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December 31, 1997

To The People of Mississippi:

The Mississippi Department of Agriculture and Commerce (MDAC) is charged with overseeing the state's largest industry: agriculture. Agriculture is a **\$16 billion industry in Mississippi, and we have a \$15.1 million budget to oversee and regulate it.** We are relatively small as state departments go, but we have a great deal of responsibility and are serious about carrying it out. This report has a great deal of information about what we do, but first let me give you a brief overview.

The department's mission is to **regulate and promote agricultural businesses within the state and to promote Mississippi's agricultural products throughout both the state and the rest of the world for the benefit of all Mississippians.**

MDAC has a broad range of responsibilities, stretching from **regulating foods such as meat, fish and poultry from farm to marketplace, to overseeing seeds and the crops planted by Mississippi's farmers.** Our responsibilities also extend beyond the farm, to **regulation of pesticides, checking weights and measures of scales, even certifying gasoline pumps across the state.**

Mississippi Market Development is the promotional arm of the department. Its mission is to educate consumers at home and abroad on the quality of Mississippi grown and processed food, fiber and related agricultural products. In addition, the department publishes the *Mississippi Market Bulletin*, which has served as an information and marketing journal since 1930. Twice a month, approximately 40,000 people read the articles, notices and agricultural classified ads in the *Bulletin*.

The department also **works with the United States Department of Agriculture (USDA) on several joint projects.** Through cooperative agreements with this federal agency, the Mississippi Department of Agriculture and Commerce **provides agricultural statistics, as well as a food inspection service for fresh fruits, tree nuts, peanuts, vegetables, poultry and poultry products.** The MDAC and USDA also operate a market news service on the trading of **livestock, fruits and vegetables within the state.**

The Commissioner of Agriculture and Commerce also has responsibilities beyond the department, sitting on several state boards, including:

Council of State Agencies on Agriculture
Mississippi Board of Animal Health
Mississippi Central Market Board
Mississippi Fair Commission
Mississippi Department of Environmental Quality Permit Board
Egg Marketing Board
State Seed Board
State Soil & Water Conservation Committee

As you can see, we do a lot. In fact, we are **doing more than ever before, with fewer people in the department.** Across the department we have **increased efficiency and productivity, allowing us to do more with less.** We are proud of our accomplishments, but we did not do it alone. At this point, I would like to thank all the members of the Mississippi Legislature who helped us through a very bad situation in 1996. You gave us the ball, and we ran with it.

As we begin the 1998 Legislative Session, things are looking better than ever at MDAC. Employee morale is high, and we are poised to do great things at our department. Our pledge is to continue the improvements we have made and give the people of Mississippi the service they expect and deserve from everyone at the Mississippi Department of Agriculture and Commerce.



Sincerely,

A handwritten signature in cursive script that reads "Lester Spell, Jr. DVM".

Lester Spell, Jr., DVM
Commissioner

REGULATORY SERVICES

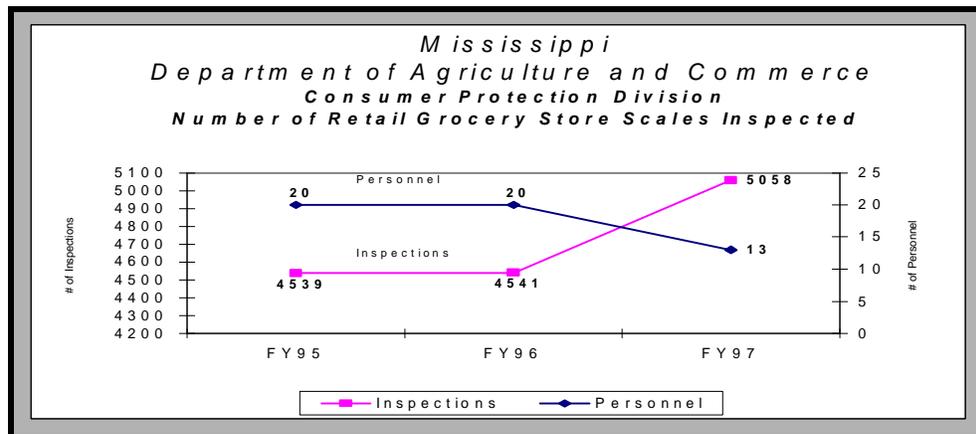


Consumer Protection

The mission of the Consumer Protection Division is to make sure the consumer receives a quality product that bears accurate identity, quantity and cost information. The division works to ensure fairness and equity in the marketplace through the administration of certain laws and regulations designed to protect the interest of the general public. We also worked with the Federal Trade Commission on a nationwide dairy survey designed to **check the accuracy of labeled content of milk purchased by schools.**

