



Department of Agriculture FY2017-18 Annual Performance Evaluation (October 2018)

Strategic Policy Initiatives

The Department of Agriculture has identified several strategic policy initiatives for FY 2017-18 and beyond. For this performance evaluation, the Department has updated progress on the initiatives identified in the FY2018 Performance Plan that capture the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of October 1, 2018. Additional detail for these strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

SPI 1 – Enhance Coloradans' Understanding of Agriculture

As Americans become further removed from farming and ranching, it is increasingly important for agriculture to “tell its story.” This is especially true here in Colorado where there has been significant population growth across all generations and an increasing desire among consumers to shape today's broader conversation about food. Fostering public attitudes and policy favorable to the long-term sustainability of Colorado's food and agriculture value chain hinges on creating broader public awareness and understanding of agriculture. Strategies being implemented by the Department include:

- 1) Communicating information about Colorado agriculture and Department programs to the public and media;
- 2) Informing Coloradans about food and agricultural products grown, raised, or processed in Colorado; and
- 3) Showcasing Colorado agriculture to attendees of the annual Colorado State Fair.

SPI 2 – Improve the Customer Service Experience for the Department's Stakeholders

Colorado's farmers, ranchers and others that conduct business with the Department expect top-level customer service and their business transactions to be handled efficiently and effectively. Several key strategies are being implemented to enhance customer service and drive operational efficiencies. These include:

- 1) Developing AgLicense to enable our customers to apply or renew and pay for their licenses, registrations, and inspections through an online application;
- 2) Completing consolidation of staff and operations from five Denver metro locations into a single complex located in Broomfield; and
- 3) Conducting LEAN analyses to drive operational efficiencies. In doing so, the Department supports Governor Hickenlooper's vision of state government being more efficient, effective, and elegant.

SPI 3 – Increase Marketing and Sales Opportunities, as well as Profitability, throughout Colorado's Food and Agriculture Value Chain

Colorado's food and agriculture value chain generates an estimated \$50 billion of direct economic activity annually and is one of the state's most important economic drivers. Helping Colorado's food and agricultural suppliers to increase marketing and sales opportunities, which in turn, promotes incremental growth in economic activity, is accomplished through strategies including:

- 1) Connecting Colorado food and agricultural suppliers with international buyers;
- 2) Promoting animal health throughout Colorado's livestock herd; and
- 3) Providing inspections, promotions, verifications, and other resources to help food and agricultural suppliers support marketing claims and enhance marketing opportunities.



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SPI 1 – Enhance Coloradans’ Understanding of Agriculture

The desired future outcome is that Coloradans, as measured by the Department’s survey of Public Attitudes about Agriculture in Colorado, remain supportive of Colorado agriculture. This survey has been conducted every five years since 1996 with the most recent being in the fall of 2016. Analysis of findings from core questions suggests Coloradans remain highly supportive of agriculture. 95% believed it’s important to maintain land and water in agricultural production with 68% indicating water for agricultural production should be a priority in a dry year; 90% of respondents reported agriculture contributes to the quality of life in Colorado; and 83% believed the foods produced by Colorado farmers and ranchers are safe.

Leading indicator measures also help the Department to assess the effectiveness of the strategies supporting the SPI. Of particular note, the Department far exceeded its FY18 goals of increasing Facebook followers, as well as likes of the Colorado Proud Facebook page, demonstrating that public outreach and communications initiatives have been effective in positioning the Department and Colorado Proud as trusted and reliable sources of information. Similarly, the Department exceeded the goal for media impressions generated. Website page views remained steady at 2.5 million. More specific to Colorado Proud, awareness of the logo and reported purchasing of Colorado food and agricultural products were recorded at 72% and 79%, respectively. While lower than FY17 levels and falling slightly short of the FY18 goals, these decreases, at least in part, likely stem from Colorado’s population growth and that many of these new residents, as many as 50,000 annually, have not been as exposed to the “buy-local” message of the program as have Colorado’s longer-term residents. Commissioner Brown has since allocated additional funds to provide for a targeted television presence during August 2018 and as part of the 2019 promotion. Also, 50% of the attendees to the 2017 State Fair (FY18) reported learning something new about agriculture. This is an increase from the 41% registered for the 2015 Fair. In addition to enhancements to the Department’s Ag Pavilion, the 2017 Fair also included new signage throughout the grounds providing additional information and facts about agriculture which the Department believes contributed to the increase.

