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**Agency Purpose**

The mission of the Board of Animal Health (Board) is to protect the health of the state’s domestic animals and carry out the provisions of Minnesota Statutes Chapter 35. In carrying out its mission, the Board is part of a network of state agencies that protect public health, provide an abundant and wholesome food supply to Minnesota consumers, and enable orderly commerce in animal agriculture.

**At a Glance**

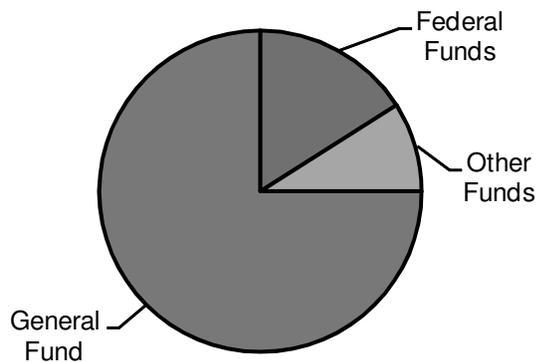
**Animal Health Programs**

- Decreased incidence of Johne’s disease in the nearly 2,000 participating herds.
- Over 60,000 birds were tested for Avian Influenza, eight farms had positive results with over one million turkeys managed to prevent spread of the disease
- Collaborated with swine producers to educate the public about the H1N1 virus and safety of pork products.

**Bovine Tuberculosis (TB) Eradication**

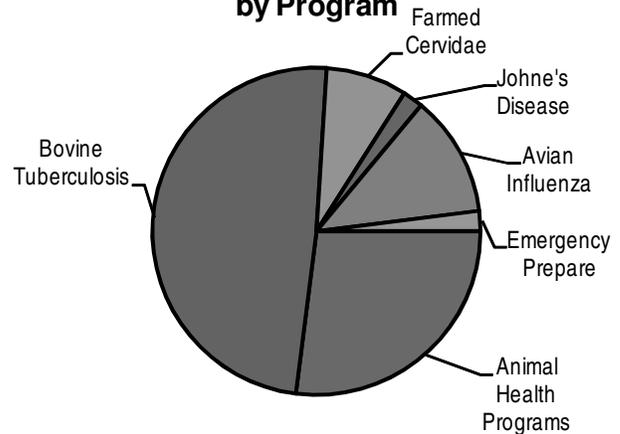
- Conducted statewide surveillance on approximately 1,900 cattle herds.
- Implemented sweeping controls to eradicate TB, including: a split state status to prevent the spread of disease from the affected area, a voluntary cattle herd buyout, and fencing installation.
- No infected cattle have been found in the state in nearly two years.

**Est. FY 2010-11 Expenditures by Fund**



Source: Consolidated Fund Statement.

**Est. FY 2010-11 Expenditures by Program**



Source: MAPS

**Strategies**

The Board has four primary strategies:

- Set standards for entry of domestic animals into Minnesota in an effort to protect the domestic animal population.
- Monitor the movement of livestock and poultry into, out of and within the boundaries of Minnesota, so animals can be traced during a disease outbreak.
- Detect, control and eradicate certain domestic animal diseases to maintain a healthy domestic animal population and keep the livestock and poultry industries competitive.
- Respond to emerging and foreign animal diseases, such as Foot-and-Mouth Disease, which could devastate the livestock population.

**Operations**

Based upon the direction provided by a five member citizen board, programs are led by an executive director and three assistant directors. The agency has 31 full-time staff members based at the Board’s main office located in St. Paul. Activities, such as animal testing and on-site inspections, are conducted by a statewide field workforce consisting of nine veterinarians and 11 other staff. The University of Minnesota Veterinary Diagnostic Laboratory, located on the St. Paul campus, is the official laboratory of the Board. The Minnesota Poultry Testing Laboratory, located in Willmar, is a joint venture between the University of Minnesota and the Board and serves as a vital testing resource for the state’s poultry industry.

