9,933	14.8	7,532	11.2	67,210	100.0
1957	48,579	74.4	8,511	13.0	8,248	12.6	65,388	100.0
1958	58,124	80.6	4,419	6.1	9,543	13.3	72,086	100.0
1959	64,199	74.7	10,109	11.8	11,582	13.5	85,890	100.0

\*Amounts rounded to nearest dollar before percentage calculations were made.  
Percent columns represent the portion of money available from a given source  
for a given year.

Table 34

PLANT INDUSTRY DIVISION  
REVENUE AND EXPENDITURES - GENERAL FUND APPROPRIATIONS

Fiscal Years 1950 Through 1959\*

Fiscal Year	Appropriations	EXPENDITURES				Revert to Gen. Fund
		Personal Services	Maint. & Operation	Retirement and Other	Total	
1950	\$50,751	\$31,906	\$8,051	\$1,543	\$41,500	\$9,251
1951	51,142	33,520	7,898	1,748	43,166	7,976
1952	37,478	27,212	6,583	1,889	35,684	1,794
1953	46,421	32,300	9,190	3,464	44,955	1,467
1954	46,129	37,139	7,127	1,454	45,720	408
1955	46,955	36,913	8,250	1,252	46,415	540
1956	49,745	39,582	7,116	2,378	49,076	669
1957	50,226	42,861	5,970	1,395	50,226	-0-
1958	58,124	46,171	6,749	4,353**	57,274	851
1959	64,199	49,001	7,494	3,973**	60,467	3,732

\*Totals may not balance as a result of rounding to nearest dollar. For fiscal years 1950 through 1956 appropriations were made for three separate funds. However, beginning in fiscal year 1957 appropriations were allocated to the Chief of the Plant Industry Division. Table also includes a \$3,500 appropriation for seed testing and inspection for fiscal years 1958 and 1959.

\*\*Includes reimbursements to Colorado State University for seed testing.

Table 35

INSECTICIDE INSPECTION FUND  
REVENUES AND EXPENDITURES  
Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	Receipts**	EXPENDITURES				Ending Balance	
			Personal Services	Maint. and Operation	Other	10% to Gen. Fund		Total
1950	\$ 4,515	\$ 7,475	\$1,275	\$ 882	\$ 63	\$747	\$ 2,968	\$ 9,022
1951	9,022	4,830	1,160	1,290	158	483	3,091	10,761
1952	10,761	4,770	8,208	1,343	340	477	10,368	5,163
1953	5,163	7,642	5,709	104	1,196	764	7,774	5,031
1954	5,031	8,581	1,375	2,061	77	858	4,371	9,241
1955	9,241	8,698	4,248	3,168	266	870	8,552	9,387
1956	9,387	9,933	4,464	1,753	332	993	7,542	11,778
1957	11,778	8,511	6,839	1,489	243	772	9,344	10,945
1958	10,945	4,419***	7,387	2,150	910	441	10,888	4,777
1959	4,477	10,109	6,316	1,051	404	878	8,649	5,937

\* Totals may not balance as a result of rounding to nearest dollar.

\*\* Receipts: Collections from registration of insecticides.

\*\*\* The decrease in receipts for fiscal year 1958 may be attributed to the establishment of a suspense fund in which \$4,933 was transferred to fiscal year 1959.

Table 36

PLANT AND INSECT CONTROL  
REVENUES AND EXPENDITURES  
Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	Receipts**	EXPENDITURES				Ending Balance	
			Personal Services	Maint. and Operation	Other	10% to Gen. Fund		Total
1950	\$ 9,263	\$ 3,006	\$3,825	\$ 885	\$ 64	\$ 301	\$ 5,074	\$ 7,195
1951	7,195	2,708	3,660	1,209	78	271	5,218	4,685
1952	4,685	2,133	945	724	176	213	2,058	4,760
1953	4,760	2,302	3,037	673	418	230	4,358	2,703
1954	2,703	2,053	2,826	277	-	205	3,308	1,448
1955	1,448	6,375	1,721	728	82	638	3,168	4,656
1956	4,656	7,532	1,989	516	275	753	3,534	8,655
1957	8,655	8,248	4,741	964	242	823	6,770	10,132
1958	10,132	9,543	7,265	1,676	899	954	10,795	8,880
1959	8,880	11,582	7,394	1,115	505	1,158	10,172	10,290

\* Totals may not balance as a result of rounding to nearest dollar.

\*\* Receipts: Collection of nursery and greenhouse fees for licensing and inspections. The increase in receipts for 1955 may be attributed to an increase in nursery fees and extension of coverage to dealers and agents.

crease may be attributed to greater amounts being expended for personal services, as shown in Table 37. Expenses for maintenance and operation and miscellaneous costs remained fairly steady over the ten-year period. However, it should be pointed out that in fiscal years 1950 and 1951 the expenditures for the State Veterinarian were included in the budget for the chief of the division.

Table 37  
EXPENDITURES, CHIEF OF ANIMAL INDUSTRY DIVISION  
Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1950**	\$ 5,849	\$2,386	\$260	\$ 8,495
1951**	7,250	3,625	362	11,237
1952	7,327	2,511	733	10,571
1953	7,870	1,365	286	9,521
1954	8,393	1,673	322	10,388
1955	9,415	1,700	209	11,324
1956	8,821	3,743	349	12,912
1957	10,751	3,704	538	14,993
1958	8,683	4,704	434	13,821
1959	11,544	3,504	693	15,741

\* Totals may not balance as a result of rounding to nearest dollar. Revenue source: state general fund.

\*\* Includes expenditures for State Veterinarian in fiscal years 1950 and 1951.

Veterinary Section. Normally, the expenses of the Veterinary Section are budgeted from two funds, both of which are supported by general fund appropriations -- the State Veterinarian Fund and the Animal Tuberculosis Control Fund. In addition, a miscellaneous livestock disease control fund has been used regularly, the financing of which has also come from general fund monies. A fourth fund used in this section is the Veterinarian Revolving Fund which involves the selling of serums and vaccines to practicing veterinarians.

State Veterinarian Fund -- General operating and administrative expenses for the Veterinary Section are carried in the fund reported in Table 38. As may be noted, this table includes expenditures only for fiscal years 1952 through 1959 as the activities of this section were financed from the Animal Industry Division Fund (Table 37) during the first two years of its operations -- 1950 and 1951.

Since 1952, expenditures from the State Veterinarian Fund have doubled, rising from \$24,021 to \$50,577 in 1959. Most of the dollar increase resulted from greater amounts being expended for personal services -- \$17,012 in 1952 and \$41,238 in 1959. However, maintenance and operation costs also more than doubled -- from \$4,281 to \$9,339.

Table 38

EXPENDITURES, STATE VETERINARIAN FUND

Fiscal Years 1952 Through 1959\*

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1952	\$17,012	\$4,281	\$2,728	\$24,021
1953	24,148	7,055	843	32,046
1954	25,220	6,369	1,883	33,472
1955	28,340	6,078	1,325	35,743
1956	29,117	4,189	1,798	35,104
1957	32,713	7,553	---	40,266
1958	31,540	7,627	---	39,167
1959	41,238	9,339	---	50,577

\*Totals may not balance as a result of rounding to nearest dollar. Revenue source: state general fund.

Animal Tuberculosis Control Fund -- A separate fund is used for the control of animal tuberculosis and Johne's disease. Only relatively minor amounts are expended from this fund, as shown in Table 39. Total annual expenditures have declined considerably since 1950. In that year some \$2,500 was spent while in 1959 the total was \$448.