This past year saw the passage of legislation which should reduce some past duplication of presence in certain businesses by the State Health Department and our agency. Previous inspection of frozen desserts at wholesale and retail establishments was transferred to the State Department of Health. We received responsibility from the State Department of Health for the sanitation inspection of retail food stores, facilities that we were already inspecting under authority of other statutes.

The division's biggest success story in 1997 is our continued improvement in productivity. The chart below represents increased work with fewer people.



The numbers below also give an idea of the scope of our responsibilities:

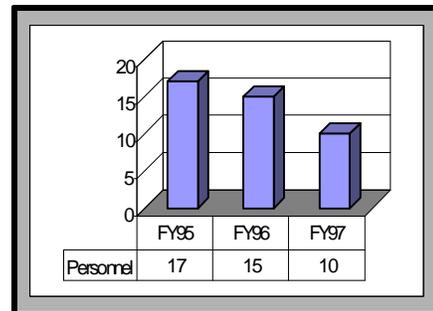
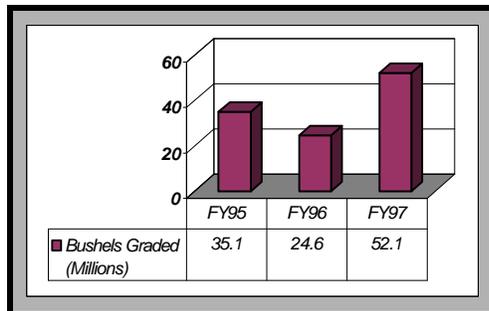
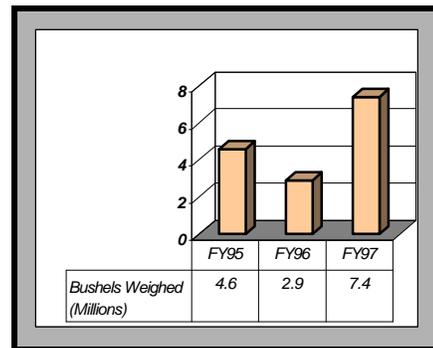
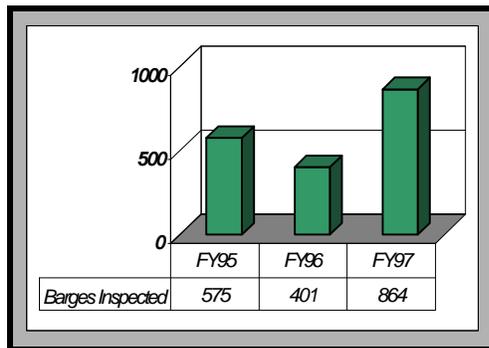
- Retail store inspections 2,926
- Pre-packaged items checked 143,983 (9% rejected)
- Cases of shell eggs inspected 50,267
- Scales tested (100 pound or less) 5,058 (6% rejected)
- Catfish product label inspections 1,527
- Syrup product label inspections 1,524

In the coming year, we will further **increase our efficiency and productivity through greater computerization.** We also plan to maintain our good working relationship with other state and federal regulatory agencies and fully implement the division's inspection responsibilities under the Bird Dealers Licensing Act.

Grain Inspection

The Grain Inspection and Weighing Division facilitates the orderly marketing of grain and related agriculture products. It also promotes fair and competitive tracking practices for the overall benefit of consumers and the Mississippi Grain Industry.