The Board's primary customers are Minnesota livestock and poultry producers, veterinarians and pet owners. The agency administers many national disease eradication programs cooperatively with the United States Department of Agriculture. Some diseases affect wild animals, people and domestic animals, which makes it imperative that efforts be coordinated with the Minnesota Departments of Natural Resources and Health. The Minnesota Department of Agriculture and the Board have a very close relationship in providing an abundant and wholesome food supply to Minnesota consumers.

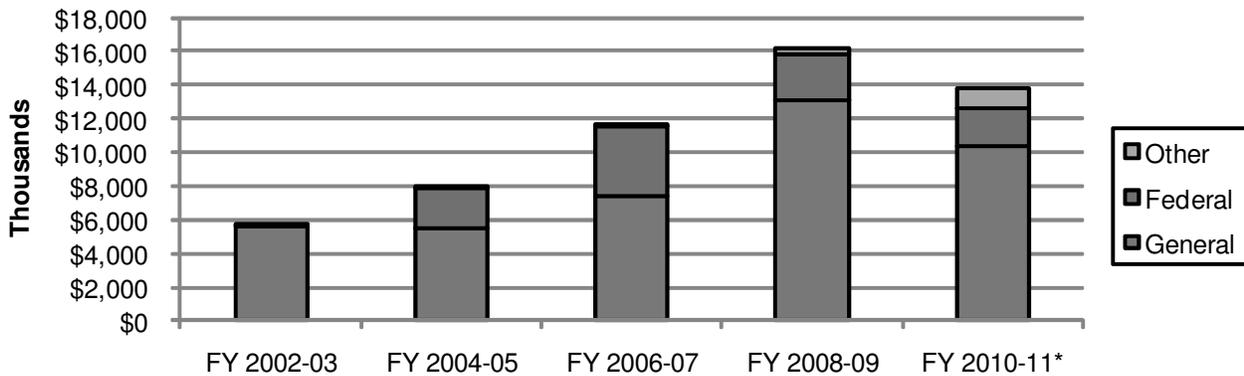
Standards for entry of domestic animals into Minnesota are defined in statute, rules and policy. Standards are adjusted based on the current disease situation in other countries and within the United States. Certificates of Veterinary Inspection, import permits, import testing and vaccinating are methods used to protect Minnesota's domestic animals.

Animal identification and tracking is necessary to locate the source and extent of disease spread in an outbreak. This is accomplished by educating livestock and poultry producers on the importance of identifying their animals and keeping records of purchases and sales. Beyond the farm, official identification and record keeping are required for livestock auction markets, livestock dealers and processing plants.

When there is a disease outbreak in Minnesota, it is the Board's role to detect it early, control its spread and eventually eradicate it, if practical. This includes diseases, such as Bovine Tuberculosis, that are endemic in the country and Foot and Mouth Disease, which is not present in the United States. The relationship with the Veterinary Diagnostic Laboratory provides the Board with a mechanism for early detection, since the laboratory receives diagnostic samples from Minnesota farms on a daily basis. The response by the Board to an outbreak could include: quarantining animals, testing animals, vaccinating animals, establishing a disease control zone and implementing animal movement controls.

**Budget Trends**

**Total Expenditures by Fund**



*Note: The increase in federal funding starting in FY 2005 and the increase in state funding starting in FY 2006 were the result of a major effort to contain an outbreak of Bovine Tuberculosis.*

*\* FY 2010-11 is estimated, not actual. Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/27/10.*

The main outside variable impacting the Board of Animal Health is disease outbreaks. As part of its core functions, the Board conducts regular surveillance for diseases and is prepared to respond if something is discovered. Recent examples include the detection of tuberculosis in cattle and the subsequent drop in state status in the federal classification system. During the response to this outbreak three quarters of a million animals have been tested, 12 infected herds have been depopulated, 46 herds have been bought out and 73,000 linear feet of fencing has been constructed. Other examples are: avian influenza that affected more than a million turkeys, H1N1 pandemic influenza in pigs, and piroplasmosis in race track horses.