Table 39

EXPENDITURES, ANIMAL TUBERCULOSIS CONTROL FUND

Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1950	---	\$2,065	\$430	\$2,495
1951	\$203	1,603	495	2,301
1952	360	987	---	1,347
1953	---	971	359	1,330
1954	---	417	140	557
1955	---	951	---	951
1956	---	531	---	531
1957	236	443	---	678
1958	---	407	---	407
1959	---	448	---	448

\*Totals may not balance as a result of rounding to nearest dollar. Revenue source: state general fund.

Miscellaneous Livestock Disease Control Funds -- During the past ten years, various appropriations or allocations have been made to finance miscellaneous livestock disease control activities, as reported in Table 40. For fiscal years 1950 through 1953, around \$1,000 was expended annually for the control of "goat disease." In 1954, \$17,204 was spent for emergency swine disease control. During the next two years, 1955 and 1956, almost \$16,000 was used in vesicular exanthema work. For each of the last three years, from \$17,000 to \$52,000 was expended annually for emergency livestock disease control.

Table 40

EXPENDITURES, MISCELLANEOUS LIVESTOCK DISEASE CONTROL FUNDS\*

Fiscal Years 1950 Through 1959

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1950	---	\$ 636	\$ 428	\$ 1,064
1951	---	1,202	---	1,202
1952	---	931	---	931
1953	---	636	259	895
1954	\$13,504	3,674	26	17,204
1955	6,408	3,377	189	9,973
1956	3,907	1,835	194	5,937
1957	12,041	5,209	---	17,250
1958	17,961	32,364	1,418	51,743
1959	5,032	14,814	---	19,846

\*Fiscal years 1950 - 1953, funds for control of goat disease; fiscal year 1954, emergency swine disease control; fiscal years 1955 and 1956, fund for control of vesicular exanthema; fiscal year 1957 - 1959 emergency funds for livestock disease control. Revenue source: state general fund. Totals may not balance as a result of rounding to nearest dollar.

Veterinarian Revolving Fund -- The Veterinarian Revolving Fund, reported in Table 41, is composed of receipts and expenditures for the purchasing and selling of serums and vaccines to practicing veterinarians. Also, since 1957, as a result of federal government requirements, all payments to veterinarians from livestock sales rings are channeled through this fund. The introduction of this requirement accounts for the substantial increases in receipts and expenditures beginning in fiscal year 1957.

Poultry and Egg Section. Activities of the Poultry and Egg Section are financed entirely from license and inspection fee receipts, plus some miscellaneous receipts; the section receives no appropriations from the state general fund. The receipts and expenditures for the poultry and egg fund from 1950 through 1959 are presented in Table 42, including the amount (10%) of license and inspection fee receipts transferred to the state general fund.

Table 41

VETERINARIAN REVOLVING FUND  
RECEIPTS AND EXPENDITURES

Fiscal Years 1951 Through 1959\*

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Total Receipts**</u>	<u>Personal Services</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>	<u>Ending Balance</u>
1951	---	\$ 2,052	---	---	---	---	\$ 2,052
1952	\$ 2,052	29,901	\$ 7,453	\$13,486	---	\$ 20,939	11,015
1953	11,015	23,955	7,282	15,804	---	23,086	11,884
1954	11,884	21,899	6,727	12,075	\$ 446	19,248	14,535
1955	14,535	16,053	4,399	10,347	1,182	15,871	14,717
1956	14,717	15,897	3,858	12,302	992	17,151	13,463
1957	13,463	73,727***	55,199	14,382	188	69,786	17,422
1958	17,422	153,900	129,819	19,615	---	149,434	21,888
1959	21,888	186,608	160,392	18,104	---	178,497	30,000

\*Totals may not balance as a result of rounding off to nearest dollar.

\*\*Receipts were derived from billing serums and vaccines to veterinarians. The fund produces a profit representing the difference between the purchase price and selling price of serums and vaccines.

\*\*\*Beginning in 1957, federal government requirements necessitated the State Department of Agriculture to voucher all checks by auction rings for services of state-appointed veterinarians. Thus, this fund was expanded in 1957 to include payments by livestock sales rings to veterinarians.



Table 42

## RECEIPTS AND EXPENDITURES OF POULTRY AND EGG FUND

Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	Total** Receipts	Expenditures					Total	Ending Balance
			Personal Services	Travel & Subsistence	Maint. & Operation	10% Gen. Fund	to Other		
1950	\$ 8,850	\$29,756	\$24,618	\$ 2,165	\$ 658	\$2,976	\$1,204	\$31,620	\$ 6,986
1951	6,986	29,766	20,788	1,487	520	2,977	1,039	26,811	9,941
1952	9,941	44,367	22,126	3,284	995	4,437	1,879	32,721	21,588
1953	21,588	44,785	25,043	4,312	3,459	4,468	2,219	39,501	26,872
1954	26,872	45,684	27,485	4,710	2,231	4,503	1,452	40,381	32,176
1955	32,176	42,703	32,884	5,247	2,706	4,218	1,760	46,815	28,064
1956	28,064	51,060	31,000	6,023	1,930	5,017	1,576	46,546	32,578
1957	32,578	76,717	42,387	6,054	3,785	7,513	2,351	62,090	47,205
1958	47,205	79,968	56,103	9,193	2,194	7,536	4,672	79,699	47,475
1959	47,475	78,541	62,454	10,283	2,702	7,919	4,940	88,299	37,717

\*Totals may not balance as a result of rounding to nearest dollar.

\*\*Includes license and inspection fee receipts, sales of clips and tags, and a few miscellaneous sales.

During the ten-year period receipts to the poultry and egg fund usually exceeded expenditures. Only in three years, fiscal years 1950, 1955, and 1959, was this pattern reversed. During this period, ending fund balances increased from \$7,000 at the close of fiscal year 1950 to \$47,500 at the close of fiscal year 1958. Substantial increases may also be noted in the amount of receipts credited to the poultry and egg fund in these years, rising sharply in fiscal year 1952, and again in fiscal year 1957. Primary factors contributing to these sharp increases in revenue include additional inspection fees for poultry authorized by a 1951 amendment to the law and the revision of egg license fees in 1956 and 1957.

As may be noted in Table 42, the size of expenditures in the poultry and egg fund experienced increases similar to revenues during the ten-year period. Largely accounting for the rise in expenditures was the increase in the number of poultry and egg inspectors, from five in fiscal year 1950 through fiscal year 1955, to six in fiscal year 1956, and nine beginning in fiscal year 1957. A series of salary increases also added to the increase in expenditures, as well as larger amounts being spent for travel and subsistence.

Feed and Fertilizer Control Section. Activities of the Feed and Fertilizer Control Section are financed from cash fund revenues; no general fund monies are used. Under the funding procedure followed, two separate funds are established, as shown in Tables 43 and 44. Table 43 includes figures on receipts and expenditures of the Commercial Feed Fund; Table 44 contains similar information for the Commercial Fertilizer Fund.

As may be noted in the two tables, feed fund receipts over the ten-year period show a fairly steady increase -- from \$26,169 in 1950 to \$37,610 in 1959. Similarly, fertilizer fund receipts have increased rather substantially -- from around \$12,000 to \$13,000 annually in 1951 and 1952 to almost \$22,000 in 1959.