The greatest overall accomplishment for the division in 1997 is the **tremendous increase in grain inspection activity conducted by a smaller staff.** As the graphs below indicate, we greatly increased the number of inspections of all types, while **reducing our staff by 40%.**



Other points of interest from the division in 1997 include:

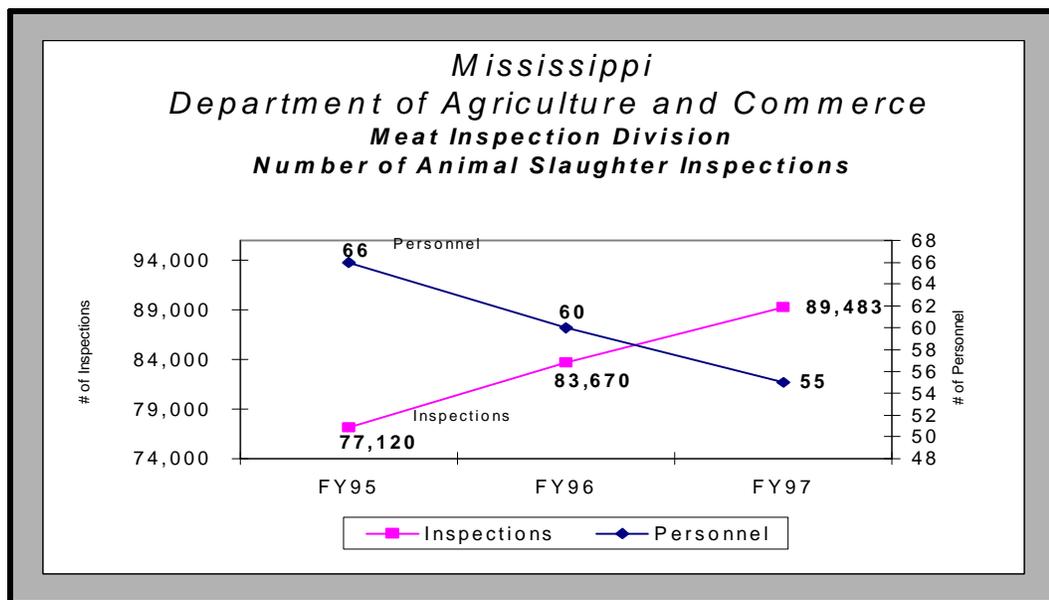
- Total fees collected \$359,873
- Number of bottles of syrup inspected 314,208
- Number of railcars inspected 723
- Number of trucks inspected 107
- Bags of corn/soya blend inspected 262,221

For 1998, the goal of the Grain Inspection and Weighing Division is to **continue to provide cost effective service to the grain industry of Mississippi while entering new technologies into our daily operations.**

Meat Inspection

The Meat Inspection Division provides regulatory coverage and inspection of all establishments engaged in the slaughtering of food animals and poultry, except for those plants operating solely under federal inspection. The division also inspects the further processing of meat, meat-food products, poultry, poultry food-products and their preparation for consumer items. Finally, we inspect these products throughout formulation, packaging, labeling and distribution to retail outlets.

In 1997 the division continued to **streamline operations and increase productivity**. As the chart below shows, with reduced manpower, we are doing more inspections than ever. We also **saved \$100,000 annually and increased efficiency** by closing our meat laboratory and transferring economic testing to the State Chemical Laboratory.



However, a simple chart does not tell the whole story. Here are some numbers that give you an idea about the scope of our division.

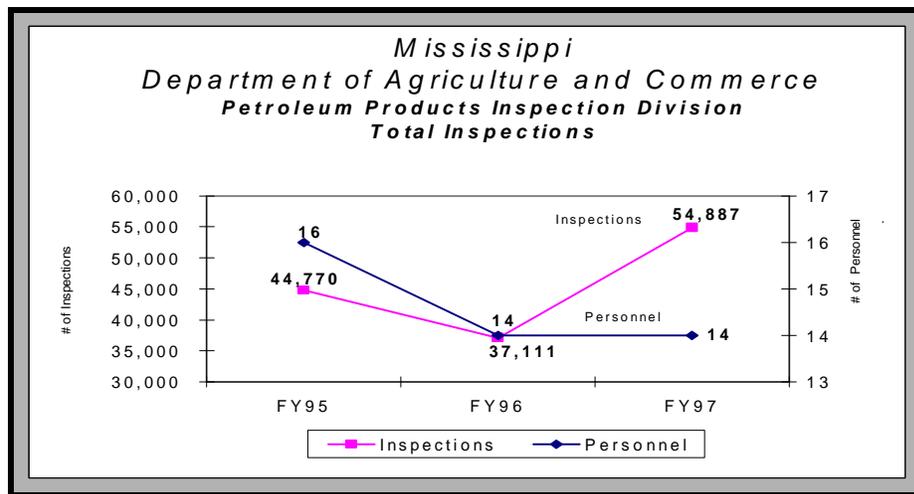
- Pounds of red meat inspected 49,929,044
- Pounds of poultry inspected 6,209,761
- Number of animals inspected 86,844
- Number of ratites inspected 2,639
- Number of meat plant licenses issued 89