Key Strategies & Major Program Area	Leading Indicators						
	Measure	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY18 Goal	FY20 Goal
Public outreach and communications (Commissioner’s Office)	# (million) of media impressions	NA	117.1	182.1	187.5	168	184
	# (million) of website page views	NA	2.5	2.6	2.5	2.7	2.9
	# of Facebook followers	3,115	3,953	5,106	6,251	5,413	5,954
State and local marketing programs (Markets Division)	% of targeted consumers aware of the Colorado Proud logo ¹	85%	86%	83%	72%	80%	80%
	% of targeted consumers reporting the purchase of Colorado food and agricultural products ²	89%	86%	83%	79%	80%	80%
	# of Facebook “likes”	2,942	3,198	3,861	5,358	5,300	6,000
Educational exhibits and youth programs (State Fair)	% of attendees who learned something new about agriculture	NA	41%	--	50%	>40%	>40%

- 1) Earlier surveys reported awareness at 59% for FY09, 67% for FY10, 68% for FY11, 76% for FY12, 81% for FY13, and 78% for FY14. Television advertising was not a significant element of the FY18 Colorado Proud “Faces of Agriculture” promotion and is believed to have contributed to the lower awareness level.
- 2) Earlier surveys reported the percent of consumers purchasing Colorado food and agriculture products at 77% for FY09, 84% for FY10, 84% for FY11, 84% for FY12, 81% for FY13, and 85% for FY14.
- 3) FY16 data was developed from a survey of 2015 State Fair attendees. FY18 data reflects findings from the survey of 2017 State Fair attendees.

SPI 2 – Improve the Customer Service Experience for the Department’s Stakeholders

The desired longer-term outcome is for the Department’s customer satisfaction rating, as measured by a survey of stakeholders, to improve to 88% by 2019. A January 2018 survey reported 95% of stakeholders describing their experience with the Department as either excellent or good. This 95% satisfaction rating marks a significant increase over previously recorded benchmarks of 86% in January 2016 and 84% in February 2014.

During FY18, the Department continued development of its AgLicense online platform. 19 programs are currently utilizing the application, allowing customers to apply or renew and pay for their licenses, registrations, and inspections online. Although no new programs were incorporated during FY18, falling short of the goal to add the four last programs, the Department expects these programs to be incorporated during FY19. Additionally, the Department has continued to focus on LEAN analyses as an opportunity to drive efficiencies and process improvements. Seven new LEAN analyses were conducted in FY18. Notable progress is also being made by the Department relating to Phase II of office consolidation. Groundbreaking took place in January 2018 for the new laboratory facility, which when completed will create a single Department of Agriculture campus in Broomfield. Building completion is projected for early 2019.

Key Strategies & Major Program Area	Leading Indicators						
	Measure	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY18 Goal	FY20 Goal
AgLicense (Commissioner’s Office)	Cumulative # of programs successfully completing renewal applications and/or inspections online using AgLicense ¹	9	15	19	19	23	23
Office consolidation (Commissioner’s Office)	Phase of two-phase office consolidation project completed ²	1	1	1	1.5	1.5	2
LEAN analysis of processes (Commissioner’s Office and all Major Program Areas)	Cumulative # of LEAN analyses implemented resulting in process improvements ³	1	4	11	18	18	25

- 1) Programs utilizing Ag License include: 1) Anhydrous Ammonia; 2) Aquaculture; 3) Certified Weigher; 4) Commercial Feed; 5) Commodity Handler; 6) Custom Meat Processor; 7) Device Service Provider; 8) Egg Dealer; 9) Farm Products; 10) Fertilizer Manufacturer; 11) Home Food Service Plan; 12) Nursery Registration; 13) Organic Certification; 14) Pet Animal Care Facilities Act (PACFA); 15) Pesticide Products; 16) Pesticide Sensitive Registry; 17) Restricted Use Pesticide Dealer; 18) Scales and Measuring Devices; and 19) Seed Registration.
- 2) Selection of the project team was concluded in Q1 and ground-breaking is planned for Q3. The goal for FY18 (1.5) will constitute completion of design, site preparation, and start of construction. Completion of Phase 2 is scheduled for early 2019.
- 3) Completed LEAN project(s) include: 1) An evaluation and mapping of the process for assignment of noxious weeds in the Conservation Services division; 2) Streamlining of regulatory programs and rebalancing of inspector workloads in the Inspection & Consumer Services (ICS) division; 3) Streamlining of State Conservation Board direct assistance programs in the Conservation Services division; 4-6) Evaluation of contracting and procurement processes in CORE, grants management, and accounts receivables in the Business Operations unit; 7) Evaluation of processes within the Business Operations unit and ICS for making customer refunds and tracking of refunds; 8) Evaluation of processes for making Rocky Mountain Regional Animal Health Laboratory (RMRAHL) lab test results available online; 9) Evaluation of continuing education recordkeeping for the Pesticide Applicator program in the Plant Industry division; 10) Evaluation and mapping of fruit and vegetable inspection processes in the Markets division; 11) Evaluation of 5S activities for pesticide sample receiving by the ICS biochemistry laboratory, 12) PACFA renewal process; 13) Biochemistry Lab ordering and inventory system; 14) Changing the Bureau of Animal Protection process to make it easier to track all agents and their agency, their training, their renewal applications as well as their photos; 15) Streamline the Dangerous Dog process to make it easier to report and begin investigations; 16) Business Operations process improvement involving the Grant Receiving Report; 17) Conservation Services effort to revamp the “Request a Bug” program; and 18) Executing the Feed and Fertilizer sampling plan by Inspection and Consumer Services field programs.