Annual expenditures from the two funds have likewise increased during the ten-year period. However, expenditures have normally been less than revenues with a few exceptions. The greatest difference between expenditures and revenues occurred in 1952 when \$31,000 was transferred out of the feed fund to establish a temporary laboratory equipment purchase fund. This latter fund was utilized for three years when the remaining balance of \$651.10 was transferred back to the feed fund. During the three years the fund existed, from 1953 through 1955, approximately \$25,000 was spent for the purchase of laboratory equipment, \$2,400 went for salaries, and \$2,300 was used for maintenance and operation expenses.

Dairy Section. Three funds are used to finance the Dairy Section, as reported in Tables 46, 47, and 48, while Table 45 merely consolidates these funds to reflect the over-all revenue and expenditure figures for this section. Table 46 contains the figures on appropriations and expenditures; Table 47 includes the dairy cash fund receipts and expenditures; and Table 48 concerns receipts and expenditures under the oleomargarine cash fund.

Table 43

## FEED FUND REVENUES AND EXPENDITURES

Fiscal Years 1950 through 1959\*

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Total Revenues</u>	<u>Expenditures</u>				<u>Total</u>	<u>Ending Balance</u>
			<u>10% to Gen. Fund</u>	<u>Salaries</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>		
1950	\$35,379	\$26,169	\$2,616	\$16,970	\$8,810	\$ 1,037	\$29,434	\$32,113
1951	32,113	27,885	2,788	17,612	9,347	1,142	30,890	29,108
1952	29,108	31,453	3,145	15,005	5,953	33,188**	57,292	3,269
1953	3,269	29,275	2,927	15,215	8,530	3,832	30,505	2,039
1954	2,039	30,074	3,007	16,498	5,883	997	26,386	5,728
1955	5,728	30,982	3,097	15,777	7,018	959	26,853	9,857
1956	9,857	32,004	3,132	12,614	7,864	796	24,407	17,453
1957	17,453	36,476	3,627	20,984	7,504	922	33,038	20,891
1958	20,891	33,309	3,330	20,788	7,016	2,084	33,219	20,981
1959	20,981	37,610	3,761	26,721	7,422	2,733	40,637	17,954

\*Totals may not balance as a result of dropping the cents.

\*\*Includes transfer of \$31,000 to establish a temporary laboratory equipment fund.

Table 44  
 FERTILIZER FUND REVENUES AND EXPENDITURES  
Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Total Revenues</u>	<u>Expenditures</u>				<u>Total</u>	<u>Ending Balance</u>
			<u>10% to Gen. Fund</u>	<u>Salaries</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>		
1950	\$ 6,992	\$ 4,161**	\$ 416	\$ 6,085	\$1,263	\$ 749	\$ 8,514	\$ 2,639
1951	2,639	13,420	1,342	5,419	1,251	891	8,904	7,155
1952	7,155	11,932	1,193	7,185	998	1,151	10,529	8,558
1953	8,558	15,644	1,564	8,530	1,718	3,114	14,927	9,275
1954	9,275	16,390	1,639	7,596	2,085	678	12,000	13,665
1955	13,665	16,155	1,615	6,715	2,488	255	11,074	18,746
1956	18,746	14,909	1,490	10,040	2,037	764	14,332	19,323
1957	19,323	18,451	1,839	12,815	1,545	587	16,787	20,988
1958	20,988	18,482	1,848	14,210	1,562	1,979	19,599	19,870
1959	19,870	21,624	2,162	11,760	1,647	1,360	16,930	24,565

\*Totals may not balance as a result of dropping the cents.

\*\*In this year, the Commissioner of Agriculture redeemed all inspection stamps on hand in compliance with Chapter 107, 1949 Session Laws, thereby making receipts smaller.

Table 45

## TOTAL DAIRY SECTION RECEIPTS AND EXPENDITURES. FY 1950-1959

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Appropriations and Receipts</u>			<u>Expenditures</u>					<u>Ending* Balance</u>
		<u>Appropriation</u>	<u>Cash Receipts</u>	<u>Total</u>	<u>10% to General Fund</u>	<u>Salaries</u>	<u>Maint. &amp; Operation</u>	<u>Other</u>	<u>Total</u>	
1950	\$ 472	\$23,294	\$ 9,442	\$32,736	\$ 944	\$17,332	\$8,306	\$ 860	\$27,442	\$ 5,658
1951	5,658	23,611	7,599	31,210	760	17,830	7,622	1,053	27,265	9,182
1952	9,182	22,266	5,827	28,093	583	20,899	6,258	4,389	32,129	5,197
1953	5,197	26,407	10,226	36,633	1,023	21,909	7,864	1,041	31,837	10,953
1954	10,953	27,000	11,389	38,389	1,139	23,825	8,757	1,707	35,428	15,505
1955	15,505	26,011	13,726	39,737	1,372	25,605	7,299	1,884	36,160	18,962
1956	18,962	26,325	11,238	37,563	1,124	25,966	7,852	1,388	36,330	20,389
1957	20,389	27,411	8,600	35,744	860	29,130	7,576	1,473	39,039	15,949
1958	15,949	30,837	8,127	38,964	813	32,778	8,247	1,964	43,802	12,810
1959	12,810	41,098	10,253	51,351	1,026	37,477	7,385	3,149	49,037	14,865

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\* Does not include unexpended balances from appropriated funds.

Table 46

## DAIRY SECTION FUND EXPENDITURES

Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1950	\$14,685	\$7,271	\$ 736	\$22,692
1951	15,237	6,822	869	22,928
1952	15,753	5,084	1,009	21,846
1953	20,096	5,138	958	26,192
1954	21,273	4,346	1,220	26,839
1955	19,897	4,996	988	25,881
1956	20,492	4,766	1,025	26,283
1957	21,531	3,403	1,065	25,999
1958	25,860	5,426	1,250	32,536
1959	33,941	4,822	1,075	40,838

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\*Totals may not balance as a result of rounding to nearest dollar. Revenue source: state general fund.

Table 47

## DAIRY CASH FUND RECEIPTS AND EXPENDITURES

Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	Receipts	Expenditures				Total	Ending Balance
			10% to Gen. Fund	Salaries	Maintenance & Operation	Other		
1950	\$ 441	\$ 8,192	\$ 819	\$2,647	\$1,005	\$ 124	\$ 4,595	\$ 4,532
1951	4,532	6,074	607	2,593	800	122	4,122	6,746
1952	6,746	5,077	508	5,146	1,174	1,588	8,416	3,877
1953	3,877	8,426	843	1,813	2,427	83	5,166	8,312
1954	8,312	10,114	1,011	2,552	4,411	127	8,101	12,077
1955	12,077	12,136	1,217	5,708	2,303	184	9,412	14,811
1956	14,811	9,913	989	5,474	2,978	294	9,735	15,225
1957	15,225	7,350	735	7,599	3,482	408	12,224	10,350
1958	10,350	6,927	693	6,918	2,353	414	10,378	6,900
1959	6,900	8,678	868	3,536	2,563	470	7,437	8,141

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\*Totals may not balance as a result of rounding to nearest dollar.