We began several new programs in 1997, including our **Performance Based Inspection System (PBIS)**, testing for *E. Coli* bacteria and **integrating our Consumer Protection Inspectors into Compliance Operations**. Our supervisory personnel were **trained in retail sanitation** by the state health department. And, we **updated and reprinted laws and regulations** involving meat.

Petroleum Products

The purpose of the Petroleum Products Inspection Division is to insure that the people who purchase petroleum products and motor fuels get the amount that they pay for as well as the quality they expect. The division has ten inspectors, located throughout the state, and two supervisors, one each for the Northern and Southern Districts. Duties of the division under the law include: calibration checks of petroleum pumps; sampling of petroleum products, and regulating 3,900 approved retail outlets throughout Mississippi.

The major accomplishment for the division in 1997 was **greatly increasing inspections with a reduced staff**. As the chart below shows, completion of intensive reorganization allowed increased productivity as evidenced by dramatic increases in the number of inspections.



m pumps tested	54,887
➤ Stations registered	3,983
➤ Petroleum products sampled	3,495
➤ Violations issued	3,400

Regrettably, some retailers received more than violation warnings. The reasons for “Stop Sales” or further regulatory actions included:

➤ Stop sales for fuels violations	153
➤ Stop sales for calibration violations	137
➤ Stop sales for sign violations	65

For 1998, the division’s goal is to **put technology to work by increasing productivity even more**. We are presently involved in updating reports and statistical accomplishments on the **new Mississippi Department of Agriculture and Commerce computer system**. We intend to use this information to **increase the number and frequency of station and pump inspections**.

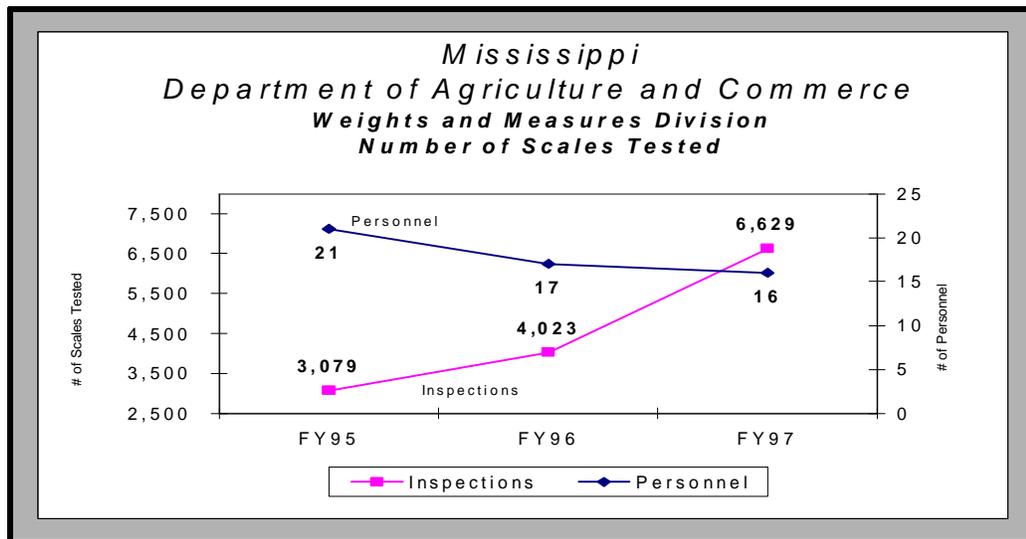
Weights and Measures

The Weights and Measures Division is charged with the calibration and testing of all scales and measurement equipment used in commerce and trade. In addition, the division provides training to inspectors on laws, rules and regulations administered by the division, emphasizing how enforcement is to be used to better serve the citizens of Mississippi.

