

**Summary: Executive Budget Recommendation  
for Fiscal Year 2025-26**

**DEPARTMENT of AGRICULTURE AND RURAL DEVELOPMENT**



**Analyst: William E. Hamilton**

	FY 2024-25 Year-to-Date as of 2/5/25	FY 2025-26 Executive	Difference: FY 2025-26 vs. FY 2024-25	
			Amount	%
<b>IDG/IDT</b>	\$332,400	\$336,600	\$4,200	1.3
<b>Federal</b>	20,357,900	20,079,600	(278,300)	(1.4)
<b>Local</b>	0	0	0	-
<b>Private</b>	21,300	0	(21,300)	(100.0)
<b>Restricted</b>	47,170,900	51,972,400	4,801,500	10.2
<b>GF/GP</b>	89,056,400	85,921,900	(3,134,500)	(3.5)
<b>Gross</b>	<b>\$156,938,900</b>	<b>\$158,310,500</b>	<b>\$1,371,600</b>	<b>0.9</b>
<b>FTEs</b>	556.0	589.0	33.0	5.9

Note: Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

Michigan Department of Agriculture and Rural Development (MDARD) key programs and priorities include ensuring food safety and security, protecting animal health and welfare, managing invasive exotic species, regulating pesticide use, certifying agricultural commodities, ensuring environmental stewardship, consumer protection, and promoting the state's agricultural economy.

<b>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</b>	<b>FY 2024-25 YTD (as of 2/5/25)</b>	<b>Executive Change from YTD</b>
<b>1. Protecting Michigan's Food Supply</b>	FTE 0.0	27.0
Includes \$5.5 million (\$3.5 million GF/GP) and authorization for 27.0 FTE positions for a new appropriation unit and line item to support the implementation of proactive biosecurity measures to prevent and reduce the impact of animal disease outbreaks in the livestock industry. Funding and FTEs would be allocated between bureaus internally by the department.	<b>Gross \$0</b>	<b>\$5,500,000</b>
	Restricted 0	2,000,000
	GF/GP \$0	\$3,500,000
<b>2. Soil Health and Regenerative Agriculture/Agricultural Climate Resiliency</b>	FTE 5.0	0.0
Budget consolidates two line items into a single line: Soil Health and Regenerative Agriculture. Retains \$2.0 million GF/GP in ongoing funding, and 5.0 FTE positions, for program intended to promote the principles of regenerative agriculture; does not retain \$5.1 million in one-time appropriations.	<b>Gross \$7,124,900</b>	<b>(\$5,100,000)</b>
	GF/GP \$7,124,900	(\$5,100,000)
<b>3. Rural Development Grants</b>	FTE 1.0	2.0
Increases grant program by \$2.0 million to expand the Rural Development Grant Program, a program that supports projects that enhance land-based industries and rural community infrastructure, including job training, childcare, housing, and utilities. The fund source is the state restricted Rural Development Fund, which is credited with revenue from a Nonferrous metallic minerals extraction severance tax. Budget would also authorize 3.0 FTE positions, an increase of 2.0 FTEs from current year.	<b>Gross \$2,008,000</b>	<b>\$2,000,000</b>
	Restricted 2,008,000	2,000,000
	GF/GP \$0	\$0