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Table 48

## OLEOMARGARINE CASH FUND RECEIPTS AND EXPENDITURES

Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Expenditures</u>			<u>Ending Balance</u>	
			<u>10% to Gen. Fund</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>		<u>Total</u>
1950	\$ 31	\$1,250	\$125	\$ 30	---	\$ 155	\$1,126
1951	1,126	1,525	153	---	\$ 62	215	2,436
1952	2,436	750	75	---	1,792	1,867	1,320
1953	1,320	1,800	180	299	---	479	2,641
1954	2,641	1,275	128	---	360	488	3,428
1955	3,428	1,590	155	---	712	867	4,151
1956	4,151	1,325	135	108	69	312	5,164
1957	5,164	1,250	125	691	---	816	5,599
1958	5,599	1,200	120	468	300	888	5,910
1959	5,910	1,575	158	---	604	762	6,724

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\*Totals may not balance as a result of rounding to nearest dollar.



As shown in Table 45, from fiscal year 1950 through 1959 general fund revenues to the Dairy Section have increased from a low of \$22,266 in fiscal year 1952 to a high of \$41,098 in fiscal year 1959. Dairy cash fund receipts have varied over the period, from \$5,077 in fiscal year 1952 to \$12,136 in fiscal year 1955 (Table 47). Oleomargarine receipts, on the other hand, have held fairly steady, with receipts generally averaging around \$1,200 to \$1,500 annually (Table 48).

### Division of Markets

Division Chief Fund. The chief of the Markets Division administers two funds directly. The first, reported in Table 49, represents the division's allocation from the department's general fund appropriation and is used to pay the expenses of the office of the chief of the division and part of the Markets Section. The second fund, reported in Table 50, contains the receipts and expenditures in connection with the Hope-Flanigan program of marketing research.

As shown in Table 49, the expenditures of the division's fund increased substantially between 1950 and 1959, reaching a high of \$32,469 in fiscal year 1958. Most of the increased expenditures may be attributed to personal services and maintenance and operation (which includes travel and subsistence). In 1957, a marketing specialist was transferred from the budget of the Produce Dealers' Section to the Markets Division budget. This item alone accounts for much of the increase in that year compared to 1956.

Receipts and expenditures from the Hope-Flanigan Fund are shown in Table 50 for the fiscal years 1951 through 1959. The receipts shown represent contributions from the federal government and from local industry groups in this state for marketing research studies. No state monies were appropriated to this fund.

Fruit and Vegetable Inspection Service. The Fruit and Vegetable Inspection Service is financed entirely from fees and charges received for inspection work; no general fund monies are used to defray its expenses. During the ten-year period, annual receipts varied from a low of \$191,154 in fiscal year 1952 (a drought year) to a high of \$410,318 in fiscal year 1959, as shown in Table 51.

With the exception of fiscal years 1952, 1957, 1958, and 1959, receipts generally ranged between \$200,000 and \$300,000. In the latter three years, a rather substantial increase may be noted. However, the removal of onions from the compulsory inspection list by the 1959 General Assembly may be expected to reduce collections somewhat on this particular product.

It may also be noted in Table 51 that a fairly sizeable balance is carried forward each year in the fruit and vegetable fund. This service reports that a large beginning balance is

Table 49  
 EXPENDITURES, DIVISION OF MARKETS FUND  
Fiscal Years 1950 Through 1959\*

<u>Fiscal Year</u>	<u>Personal Services</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>	<u>Total</u>
1950	\$ 7,344	\$ 960	\$ 305	\$ 8,609
1951	7,893	884	395	9,171
1952	8,121	1,080	909	10,110
1953	7,918	1,534	286	9,738
1954	8,404	2,255	393	11,052
1955	9,421	2,299	471	12,191
1956	9,900	2,203	528	12,631
1957	17,792	3,127	798	21,717
1958	27,272	4,028	1,169	32,469
1959	17,641	2,865	952	21,458

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\*Totals may not balance as a result of rounding to nearest dollar. Revenue source: state general fund.

Table 50

## RECEIPTS AND EXPENDITURES, HOPE-FLANIGAN FUND

Fiscal Years 1951 Through 1959\*

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Receipts**</u>	<u>Expenditures</u>			<u>Total</u>	<u>Ending Balance</u>
			<u>Personal Services</u>	<u>Maintenance &amp; Operation</u>	<u>Other</u>		
1951	\$-----	\$10,500	\$-----	\$5,257	\$---	\$ 5,257	\$ 5,243
1952	5,243	7,720	-----	7,700	---	7,700	5,263
1953	5,263	3,000	1,750	1,455	448	3,653	4,611
1954	4,611	6,220	2,460	2,285	---	4,745	6,086
1955	6,086	28,866	1,607	1,946	---	3,553	31,400
1956	31,400	6,126	-----	5,982	---	5,982	31,543
1957	31,543	4,763	2,745	6,956	75	9,776	26,530
1958	26,530	657	5,347	9,431	115	14,893	12,294
1959	12,294	8,000	5,215	4,644	313	10,172	10,122

\*Source: Auditor's reports 1951 through 1957, Department of Agriculture records 1958 and 1959. Totals may not balance as a result of rounding to nearest dollar.

\*\*Receipts: Contributions of federal government and local agricultural boards of control for marketing research studies.

Table 51

## FRUIT AND VEGETABLE INSPECTION RECEIPTS AND EXPENDITURES

Fiscal Years 1950 Through 1959<sup>(a)</sup>

Fiscal Year	Beginning Balance	Receipts <sup>(b)</sup>	E X P E N S E S			E S		Ending Balance
			Personal Services	Maintenance & Operation	Other <sup>(c)</sup>	5% or 10% To Gen. Fund <sup>(d)</sup>	Total	
1950	\$46,205	\$291,740	\$172,366	\$51,480	\$12,947	\$29,163	\$265,957	\$ 71,987
1951	71,987	286,386	153,670	39,712	10,856	28,513	232,751	125,622
1952	125,622	191,154	155,555	42,030	10,602	19,115	227,303	89,473
1953	89,473	271,745	181,407	49,756	13,974	27,150	272,287	88,932
1954	88,932	274,465	189,412	46,874	17,635	27,434	281,356	82,041
1955	82,041	294,461	198,397	49,972	21,386	26,163	295,918	80,584
1956	80,584	270,333	183,438	51,130	24,029	13,517	272,113	78,804
1957	78,804	326,926	222,654	59,177	25,172	16,346	323,349	82,381
1958	82,381	341,818	233,932	65,195	24,700	17,091	340,917	83,282
1959	83,282	410,318	266,668	66,563	33,319	20,516	387,066	106,533

(a) Totals may not balance as a result of rounding to nearest dollar.

(b) Fees and charges collected.

(c) Includes payments to federal government.

(d) From 1950 through March 31, 1955, 10% of collections transferred to General Fund; since April 1, 1955, 5% transferred to General Fund.

necessary in order to pay employees during the first few months of the fiscal year, which is a period of heavy inspection work, until fees are collected. Normally, payments for fees are submitted within 60 days of the billing made at the time the inspection work is completed.

The amount of expenditures by the Fruit and Vegetable Service in any one year is directly related to the amount of produce harvested. To a certain extent, this situation is reflected in Table 51, listing expenditures annually for fiscal years 1950 through 1959.

On the other hand, due to the variable nature of crop production and marketing, expenses may not decline in proportion to collections and the service may spend more in any one year than it receives. To illustrate, because of the compulsory inspection provisions (1953 C.R.S. 7-6-24), the service will maintain a crew on call to handle inspections during the various fruit and vegetable seasons; however, because of such variables as marketing conditions or adverse weather, the inspection demand may not require the actual number of inspectors employed, thus expenses will exceed receipts.