**Contact**

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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	5,152	5,098	5,098	5,098	10,196
<b>Recommended</b>	<b>5,152</b>	<b>5,098</b>	<b>4,841</b>	<b>4,841</b>	<b>9,682</b>
Change		0	(257)	(257)	(514)
% Biennial Change from 2010-11					-5.5%
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	5,152	5,168	4,841	4,841	9,682
<b>Statutory Appropriations</b>					
Miscellaneous Special Revenue	243	976	45	45	90
Federal	1,207	1,042	1,042	1,042	2,084
<b>Total</b>	<b>6,602</b>	<b>7,186</b>	<b>5,928</b>	<b>5,928</b>	<b>11,856</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	3,835	3,960	3,560	3,660	7,220
Other Operating Expenses	2,239	2,608	1,865	1,765	3,630
Local Assistance	528	618	503	503	1,006
<b>Total</b>	<b>6,602</b>	<b>7,186</b>	<b>5,928</b>	<b>5,928</b>	<b>11,856</b>
<b><u>Expenditures by Program</u></b>					
Livestock And Poultry Health	6,602	7,186	5,928	5,928	11,856
<b>Total</b>	<b>6,602</b>	<b>7,186</b>	<b>5,928</b>	<b>5,928</b>	<b>11,856</b>
<b>Full-Time Equivalentents (FTE)</b>	<b>52.2</b>	<b>51.5</b>	<b>49.5</b>	<b>49.5</b>	

**ANIMAL HEALTH BOARD**

Change Summary

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<b>Fund: GENERAL</b>				
FY 2011 Appropriations	5,098	5,098	5,098	10,196
<b>Technical Adjustments</b>				
Operating Budget Reduction		(2)	(2)	(4)
<b>Subtotal - Forecast Base</b>	<b>5,098</b>	<b>5,096</b>	<b>5,096</b>	<b>10,192</b>
<b>Change Items</b>				
Operating reduction	0	(255)	(255)	(510)
<b>Total Governor's Recommendations</b>	<b>5,098</b>	<b>4,841</b>	<b>4,841</b>	<b>9,682</b>
<b>Fund: MISCELLANEOUS SPECIAL REVENUE</b>				
Planned Statutory Spending	976	45	45	90
<b>Total Governor's Recommendations</b>	<b>976</b>	<b>45</b>	<b>45</b>	<b>90</b>
<b>Fund: FEDERAL</b>				
Planned Statutory Spending	1,042	1,042	1,042	2,084
<b>Total Governor's Recommendations</b>	<b>1,042</b>	<b>1,042</b>	<b>1,042</b>	<b>2,084</b>

# ANIMAL HEALTH BOARD

## Change Item: Operating Budget Reductions

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(255)	\$(255)	\$(255)	\$(255)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(255)	\$(255)	\$(255)	\$(255)

### Recommendation

The Governor recommends reducing \$254,900 in both FY 2012 and FY 2013 from the Board of Animal Health's general fund operating budget. The Governor intends that the Board should focus its operating funds on maintaining its highest priority services. In addition, the Governor intends to provide as much flexibility as possible to the agency for the implementation of these reductions.

This proposal represents a 5% reduction to Board of Animal Health's general fund base budget.

### Rationale

The Board of Animal Health's total general fund base operating budget is \$9.186 million for the FY 2012 - 2013 biennium, and includes amounts budgeted for livestock and poultry health programs. The Board is proposing to reduce operating expenditures and positions during the FY 2012-13 biennium. Specifically, the Board will reduce operating budgets by the following amount for the biennium:

- Bovine Tuberculosis program - \$509,800.