There were some **important accomplishments** in 1997, including:

- Increased testing of scales by 15%
- Purchase of new computers for the division
- Purchase of several new vehicles, including 6 heavy test trucks
- All records now computerized
- Moved Moisture Meter Lab to Stoneville Experiment Station

What is most impressive about our 1997 accomplishments is that they were realized by **increasing productivity, not personnel.**



Other division figures show that 1997 was a very busy year:

- Pounds of feed, seed and fertilizer weighed 454,206
- Pounds placed off-sale for short weight 267,978
- Heavy scales tested 2,842
- Heavy scales rejected 539
- Intermediate scales tested 3,787
- Intermediate scales rejected 409

Goals for 1998 include **construction and equipping of a new Metrology Laboratory on the campus of Alcorn State University**, as well as the purchase of a new metering system for the milk tank calibration truck.

MARKET DEVELOPMENT

The Market Development Division has as its goal the promotion of agricultural commodities, expansion and exploration of new domestic and global markets, and the education of the public on Mississippi's agricultural industry. Mississippi exports are **up 40% over the past five years**. Overall, total agricultural sales are up by 40% over the last five years and we believe that trend will continue by focusing on the following areas.

Agriculture Awareness. This means educating the public and promoting by activity within the state. Some of the many activities we conducted in 1997 were:

- Monthly agriculture displays for Agriculture Museum
- Development of restaurant/in-store promotions
- Presented agriculture's message to 25 school and civic organizations
- Participation in eight (8) conferences & festivals in Mississippi
- Twenty-one agriculture related promotions at the State Capitol during the Legislative Session
- Distribution of thousands of recipes using products grown in Mississippi

Aquaculture. Mississippi is a world leader in aquaculture and the Market Development Division participates in many ways, including:

- Promotion of new gamefish legislation
- Hosting 13 meetings across the state related to gamefish legislation
- Conducting 53 inspections to permitted aquaculture farms
- Renewing 50 aquaculture permits
- Participating in 6 aquaculture trade shows/seminars
- Assisting with freshwater shrimp research project

International Trade. A major goal of the division is to enhance our state's marketing opportunities around the globe. To that end, we:

- Hosted meetings with Asian, African, and European representatives
- Promoted Aquaculture with the Southern U.S. Trade Association (SUSTA)
- Developed freshwater aquaculture guide for SUSTA
- Led a kenaf trade mission to Japan (with SUSTA)
- Hosted 3-day SUSTA conference with delegates from 15 states
- Represented department on trade mission to Europe
- Mailed trade leads to 171 exporters monthly
- Counseled individuals and associations on export opportunities

Public Information. A lot of our work is sending information straight to the public and to media outlets. Some of our publications include:

- *Mississippi Market Bulletin* (40,000 subscribers)
- Information to the media statewide on all important agricultural events
- Thousands of fact sheets on 25 agricultural industries
- Brochures for various commodity groups, including *Mississippi Market Bulletin Cookbook* and *Agriculture Manufacturers and Export Directory*

Trade Shows and Fairs. Both of these are excellent opportunities to showcase Mississippi products. We participated in local, regional, national and international shows, including:

- Atlanta Gourmet Show
- Boston Seafood Show
- Produce Marketing Association Show
- Food Marketing Institute/U.S. Food Export Showcase
- Hostex Show, Toronto, Canada
- California Agriculture Conference
- Mississippi School Food Service Conference
- Mississippi State Fair
- Northeast MS Fair & Livestock Expo

Many new efforts were promoted successfully in 1997. We sponsored the **Commodity Food Tent** at the Mississippi State Fair, the **Horse Extravaganza** at our new equine facility at the fairgrounds and the **Ostrich/Emu Tasting and Trade Show** at the Agriculture Museum.