Table 51 reports expenditures of the inspection service on the basis of personal services, maintenance and operation, payments to the state general fund, and other. Around two-thirds of the total expenditures each year were paid in salaries to inspectors. Generally, about one-half of the remaining expenditures were under maintenance and operation which includes travel and subsistence payment to inspectors.

Until April 1, 1955, ten percent of collections were paid into the general fund; since that time the general fund has received five percent of the collections, accounting for the relative decline in this expense.

The "other" column includes miscellaneous costs plus payments made to the federal government as provided in the agreement between the State Department of Agriculture and the Agriculture Marketing Service, United States Department of Agriculture. Under the terms of this agreement, the state reimburses the federal government for the salary and expenses of the federal supervisor, the expenses and \$400 of the salary of the assistant supervisor (who is also a federal employee), plus four percent of inspection charges.\* (See Table 52.) At the same time, however, the federal government in turn credits the state for federal inspection work performed by state inspection service personnel.

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\*Unlike the five percent payment to the state general fund, which is based on actual collections, the four percent payment to the federal government is based on inspection charges, some of which may not be collected.

Table 52

PAYMENTS MADE TO FEDERAL GOVERNMENT  
BY FRUIT AND VEGETABLE INSPECTION SERVICE

Fiscal Years 1950 Through 1959

Fiscal Year	SALARIES		TRAVEL EXPENSE			4% of <sup>b</sup> Charges	Misc. Expenses <sup>c</sup>	Total Exps.	Credit to State <sup>d</sup>	Net Total Paym'ts to Fed. Govt.
	Federal Supr.	Asst. Supr.	Subsis- tence	Travel	Total <sup>a</sup>					
1950	\$5,377					\$ 8,283		\$13,860	\$1,771	\$12,089
1951	5,484					6,195		11,766	2,989	8,776
1952	6,235	\$1,000				4,736		11,971	4,012	7,959
1953	7,150	1,000				6,981		15,130	3,746	11,385
1954	7,982	400				10,752		19,134	2,730	16,405
1955	8,081	400	\$ 122	\$ 194	\$ 316	11,342	24	20,162	1,268	18,895
1956	8,686	969	1,263	1,214	2,477	9,954	146	22,233	1,008	21,225
1957	7,371	714	1,211	1,553	2,764	12,676	478	24,003	1,016	22,987
1958	7,075	400	842	1,333	2,175	12,703	143	22,496	540	21,957
1959	8,384	400	864	1,422	2,286	15,831	111	17,011	207	26,804

- (a) For fiscal years 1950 through 1954 federal supervisor and assistant's travel and miscellaneous expense was paid directly by the state. For fiscal years 1955 through 1959 travel and miscellaneous expense was paid through the U.S.D.A.
- (b) Fiscal years 1950 through 1953 charges were based on 20¢ per certificate plus \$1.50 per man-week for processing inspection for federal services. Fiscal years 1954 through 1959 charges were based on 4% of fees charged on certificates and \$2.00 per man-week for processing inspection.
- (c) Includes purchases from federal General Service Agency and some postage.
- (d) Credits to state were for federal inspection work by inspection service staff.

Produce Dealers' Section. The Produce Dealers' Section operates entirely from the revenue received from produce dealers' licenses. Generally, receipts from licenses have steadily increased in the last ten years, as may be noted in Table 53. In fiscal year 1957, however, the fee collection of \$53,999 does not indicate the true amount of monies collected since an additional \$17,437 was placed in a trust fund for fiscal year 1958. In addition, the increases in receipts from \$52,723 in fiscal year 1950 to a high of \$76,580 in fiscal year 1959, despite no change in the fee structure, may in part be explained by the marked increase in truck shipments of agricultural products. In 1950 only 30 percent of all produce shipped was by truck as opposed to 70 percent in fiscal year 1959, and this has resulted in an increase in the number of truck or dealer licenses issued.

<u>Fiscal Year</u>	<u>Proportion of Colorado Agricultural Produce Moved by Trucks*</u>
1950	30%
1951	33 1/3%
1952	40%
1953	45%
1954	60%
1955	65%
1956	70%
1957	75%
1958	75%
1959	70%

\*Source: Annual Report, Produce Dealers' Section, fiscal year 1959.

Personal services accounted for the largest disbursement of funds during the ten-year period, ranging from \$38,025 in 1952 to \$49,214 in 1958. However, some of the persons whose salaries were paid from this fund worked part or full time in other sections within the Markets Division during these years.

Frozen Food Provisioners' Section. In general, since the law was enacted in 1947, revenues have been insufficient to cover the costs of administration of this section. Receipts from licenses for the ten-year period from 1950 through 1959 generally declined as the small marginal lockers went out-of-business, as may be noted in Table 54. Fiscal year 1960 is expected to show an increase in revenues since about 150 new licenses will be issued, according to the supervisor. This is due to the fact that food plan operators and some processors were brought under the law by the 1959 amendments. However, the supervisor points out that Section 7-14-10, as adopted in 1959, excludes all processors that do 75 percent of their business in activities other than those covered by the act. An audit will be necessary in all cases disputed by an operator, thereby making

Table 53

RECEIPTS AND EXPENDITURES, PRODUCE DEALERS' FUND  
Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	** Receipts	Expenses				Total	Ending Balance
			Personal Services	Maintenance & Operation	Other	10% to General Fund		
1950	\$26,856	\$52,723	\$38,324	\$12,220	\$1,991	\$5,272	\$57,808	\$21,771
1951	21,771	52,794	38,108	11,014	1,985	5,279	56,386	18,179
1952	18,179	57,165	38,025	10,999	1,938	5,716	56,678	18,666
1953	18,666	61,182	41,303	11,941	4,290	6,118	63,652	16,196
1954	16,196	66,113	43,311	13,402	2,397	6,611	65,721	16,588
1955	16,588	67,545	44,673	15,088	2,285	6,752	68,798	15,335
1956	15,335	71,787	45,643	13,430	2,307	7,188	68,569	18,553
1957	18,553	53,999***	44,386	13,969	2,229	5,393	65,976	6,576
1958	6,576	70,725	49,214	12,191	3,333	7,071	71,809	5,492
1959	5,492	76,580	44,377	13,206	2,674	7,451	67,708	14,363

\*Totals may not balance as a result of rounding to nearest dollar.

\*\*Receipts: License fees collected from produce dealers.

\*\*\*Also collected during the period was \$17,437 held in a suspense account. Total collections therefore were \$71,436. The amount held in the suspense fund was transferred to the Produce Dealers' Fund on July 29, 1957.



Table 54

REFRIGERATED LOCKERS FUND  
Fiscal Years 1950 through 1959\*

Fiscal Year	Beginning Balance	Receipts**	Expenditures				Ending Balance	
			Personal Services	Maintenance & Operation	Other	10% to General Fund		Total
1950	\$4,352	\$5,175	\$4,635	\$571	\$375	\$518	\$6,098	\$3,429
1951	3,429	5,920	4,355	707	359	592	6,013	3,336
1952	3,336	5,900	4,723	300	236	590	5,849	3,387
1953	3,387	3,850	3,830	424	406	385	5,045	2,193
1954	2,193	5,250	3,615	327	181	525	4,648	2,795
1955	2,795	5,050	4,860	977	233	508	6,577	1,267
1956	1,267	5,025	4,885	113	333	498	5,829	463
1957	463	4,950	2,496	68	138	498	3,199	2,214
1958	2,214	4,650	2,715	251	250	465	3,680	3,183
1959	3,183	4,300	1,716	51	110	430	2,307	5,177

\* Totals may not balance as a result of rounding to nearest dollar.