<b>Major Budget Changes from FY 2024-25 Year-to-Date (YTD) Appropriations</b>	<b>FY 2024-25 YTD (as of 2/5/25)</b>	<b>Executive Change from YTD</b>	
<b>4 Plant, Soil, and Pest Diagnostics</b>	FTE	0.0	4.0
Includes \$1.6 million GF/GP and authorization for 4.0 FTE positions for program targeted at detection and response to invasive species and plant diseases, by increasing testing capacity to provide growers with localized data and expertise to best protect Michigan agriculture. Testing functions would include soil health testing. Of the \$1.6 million, \$900,000 is ongoing and would be allocated internally by the department; \$700,000 is one-time for laboratory capital equipment purchases.	<b>Gross</b>	<b>\$0</b>	<b>\$1,600,000</b>
	GF/GP	\$0	\$1,600,000
<b>5. Integrated Solutions</b>	FTE	0.0	0.0
Includes a new line item within Laboratory and Consumer Protection, funded at \$3.7 million Gross (\$2.0 million GF/GP) with authorization for 25.0 FTE positions. This is a net-to-zero shift of funding and FTEs to support a new Integrated Solutions Division to provide coordination and delivery of licensing, technology advancements, and GIS services for the department.	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
	Restricted	0	0
	GF/GP	\$0	\$0
<b>6. Removal of FY 2024-25 One-Time Appropriations</b>	<b>Gross</b>	<b>\$3,900,000</b>	<b>(\$3,900,000)</b>
Removes \$3.9 million GF/GP in one-time funding items included in the FY 2024-25 budget:	GF/GP	\$3,900,000	(\$3,900,000)
<ul style="list-style-type: none"> <li>Animal disease prevention and response, (\$2.0 million)</li> <li>Animal welfare grants, (\$500,000)</li> <li>Fruit and vegetable prescription program, (\$500,000)</li> <li>Underserved-owned food and agriculture ventures, (\$500,000)</li> <li>Agriculture stewardship study, (\$250,000)</li> <li>Flint farmer's market, (\$150,000)</li> </ul>			
An additional one-time funding item, \$5.1 million for Agricultural climate resiliency, is described in Item # 2 above.			
<b>7. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$1,258,100</b>
Reflects increased costs of \$1.3 million Gross (\$765,500 GF/GP) for negotiated salary and wage increases (3.0% on October 1, 2025), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.	IDG/IDT	NA	4,200
	Federal	NA	71,700
	Restricted	NA	416,700
	GF/GP	NA	\$765,500

**Major Boilerplate Changes from FY 2024-25**

**Sec. 206. Communication with the Legislature – DELETED**

Deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. The Governor had indicated this section was unenforceable.

**Sec. 212. Restricted Fund Report – DELETED**

Deletes section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances. [This report is currently included in the annual budget presentation.]

**Sec. 218. Record Retention Policy – DELETED**

Deletes section that prescribes the department's record retention policy.

**Sec. 221. Work Project Expenditures – DELETED**

Deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. The Governor had indicated this section was unenforceable.

**Sec. 223. Fiscal Recovery Funds – DELETED**

Deletes section that prescribed use of federal fiscal recovery funds.

**Sec. 250. Report on Grant Sponsors and Grant Recipients – DELETED**

Deletes section that established detailed reporting requirements for grants made to single recipients or local units of government.

**Major Boilerplate Changes from FY 2024-25**

**Sec. 302. Contracts and Grants Notification Requirements– DELETED**

Deletes section that requires the department to provide notice to the appropriations subcommittees, the House and Senate fiscal agencies, and the State Budget Office of contracts or grants awarded.

**Sec. 502. Agricultural Climate Resiliency/Soil Health and Regenerative Agriculture – DELETED**

Deletes section that defines Agricultural Climate Resiliency, and Soil Health and Regenerative Agriculture.

**Sec. 503 Agricultural Nutrient Best Management Voluntary Practices Program – DELETED**

Deletes reporting requirement for work project related to water quality improvement project in western Lake Erie basin.

**Sec. 710. Working with Department of Labor and Economic Opportunity (LEO) – NEW**

Directs the department to work with the LEO's Office of Rural Prosperity on the Rural Development Grant Program.

**Supplemental Recommendations for FY 2024-25 Appropriations**

**FY 2024-25  
Recommendation**

**1. Food Safety and Quality Assurance**

Requests a one-time \$1.0 million increase in spending authority, from the state Restricted Dairy and Food Safety Fund, for information technology enhancements to MDARD's food inspection regulatory system.

**Gross**

**\$1,000,000**

Restricted

1,000,000

GF/GP

\$0