Significant progress has been made through the Board's effort to eradicate Bovine Tuberculosis (TB). It has been over two years since an infected cattle herd has been found in the state. Efforts are ongoing to maintain two zones (the disease management zone and TB-free zone), monitor the movement of cattle between zones and test all cattle herds in the Modified Accredited Advanced (MAA), or disease management, zone. The federal government upgraded the state's status for both zones in October 2010. The level of activities for TB has decreased, allowing for this reduction. The reduction will be achieved through the retirement of one district veterinarian, whose responsibilities will be reassigned to other Board veterinarians. Two full-time, temporary employees and one seasonal employee with TB eradication duties will be eliminated. The responsibilities of these positions will be reassigned to other Board staff. The agency will also reduce overtime associated with TB eradication activities.

**Statutory Change:** Not Applicable

**Program Description**

Livestock and Poultry Health is the umbrella program under which the Board of Animal Health carries out its core functions of controlling and eradicating specific domestic animal disease, protecting Minnesota livestock from foreign animal diseases, and responding to animal disease emergencies.

**Budget Activities**

This program includes the following budget activities:

- Bovine TB Eradication Programs
- Animal Health Programs

# ANIMAL HEALTH BOARD

**Program: LIVESTOCK AND POULTRY HEALTH**

**Activity: BOVINE TB ERADICATION PROGRAM**

Narrative

## **Activity at a Glance**

- 73,000 linear feet of fencing constructed to separate cattle and free ranging deer
- 134,920 tests done in the last two years
- No TB infected herds detected in nearly two years
- Split state status achieved
- Entire state poised for a TB status upgrade in October of 2010

## **Activity Description**

Bovine Tuberculosis (TB) eradication is a cooperative state/federal program to eradicate Bovine Tuberculosis from the cattle population in the United States. This activity protects public health and provides economic benefits for Minnesota and the United States.

## **Population Served**

The activity primarily serves the cattle industry in Minnesota. It indirectly serves all citizens of Minnesota because TB infected cattle negatively impact the Minnesota economy.

## **Services Provided**

The activity was established to detect and eradicate TB. Detection is accomplished by passive surveillance at slaughter and active surveillance through farm testing. BAH also:

- Detects and eliminates infected cattle herds;
- Maintains a management zone and TB-free zone in Minnesota;
- Maintains reduced cattle numbers in the management zone; and
- Facilitates separation of cattle and deer in the management zone.

## **Historical Perspective**

Minnesota eradicated bovine tuberculosis in 1971, and was declared a TB-free state in 1976. Then, in July 2005, a TB-infected beef cow was found through slaughter surveillance and traced to a northwest Minnesota herd. Since that time, 11 infected cattle herds, and 27 infected free ranging white-tailed deer, have been found in this area. Due to these findings, Minnesota's status dropped two levels in the United States Department of Agriculture (USDA)'s classification system. This status change puts Minnesota at a competitive disadvantage for cattle marketing. BAH's top priority is to eradicate the disease from cattle and upgrade Minnesota's status.

The twelve infected cattle herds were depopulated and the owners were compensated for their losses by the federal government. Statewide surveillance of both cattle and deer indicated that this was a localized event; therefore, a disease control zone has been established in the affected area. Minnesota was granted split state status by the USDA in October 2008, which upgraded most of the state by one level. It is anticipated that the USDA will upgrade both areas on approximately October 1, 2010, so the majority of the state will be TB-free again.