\*\* Receipts are derived from licenses issued to refrigerated locker plants. As a result of 1959 amendment, beginning in fiscal year 1960 the name of this fund was changed to the "Frozen Food Provisioners' Fund" in keeping with the activities thereunder.

it extremely costly to administer. Thus, the amendment eliminates a large number of retail merchants who would otherwise have been required to purchase a license and which, it is reported, would have made the section financially independent.

Personal services accounted for the largest share of disbursements for the past ten years. However, this expenditure has varied from year to year as indicated by the following tabulations:

<u>Fiscal Year</u>	<u>Personnel and Number of Months Salary Paid*</u>	
1954	Produce Inspector	12
1955	Supervisor**	11
1956	Supervisor	11
1957	Supervisor	5
1958	Supervisor	5
1959	Supervisor	3

\*Data based on Agriculture Department Annual Budget Reports. These figures indicate approximate amount of months for which salary was paid by Refrigerated Lockers Fund.

\*\*Supervisor of Produce Dealers' and Frozen Food Provisioners' Sections.

Travel expenses are generally allotted on the basis of costs that the Frozen Food Provisioners' Board incurs as the result of hearings held in outlying communities. This expense may be expected to increase since the board was enlarged to four members plus the Commissioner in 1959.

Weights and Measures Section. Revenues and expenditures of the Weights and Measures Section from fiscal year 1953 through 1959 are reported in Table 55. The receipts shown include the two loans from the state general fund (\$35,000 in 1953 and \$17,000 in 1955) and license fee receipts. Since the fee schedules were changed in 1955, license revenue usually has amounted to around \$80,000 annually. The expenditures reported for 1953 involved minor expenses incurred in establishing the section. Some \$10,400 was spent in each of the last four years to repay the loans from the state general fund. At the same time, however, the section does not pay a portion of its collections to the general fund, being exempted by C.R.S. Supplement 6-1-10, as do other cash fund activities within the agriculture department.

Table 55

WEIGHTS AND MEASURES SECTION  
RECEIPTS AND EXPENDITURES  
Fiscal Years 1953 through 1959<sup>a</sup>

<u>Fiscal Years</u>	<u>Beginning Balance</u>	<u>Receipts<sup>b</sup></u>	<u>EXPENDITURES</u>					<u>Ending Balance</u>
			<u>Personal Services</u>	<u>Maint. and Operation</u>	<u>Other</u>	<u>Partial Paym't on Loans</u>	<u>Total</u>	
1953	\$-----	\$35,000 <sup>c</sup>	\$ 176	\$ 24	\$-----	\$-----	\$-----	\$34,800
1954	34,800	53,990	23,875	13,093	21,312	-----	58,281	30,509
1955	30,509	55,743 <sup>d</sup>	27,109	17,117	21,105	7,000	72,331	13,922
1956	13,922	83,047	30,107	17,336	1,171	10,400	59,014	37,955
1957	37,955	50,800	31,830	28,480	1,440	10,400	72,150	16,604
1958	16,604	78,918	38,708	30,263	2,546	10,400	81,918	13,605
1959	13,605	80,406	36,260	27,474	7,700	10,400	81,834	12,177

a. Totals may not balance as a result of rounding to nearest dollar.

b. Receipts derived from license fees except for loans from State general fund.

c. Warrant transfer of \$35,000 from general revenue fund -- made available as a loan.

d. Includes \$17,000 loan from general fund.

## INSPECTION AND OTHER FEES

As mentioned previously, most of the activities within the State Department of Agriculture are financed from collections of inspection and other fees. The size of these fees therefore has a substantial relationship to the extent of the services which may be rendered in these areas. Consequently, as such conditions as wage or production levels have increased, corresponding adjustments upward were made in a number of the base fee charges. Others, however, remained unchanged in the ten-year period from fiscal years 1950 through 1959.

The following paragraphs contain a review of the present fee structures within the various cash fund activities of the agriculture department, as well as any changes made therein over the past ten-year period.

### Division of Plant Industry

#### Registration of Insecticides, Fungicides, and Rodenticides.

The fees established in 1947 for insecticides amounted to \$5.00 per brand up to a maximum charge of \$50.00 for each registrant. This fee charge was increased in 1953 to a charge of \$5.00 per brand up to ten brands and \$2.00 for each additional brand.

Nurseries and Greenhouses. Prior to 1950 nurseries growing stock for sale in Colorado and for distribution out-of-state required certification that the stock was insect free. The State Department of Agriculture provided the inspection for \$1.25 per hour and an additional charge of \$2.50 for the annual certification. During the early 1950's, the inspection fee was raised to \$2.25 per hour, while the certification charge remained at \$2.50.

Subsequently, in 1953, the "Nursey Stock Act" (6-15-1 through 6-15-5, C.R.S. 1953) was enacted, requiring that "any person, firm, corporation, or association desiring to sell nursery stock in Colorado must first secure a license to sell nursery stock from the commissioner of agriculture. Before any license is issued to any dealer he or it shall deposit with the commissioner of agriculture a surety bond in the sum of one thousand dollars executed by the dealer as principal and by a surety company qualified and authorized to do business in this state as surety and shall have a certificate of inspection as provided in section 6-15-1 or a satisfactory like certificate issued by another state. Said bond shall be conditioned upon compliance with the provisions of this article and upon the faithful and honest handling of nursery products in accordance with the terms of this article." However, this act did not supply any revenue to the department of agriculture and the inspection of the retail selling of nursery stock was supported by the general fund.

Since 1953 nursery growers selling wholesale stock in Colorado and in interstate commerce have been charged \$3.00 per hour for inspections and \$2.50 for certification. However, Section 6-15-4, C.R.S. 1953, was amended in 1955 to provide for the following license charges:

"6-15-4. Licensing - Fees. (1) Any person, firm, corporation or association selling nursery stock in Colorado, must first secure a license yearly from the commissioner of agriculture. Each branch, sales yard, store or sales location, shall be licensed. To defray the cost of administration the following license fees shall be charged:

'Nursery.' Each nursery shall pay a license fee of ten dollars.

'Dealer.' Each dealer shall pay a license fee of ten dollars for each branch, sales yard, store or sales location operated within the state.

'Agent.' Each agent shall be required to secure and carry an agent's permit issued by the commissioner of agriculture, for which an annual fee of five dollars will be charged; such agent's permit may be revoked for cause by the commissioner of agriculture at any time.

'Exemption.' Nurseries selling direct to licensed nurseries or licensed dealers within the State of Colorado shall be exempt from the license fee.

The fees provided herein shall be deposited to the nursery inspection fee, plant and insect control fund."

If a grower of nursery stock wishes to make retail sales, he must pay the \$10.00 fee. However, in any event, the grower must still pay the \$2.50 certification fee and the \$3.00 per hour inspection costs. The requirement of a surety bond was deleted by the 1955 amendment. A bill to increase nursery fees was killed in the 1959 session.

Greenhouse inspection fees, which are credited to the nursery cash fund, were established in 1939 and provided for a \$5.00 minimum inspection fee with an additional charge of ten cents for each additional 1,000 square feet of glass over the first 10,000 square feet. This charge was not increased until 1958 when it was raised to \$10.00 for the first 10,000 square feet and twenty cents for each additional 1,000 square feet. These charges are not stipulated by statute but are based largely on the administrative costs of the division.

