

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;

*"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

* 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.

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^a

<u>Fiscal Year</u>	<u>Carlots</u>	<u>Trucklots</u>	<u>Spray^b 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^(a)

<u>Month</u>	<u>No. of District Suprs.</u>	<u>No. of Other Monthly Emp.</u>	<u>No. of Day-Rate Emp.</u>	<u>Total No. of Emp.</u>	<u>Avg. No. of days worked by Day-Rate Emp.</u>	<u>Day-rate Emp. on a Man Mo. Basis</u>	<u>Total No. of Man Months</u>
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

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.

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

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 ½ Time - Denver ½ Time - East to Limon So. to Colo. Spgs. No. to Boulder						

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 & Fertilizer</u>		<u>Poultry & 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.

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.

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^(a)

ACTIVITIES	FISCAL YEARS									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
General Fund Appropriations										
Commissioner & Admin. Services	\$ 70,000	\$ 76,812	\$ 70,648	\$ 74,433	\$75,102	\$ 83,829	\$ 88,702	\$104,028 ^(b)	\$ 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 ^(c)	--	--	--	--	--	--	--	--	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 ^(d)
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
Cash Funds Receipts										
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 ^(h)	--	--	--	--	--	--	--	--
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^(a)

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 ^{(b)*}	--	--	--	--	--	--	--	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*	--	--(e)	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**	--	--(f)	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.