## **Key Activity Goals & Measures**

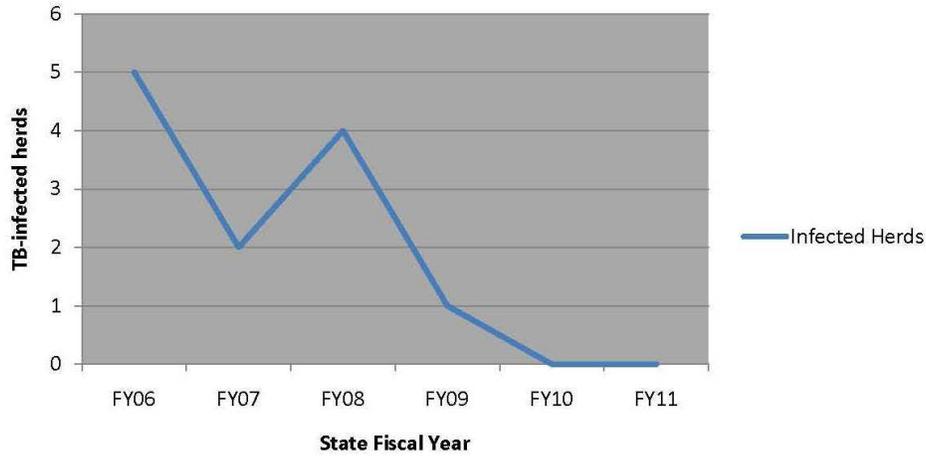
The activity goal is to eradicate TB from Minnesota and return it to TB-free status. This goal is measured by the number of infected cattle herds/free ranging white tailed deer detected in the state.

A cattle herd buyout was administered by the Board of Animal Health in the management zone. While 12 herds were found to be infected, 46 of the 67 herds in the management zone participated in the buyout, removing 6,200 head of cattle from this area. In addition to the initial buyout payment, the Board of Animal Health will make annual payments to these herd owners until the area regains its TB-free status.

The cattle herds that remain in the management zone are required to have a wildlife risk assessment every year, and implement the recommended changes, to reduce the contact between deer, cattle, and stored feed. To this end, more than 73,000 linear feet of deer proof fencing was constructed around stored feed and winter feeding areas. The owner is responsible for maintaining the fences, which are inspected on a regular basis.

Since 2005, all 269 cattle herds in the disease control zone have been tested annually. No new herds have been detected in nearly two years.

**Infected Herds**



**Activity Funding**

Funding for the eradication of Bovine Tuberculosis has been shared by the state of Minnesota, the USDA, and Minnesota cattle producers. The Board's FY 2010-2011 biennial budget for TB is approximately \$6.7million. Of the total budget, 76% comes from the general fund, 10% from federal funds, and 14% from a cattle sale assessment in 2009.

**Contact**

For more information, contact the Board of Animal Health's Executive Director at 651-201-6825 or visit <http://www.bah.state.mn.us>.

# ANIMAL HEALTH BOARD

**Program:** LIVESTOCK AND POULTRY HEALTH

**Activity:** ANIMAL HEALTH PROGRAMS

Narrative

## Activity at a Glance

In FY10, the Board:

- Successfully eradicated Avian Influenza on eight commercial turkey operations with more than one million turkeys.
- Depopulated the largest elk herd in the U.S. (572 elk) because of the detection of Chronic Wasting Disease.
- Found no Scrapie infected flocks.
- Reduced incidence of Johne's disease in participating herds.

## Activity Description

The Minnesota Board of Animal Health's animal health program is responsible for controlling and eradicating animal disease in Minnesota's domestic animal populations.

## Population Served

The animal health program serves the state's livestock producers, veterinarians, and agriculture industry.

## Services Provided

The animal health program actively controls and eradicates the following diseases:

- Avian Influenza in the state's poultry flocks;
- Chronic Wasting Disease in farmed cervidae;
- Scrapie in the state's sheep flocks; and
- Johne's disease in Minnesota cattle herds.

## Historical Perspective

In 1903, Minnesota lawmakers recognized the value of protecting the animal agriculture industry in the state and formed the Minnesota Livestock Sanitary Board. One hundred years later, this organization maintains the same mission, but is known as the Minnesota Board of Animal Health.

## Key Activity Goals & Measures

The program's success is measured by controlling or eradicating the following animal diseases.

### Avian Influenza (AI)

The Board of Animal Health has been working with Minnesota turkey producers for more than thirty years to prevent the spread of AI from flock-to-flock. In May 2009, avian Influenza was identified in eight turkey flocks in Minnesota that had more than one million turkeys. Once the disease was detected, the Board successfully prevented the spread to other flocks.