Aerial-spray Operators. The department issues licenses to aerial-spray operators but a cash fund has not been established for this purpose nor have the fee charges been designated by statute. The Commissioner of Agriculture and an advisory board presently determine license charges. The original fee charges in 1953 were \$5.00 for the first airplane and \$1.00 for each additional airplane. The present charges are \$10.00 for the first aircraft and \$5.00 for each additional aircraft.

## Division of Animal Industry

Poultry Fees. License fees under Colorado's Poultry Law are the same as when the act was adopted in 1937. Briefly, these license fees are:

- \$ 2.50 -- retail dealers buying and selling live poultry to consumers only;
- \$10.00 -- jobbers buying live or dressed poultry from producers and selling to wholesalers only;
- \$20.00 -- wholesalers buying and selling live or dressed market poultry to retailers, restaurants, hotels, dealers, and public or governmental institutions. Annual fee of \$20 is applied for each place of business and for each truck or other vehicle engaged in buying live market or dressed poultry.

At present, there are only a few dealers qualifying as jobbers or retailers under the definitions established in 1937, due primarily to changes in the buying, selling, and processing practices in the industry. As shown in the following tabulation, in the last three years only five to seven retail licenses have been issued annually and only 11 to 18 jobber licenses.

### POULTRY LICENSES ISSUED

#### Fiscal Years 1950 Through 1959

<u>Fiscal Year</u>	<u>Retailer</u>	<u>Jobber</u>	<u>Wholesaler</u>
1950	102	54	148
1951	91	58	142
1952	82	47	151
1953	67	47	163
1954	65	32	151
1955	58	30	147
1956	55	20	182
1957	5*	13	171
1958	4	11	137
1959	7	18	202

\*In 1957, the number of licenses was drastically reduced when retailers learned they had to be licensed only if they engaged in buying live poultry to be resold to consumers.

In addition to license fee receipts, under the authorization granted in the sections added to the poultry law in 1951, wholesalers are charged an inspection fee of  $\frac{1}{4}$ -cent on each dressed bird or rabbit which they sell or process in Colorado. An inspection fee is also imposed on eviscerated or cut-up parts of the poultry and rabbits as follows:

2 lbs. broilers or fryers = 1 bird or ¼ cent  
 3 lbs. roosters or stewers = 1 bird or ¼ cent  
 15 lbs. cut-up turkey = 1 bird of ¼ cent

Egg Fees. The Colorado Egg Law, as amended in 1957, provides license fee schedules based, for the most part, on size of operations of the various firms or dealers, Unlike poultry, no inspection fees are collected under the egg law.

Egg license fee schedules are as follows:

Retailer

Class I, Under \$50,000 annual total gross sales...\$ 2.00  
 Class II, \$ 51,000 to \$100,000.....\$ 5.00  
 Class III, \$101,000 to \$200,000.....\$ 12.00  
 Class IV, \$201,000 to \$500,000.....\$ 15.00  
 Class V, \$501,000 and up.....\$ 25.00

Wholesaler

Class I, Under 50 cases of eggs sold per week.....\$ 25.00  
 Class II, 51 to 100 cases of eggs sold per week...\$ 50.00  
 Class III, 101 to 250 cases of eggs sold per week...\$200.00  
 Class IV, 251 to 750 cases of eggs sold per week...\$300.00  
 Class V, 751 or more cases of eggs sold per week..\$500.00

Out-of-State Dealer or Trucker

For each truck or other vehicle used.....\$200.00

Colorado Trucker

For each truck or other vehicle used.....\$ 25.00

Consignment Receiver.....\$ 15.00

Retail Delivery Trucks

For each vehicle used.....\$ 2.00

Egg Breaker

Class I, annual production of 50,00 pounds  
 or less.....\$ 25.00  
 Class II, annual production over 50,000 pounds.....\$ 50.00

Frozen Egg Dealer

Fee based on the number of pounds sold per week per year converted to cases at the rate of 36 pounds per case on frozen eggs or 12 pounds per case on egg solids and applied to wholesaler license fee schedule

Candler.....\$ 2.00

Commercial Feeds. Under the Commercial Feeding Stuffs Law an annual registration fee of \$1 is imposed for each brand of commercial feeding stuffs certified. This fee formerly was \$2 for a permanent permit but the law was amended in 1954 to the present

annual \$1 figure. In addition to the registration fee, an inspection tax is levied at the rate of ten cents per ton on each brand of commercial feeding stuffs sold, offered for sale, or distributed in this state.

During the fiscal year 1959, a total of \$37,610.32 was collected under these charges as follows:

<u>Fee Charge</u>	<u>Price Each</u>	<u>Quantity Sold</u>	<u>Revenues</u>
Brand Registration	\$1.00	3,202	\$ 3,202.00
Inspection			
Tonnage reports	\$ .10/ton	315,380.7 T	\$31,538.07
Tags			
100#	\$5.00 M	311 M	\$ 1,555.00
50#	2.50 M	101 M	252.50
25#	1.25 M	3 M	3.75
Stamps			
100#	\$5.00 M	165,700	\$ 828.50
50#	2.50 M	98,600	226.50
25#	1.25 M	3,200	<u>4.00</u>
Total Inspection			<u>\$34,408.32</u>
Gross Total			\$37,610.32

Commercial Fertilizers. Fees imposed to finance the section's operations under the Commercial Fertilizers Law include charges for registration, analyses, and inspection. Also, Chapter 40 of the 1959 Session Laws added annual permit fees of \$5 for manipulators and \$2 for applicators, beginning July 1, 1959.

These fees have apparently been misconstrued for several years as to the amount which should be levied under the statutory language. C.R.S. 6-13-4 provides in part:

- (1) Each brand and grade of commercial fertilizer or soil amendments shall be registered before being offered for sale, sold or distributed in the state of Colorado. The application for registration shall be submitted to the commissioner on forms furnished by the commissioner, and shall be accompanied by a fee of twenty-five dollars for the first brand or trade mark. A fee of ten dollars for each succeeding registration of same, and two dollars and fifty cents for each analysis upon each separate brand, or any special analyzation or change in the same shall be paid. All registrations shall expire on June 30th of each year.



However, based on an opinion of the Attorney General, dated July 31, 1959, the policy of the agriculture department has been to charge somewhat less than the total fee should have been. (For fiscal year 1959, \$455.00 was not collected from fertilizer registrants on the basis of the Attorney General's opinion.)

Actual collections from registration analyses and inspection fees for this section for the fiscal year 1959 are reported in the following tabulation:

<u>Fee Charges</u>	<u>Price Each</u>	<u>Quantity Sold</u>	<u>Revenues</u>
Registration			
First Brand or Trademark	\$25.00	113	\$ 2,825.00
Additional Analysis	10.00	65	650.00
Additional Analysis	2.50	210	525.00
Total Registration			<u>\$ 4,000.00</u>
Inspection			
Tonnage Reports	\$ .25/Ton	70,309.6 T	\$17,577.39
Annual Fee, Small Package*			40.00
Total Inspection			<u>\$17,617.39</u>
Gross Total			\$21,617.39

\*On individual packages of five pounds or less or bottles of one quart or less, there may be paid, in lieu of the tonnage fee, an annual inspection fee of ten dollars for each brand offered for sale, sold, or distributed in Colorado -- C.R.S. 6-13-6(2).