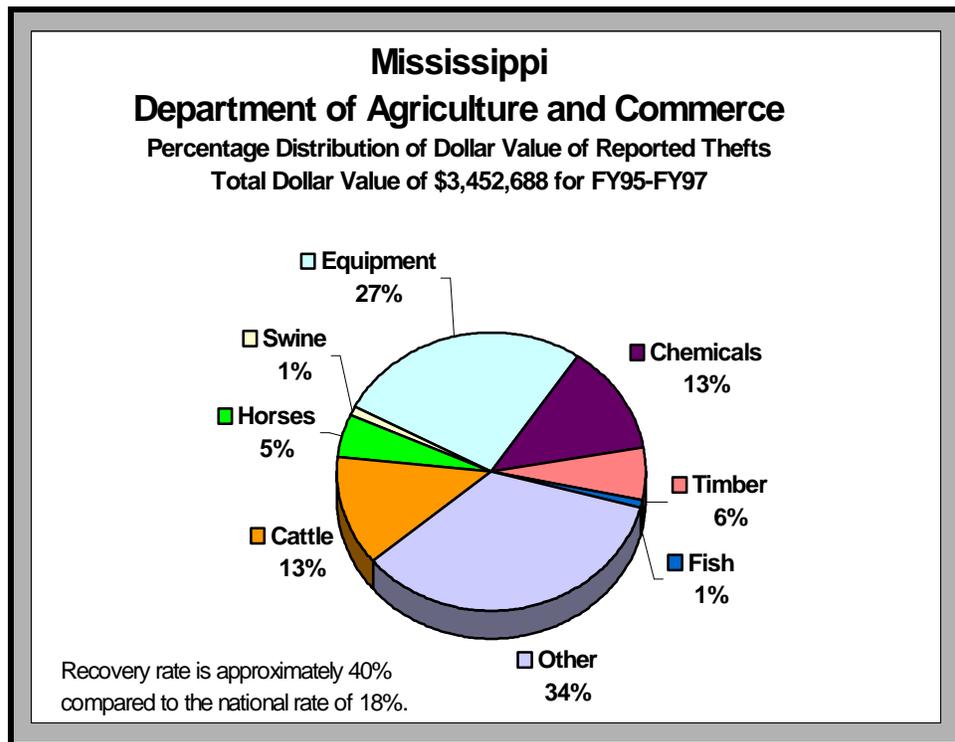
In the coming year, we plan to build on our success and continue to aggressively promote Mississippi agriculture and agribusiness through a wide variety of venues.