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SPI 3 – Increase Marketing and Sales Opportunities, as well as Profitability, throughout Colorado’s Food and Agriculture Value Chain

The longer-term desired outcome is to affect annual cash receipts to Colorado farmers and ranchers from agricultural production such that Colorado outperforms the broader U.S. benchmark. The most current data (as of August 2018) from USDA’s Economic Research Service reports cash receipts to Colorado’s farmers and ranchers increased from \$6.2 billion in 2016 to \$6.8 billion for 2017 – an increase of 10% as compared to a 5% increase at the national level. Slightly stronger cattle prices and an increase in the number of fed cattle marketed contributed to the increase in cash receipts. This impact to Colorado is more profound than at the national level as the sale of cattle and calves regularly makes up about half of total Colorado farm and ranch cash receipts. Aside from 2016, Colorado has outperformed the national benchmark every year since 2014.

Colorado continues to maintain its "disease-free" regulatory status for livestock health. This status enables livestock, so important to Colorado's agriculture industry, to move freely through interstate and international market channels. The Animal Health Division's incorporation of the USAHERDS platform has been central to the Division's ability to improve trace-back of disease and improve the prevention and control of significant livestock disease that could negatively impact Colorado’s long-standing "disease-free" status. The Department’s efforts to connect suppliers of Colorado food and agricultural products with international buyers continue to generate positive results. For FY18, 84% of the suppliers participating in promotions organized by the Department reported increased sales or believed they would develop new business as a result of participating in the promotion. This result directly helps support the growth in exports of Colorado food and agricultural products. Despite the uncertainty of ongoing negotiations between the U.S. government and major trading partners, Colorado food and agricultural product exports for January-August 2018 were reported at \$1.35 billion – a level equal to that same period for 2017. Colorado food and agricultural product exports set a new record high in 2017 at \$2 billion. Additionally, 10 of the 13 programs that help Colorado’s food and agricultural suppliers to enhance marketing opportunities and support marketing claims achieved annual performance measures, meeting the Department’s goal.

Key Strategies & Major Program Area	Leading Indicators						
	Measure	FY15 Actual	FY16 Actual	FY17 Actual	FY18 Actual	FY18 Goal	FY20 Goal
Export promotions (Markets Division)	% of suppliers reporting an increase in existing business or believe they will develop new business as a result of participating in the promotion(s) ¹	NA	81%	82%	84%	80%	80%
Disease surveillance and traceability and Livestock disease testing (Animal Health Division)	Colorado’s regulatory status relating to animal health	Disease-free	Disease-free	Disease-free	Disease-free	Disease-free	Disease-free
Inspection, promotion, verification, and other programs that help food and agricultural suppliers to enhance marketing opportunities and support marketing claims ²	% of operational processes that are meeting performance targets	2 of 2	5 of 6	10 of 12	10 of 13	≥10	≥10

- 1) FY16 data reflects post-activity reports from 90 of 124 suppliers that participated in 14 export promotions conducted by the Department in FY16. FY17 data reflects reports from 74 of 92 suppliers that participated in eight promotions. For FY18, 102 companies participated in eleven promotions implemented by the Department. 76 responded to the post-activity surveys with 64 indicating an increase in existing sales or the expectation of developing new business.
- 2) FY15 data reflects only the Fruit and Vegetable Inspection and Export Certification processes mapped as part of the Department’s FY15 Performance Plan. The FY16 Plan added processes from the Markets Division relating to Audit Verification for Food Safety Practices, Market News Reporting, and Market Order Programs; and from the Conservation Services Division relating to Weed Free Forage. FY17 added the Livestock Competition process from the State Fair; Business Development, Local & State Marketing Programs, Trade Development, and Wine Promotion processes from the Markets Division; and Organic Certification from the Plant Industry Division. The Specialty Crop Block Grant Program in the Markets Division was added in FY18 for a total of 13 processes supporting this strategic response. Processes not meeting the FY18 goals include Business Development, Livestock Competition, and Organic Certification.



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FY18-19 Performance Plan

Strategic Policy Initiatives

The Department's leadership team adopted new, higher-level strategic policy initiatives in FY16 and believes they continue to be relevant to the longer-term success of the Department. These strategic policy initiatives remained largely unchanged for the Department's FY19 Plan. The focus of these initiatives continues to be on enhancing Coloradan's understanding of agriculture, improving the customer service experience, and increasing marketing and sales opportunities, as well as profitability, throughout Colorado's food and agriculture value chain. These strategic policy initiatives generally capture the key areas of focus of the Department's leadership and offer compelling goals to stakeholders and the Department's employees.

Strategies and Operational Measures

Key strategies supporting the strategic policy initiatives are being carried over from the FY2017-18 Plan, but with increased emphasis on public outreach and communications aimed at fostering public attitudes and policy favorable to the long-term sustainability of Colorado's food and agriculture value chain. The Department has also placed increased importance on Federal lands issues and export promotion. Additionally, performance metrics have now been largely mapped for each of the programs implemented by the Department's seven operating divisions with progress toward each of the programs, as well as toward the broader, strategic policy initiatives, now regularly evaluated. Furthermore, the Department has increasingly utilized LEAN analyses to drive process improvements to the point that LEAN is now an integral element of day-to-day operations.