Dairy Fees. The rates for license fees collected under the dairy cash fund (i.e., excluding oleomargarine) have not been changed since their adoption in 1923. As provided in Section 7-8-6, 1953 C.R.S., these annual rates are as follows: Fieldmen and testers, \$3.00; cream receiving stations, \$2.00; dairy plants, concentrating stations, counter freezers, etc., \$10.00. According to a report prepared by the agriculture department, during fiscal year 1959 the following licenses were issued:

<u>Licenses</u>	<u>Price Each</u>	<u>Quantity Sold</u>	<u>Total Revenues</u>
Plants	\$10.00	42	\$ 420.00
Concentrators	10.00	19	190.00
Counter freezers	10.00	600	6,000.00
Receiving stations	2.00	61	122.00
Testers	3.00	501	1,503.00
Fieldmen	3.00	18	54.00
Bulk tank	3.00	26	78.00
U.S. Treasury			310.57
			<u>\$8,677.57</u>

The latter item of \$310.57 is collected by the Dairy Section for services rendered the federal government in grading cheese and butter for sale to veterans' hospitals or under government storage. In the past ten years, a total of \$11,856 has been collected for these services.

A license fee of \$25.00 is provided in Section 7-8-18, 1953 C.R.S., for oleomargarine manufacturers or wholesale dealers within the state. Under this provision, 63 licenses were issued in fiscal year 1959, totaling \$1,575 in revenue. An excise tax of ten cents per pound is imposed on certain oleomargarine under the terms of Section 7-8-17, 1953 C.R.S. However, no receipts are received under this section as the types of oleomargarine sold in Colorado come within the provision which exempts oleomargarine "the oil content of which is composed of oleo oil, oleo stock, oleo stearine, neutral lard, milk fat, cotton seed oil, peanut oil, corn oil, or soya bean oil."

Table 56 contains the number of licenses issued annually from fiscal year 1950 through 1959. Generally speaking, during these ten years the dairy industry in Colorado has tended to consolidate its activities into larger operations, thus eliminating the need for many cream receiving stations, testers, and fieldmen, and this consolidating process is reflected in the number of licenses issued. Dairy plant licenses for cream receiving stations decreased from 108 in 1950 to 60 in 1959; and samplers-testers-graders decreased from 693 in 1950 to 485 in 1959.

On the other hand, during the same ten-year period counter-freezer establishments experienced a substantial growth, from 269 licenses issued in 1950 to 582 in 1959. On a lesser scale, oleomargarine licenses increased from 35 in 1950 to 63 in 1959, reflecting the 1950 repeal of the federal excise tax thereon.

### Division of Markets

Fruit and Vegetable Fees. Under the Colorado Fruit and Vegetable Law, charges may be levied for inspections, for providing duplicate copies of certificates, and for licensing shippers. By far the most important is the fee charge for produce inspection. In fact, since the passage of the Produce Dealers' Act, shippers are no longer licensed under the fruit and vegetable law, and the \$2.00 charged for each certificate copy is relatively minor. However, this \$2.00 charge is made despite the provisions in C.R.S. 7-6-20 which authorizes a fee of not to exceed \$1.00 for preparing a duplicate certificate.

C.R.S. 7-6-19, as amended in 1951, authorizes the Agricultural Commission to set fees for inspection and classification which "shall in no event exceed twelve dollars for each carlot of fruits or vegetables." Previously, the maximum fee established by law had been \$5.00 (1945), and 1936 \$3.00 (for potatoes, peaches, and onions) and \$5.00 (for other fruits and vegetables). Prior to 1931, the law merely authorized the setting of fees sufficient to meet the costs of the program.

Table 56

## NUMBER OF LICENSES ISSUED BY DAIRY SECTION, FISCAL YEARS 1950 THROUGH 1959

	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>
Dairy plants	59	50	44	40	40	36	39	36	36	41
Counter freezer establishments	269	308	304	346	408	460	514	554	594	582
Milk and cream concentrators	20	22	22	22	23	20	19	21	22	19
Receiving stations	108	107	105	92	78	78	72	65	63	60
Samplers-testers-graders	693	700	642	621	585	580	554	536	517	485
Fieldmen	38	33	29	25	20	19	18	18	17	18
Oleomargarine	35	49	50	56	54	53	55	64	62	63

During the past ten years, actual fees charged increased from \$8.00 per carlot in fiscal year 1950 (\$5 statutory maximum plus \$3 voluntary inspection fee paid by shippers) to \$9.00 in fiscal year 1957. Since July 1, 1958, the basic carlot inspection fee has been \$9.75.

Charges for compulsory shipper inspections of produce on other than an even carlot are prorated according to the basic carlot fee. A minimum fee of \$3.00 is made for writing a certificate and for other inspections on less than a carlot basis the following schedule applies:

Up to and including 1/4 carlot	- \$3.00
From 1/4 through 1/2 carlot	- 5.00
From 1/2 through 3/4 carlot	- 7.50
From 3/4 to 1 carlot	- 9.75

Fee charges for more than one carlot are broken down by tenths, i.e., \$9.75 for one carlot, \$10.70 for 1.1 carlot, etc.

The aforementioned basic carlot fee schedule is in some cases supplemented by a contractual agreement between the inspection service and a shipper which guarantees a payment of a minimum of \$144 per week for inspection work. Under this type of agreement, the joint program protects itself against providing inspection service at a financial loss. Normally this contractual arrangement arises in cases where inspection is requested by shippers of fruits or vegetables which are not required under the law to be inspected or by canneries. It is not used for inspections of fruits or vegetables on the compulsory list.

Produce Dealers' Fees. Licenses issued by the Produce Dealers' Section and the fees therefor are the same as when the law was enacted in 1937. These licenses and fees are as follows:

Commission merchant.....	\$25 annually
Dealers.....	\$25 annually
Brokers.....	\$25 annually
Agents.....	\$ 1 annually

Frozen Food Provisioners' License Fees. Section 7-14-5, C.R.S. 1953, as amended in 1959, provides an annual license fee of \$25 for locker plants, processors, and food plan operators. Prior to the 1959 amendment, the law provided that licenses were not to exceed \$25 per year.

Weights and Measures Fees. The Weights and Measures Section is financed by license fee receipts as established in C.R.S. 1955 Supplement 151-1-23 (7). The fee schedule for license fees, which was set in 1953, was revised upward in 1955 and has remained unchanged since. These two fee schedules are summarized as follows:

Current License Fees -- Set in 1955

<u>Capacity of Scale</u>	<u>Fee</u>
Over 60,001 pounds	\$15.00
4,951 to 60,000 pounds	10.00
451 to 4,950 pounds	5.00
76 to 450 pounds	4.00
75 pounds or less	1.00

Other Licenses

Tanks	\$ 1.00 each
testing fee	20.00 each
Textile meters	2.50 each
Cordage meters	2.50 each

Original License Fees -- Set in 1953

<u>Capacity of Scale</u>	<u>Fee</u>
5,000 pounds and over	\$10.00
600 pounds through 4,999	3.00
100 pounds through 599	2.00
99 pounds and under	.50

When the license fees charged are compared with the services performed by the Weights and Measures Section, it may be noted that while a rather substantial number of packages are checked, no fees or other revenue is collected to support this activity. Similarly, the section is not reimbursed for services rendered state institutions and other state agencies. At the same time, however, some license fees are being collected for scales which do not receive annual testing by the section.