### Chronic Wasting Disease (CWD)

The Board has strict import regulations for deer and elk, and requires all Minnesota deer and elk producers to participate in a rigorous CWD surveillance program. Since CWD surveillance in Minnesota became mandatory in 2003, CWD has been identified in four farmed deer or elk herds. In each case, an investigation was conducted by the Board and the disease was quickly eliminated. There are currently 616 producers that raise almost 20,000 farmed deer or elk in Minnesota. All deer or elk farms are inspected by Board personnel each year to ensure compliance with program requirements.

### Scrapie

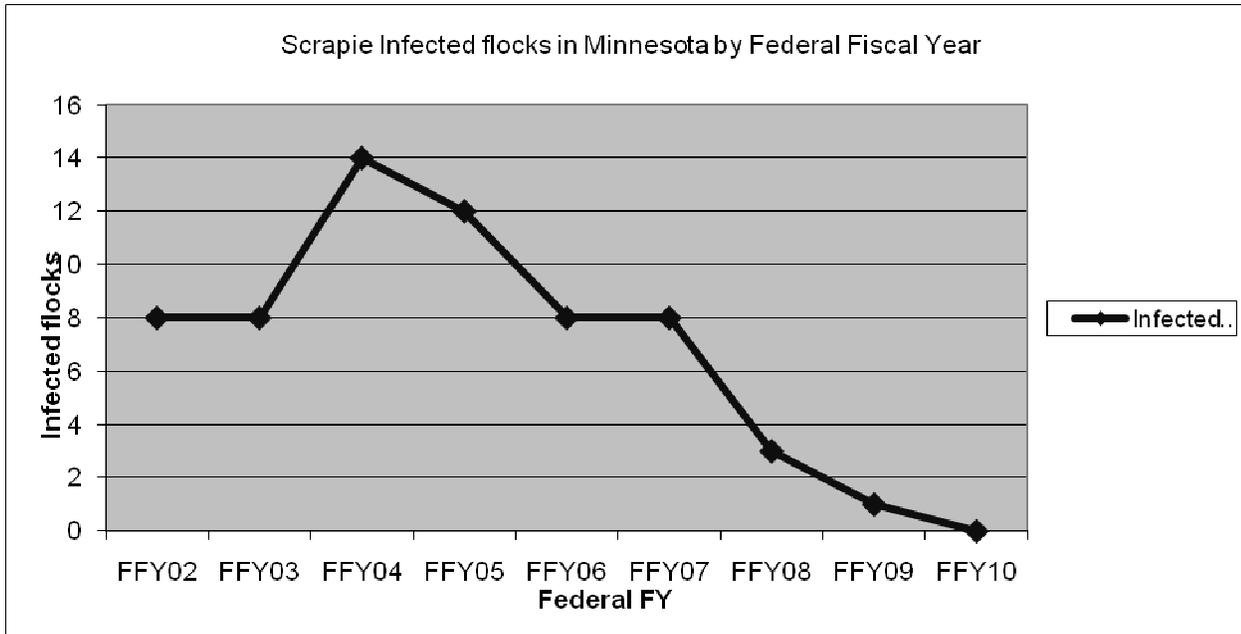
Minnesota participates in a federally funded Scrapie eradication program for sheep and goats. Infected flocks are identified by testing animals that exhibit signs of the disease or through slaughter surveillance. When a scrapie-positive farm is identified, BAH works with the producer to eliminate the disease from their flock and traces any exposed animals. The success of the program is measured in the decreasing number of scrapie-infected farms that have been identified each year since the inception of the program in 2001.

# ANIMAL HEALTH BOARD

Program: LIVESTOCK AND POULTRY HEALTH

Activity: ANIMAL HEALTH PROGRAMS

Narrative



## Johne's disease

The Board administers a voluntary Johne's disease control program funded jointly by the state of Minnesota and the federal government. Almost 2,000 Minnesota cattle producers are enrolled in the program. Participating herds are visited by trained veterinarians who perform risk assessments and develop herd management plans to help eliminate the disease. University of Minnesota research shows the program is successful in reducing the incidence of Johne's disease in participating herds.

## Activity Funding

The Board's funding for animal health programs comes from three sources: the general fund, federal funds, and dedicated receipts. The board's FY 2010-11 biennial budget is approximately \$7.0 million. Of the total budget, 74% comes from the general fund, 22% comes from federal funds, and 4% comes from dedicated revenue receipts.

## Contact

For more information, contact the Board of Animal Health's Executive Director at 651-201-6825 or visit <http://www.bah.state.mn.us>.

Federal funds are accepted when they support the Board’s mission, strategies, goals and objectives. Federal funds provide monetary support for animal disease surveillance, control and eradication efforts in Minnesota’s domestic animal populations. During the FY 2010-11 biennium, the Board received \$1 million in the form of cooperative agreements from the federal government.

Federal Award Name + Brief Purpose	New grant	Required state match/MOE? Yes/No		SFY 2010 Revenues	SFY 2011 Revenues	Estimated SFY 2012 Revenues	Estimated SFY 2013 Revenues
		Match	MOE				
<b>Animal Disease Traceability</b> - Funds will be used to offset expenses for confirming location and contact information of livestock premises throughout Minnesota, tagging cattle tested for tuberculosis in Northwest Minnesota with radio frequency identification (RFID) ear tags, and issuing national premises identification numbers to livestock producers upon request.	Ongoing	Yes	No		\$112	\$112	\$112
<b>Bovine Tuberculosis</b> – Funds will be used to offset expenses for salaries, travel, and a lease agreement for storage of equipment.	Ongoing	No	No	\$416	\$262	\$262	\$262
<b>Chronic Wasting Disease</b> - Funds will be used to offset expenses for inspecting all the farmed cervidae (deer and elk) producers in Minnesota and enforcing the requirements for Chronic Wasting Disease (CWD) surveillance.	Ongoing	No	No	0	\$56	\$56	\$56
<b>Foreign Animal Disease</b> – Funds will be used to offset salary and travel expenses associated with investigating potential foreign animal diseases.	Ongoing	No	No	\$77	\$75	\$75	\$75
<b>Johne’s Disease</b> - Funds will be used to offset expenses for implementation of the national program for control of Johne’s Disease, producer education and conducting Johne’s Disease risk assessments on cattle farms throughout Minnesota.	Ongoing	No	No	\$73	\$66	\$67	\$67
<b>Avian Influenza</b> – Funds will be used to offset expenses for testing poultry.	Ongoing	No	No	\$414	\$390	\$390	\$390
<b>Scrapie</b> – Funds will be used to offset expenses for salaries and miscellaneous supplies.	Ongoing	No	No	\$44	\$44	\$44	\$44
<b>Swine Feeding</b> - Funds will be used to offset expenses for inspecting premises where food waste is fed to livestock and enforcement of requirements to cook food waste prior to feeding it to livestock.	Ongoing	No	No	\$38	\$38	\$38	\$38
<b>Total</b>				\$1,062	\$1,043	\$1,044	\$1,044

# ANIMAL HEALTH BOARD

# Agency Revenue Summary

*Dollars in Thousands*

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012   FY2013		Biennium 2012-13
<b><u>Non Dedicated Revenue:</u></b>					
<b>Departmental Earnings:</b>					
General	2	3	3	3	6
<b>Total Non-Dedicated Receipts</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
Miscellaneous Special Revenue	678	45	45	45	90
<b>Grants:</b>					
Federal	1,207	1,042	1,042	1,042	2,084
<b>Other Revenues:</b>					
Miscellaneous Special Revenue	1	0	0	0	0
<b>Total Dedicated Receipts</b>	<b>1,886</b>	<b>1,087</b>	<b>1,087</b>	<b>1,087</b>	<b>2,174</b>
<b>Agency Total Revenue</b>	<b>1,888</b>	<b>1,090</b>	<b>1,090</b>	<b>1,090</b>	<b>2,180</b>