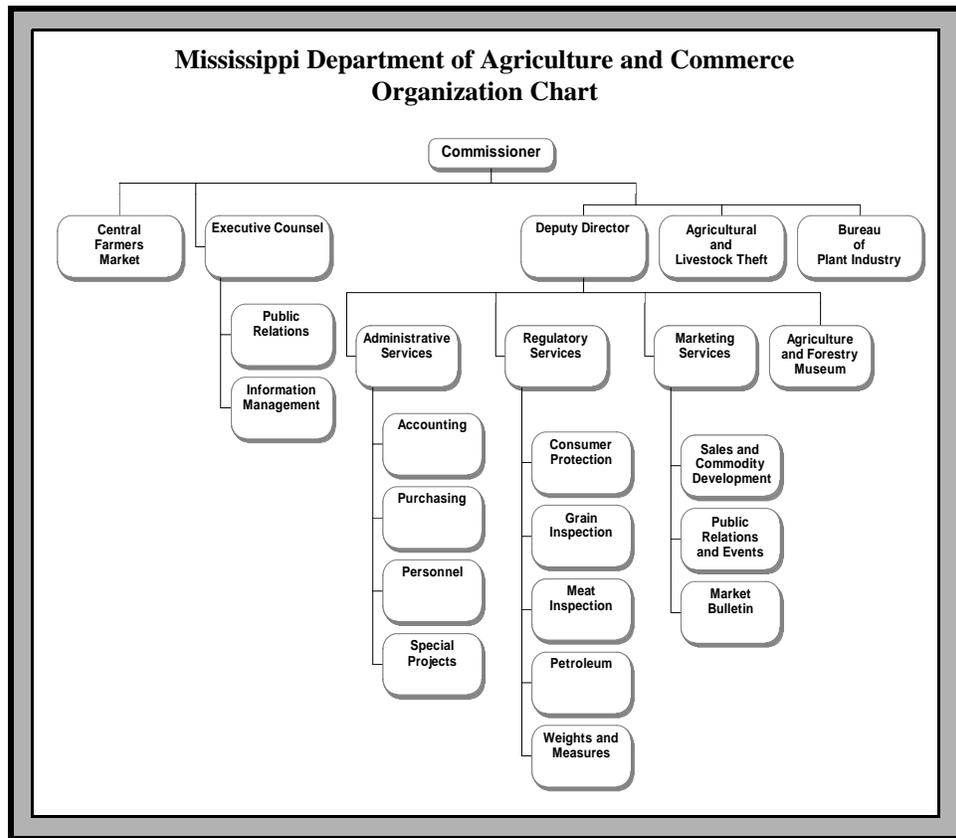
AGRICULTURAL AND LIVESTOCK THEFT

The Agricultural and Livestock Theft Bureau was created to assist in the investigation of all farm and agriculture related crimes. The bureau has a director and nine investigators, one for each Mississippi Highway Patrol District. Investigators are responsible for enforcing all state laws pertaining to theft of cattle, horses, swine, poultry, fish, farm equipment and chemicals, timber and all other farm or agriculture related crime.

In addition to its law enforcement function, the Agricultural and Livestock Theft Bureau maintains registration of all livestock brands. Livestock in Mississippi does not have to be branded; however, if they are branded, the brand must be registered. The brands are recorded for a five (5) year period at a cost of five (5) dollars. Registered brands are published in book form and distributed to law enforcement around the state. Right now, we have about 2,000 active brands on file and have registered more than 10,000 since 1952.



ADMINISTRATION

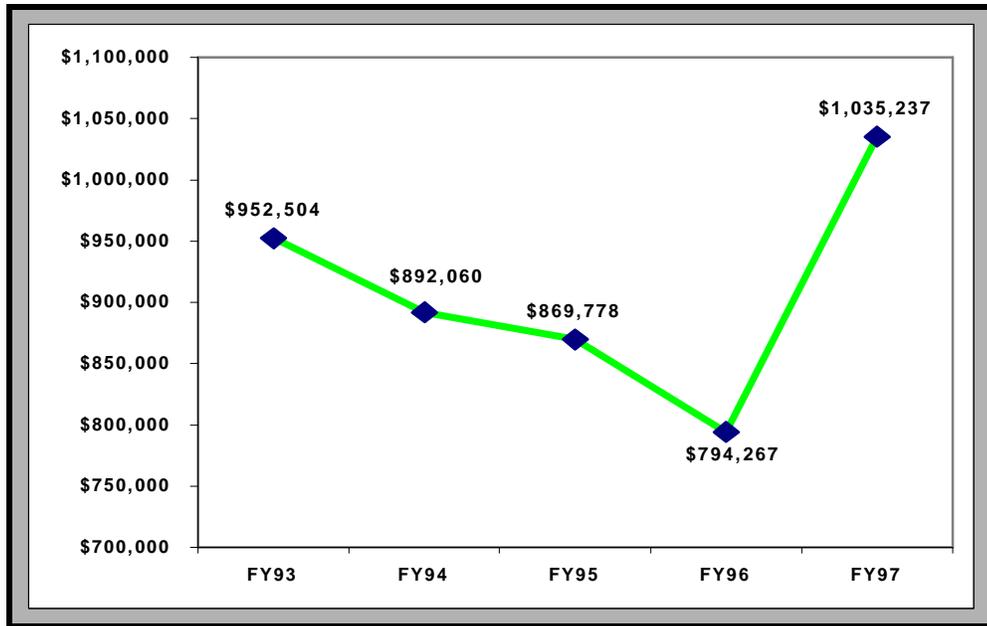


The most significant development in administration in 1997 came about thanks to help from the Mississippi Legislature, which acted to correct a very bad situation. In 1996, the Mississippi Department of Agriculture had virtually no computer system. The vast majority of the department's vehicles, from cars used by inspectors to heavy equipment trucks, was old and had very high mileage.

To remedy the situation, the **1997 Legislature approved a historic, \$5.2 million lease purchase program that allowed the department to take action.** Since the program was approved, department purchases include:

- 42 new vehicles
- 6 new heavy equipment trucks
- 65 computer stations

Another administrative function of the department is to see that fines assessed by divisions within the department are collected. As the chart on the following page shows, collections of fees by the MDAC are up about 30%.



Fee Collections for FY93 thru FY97

The department has also established one of the most sophisticated computer networks in state government and greatly computerized departmental operations.

The Information Management Division is primarily responsible for providing information technology and services to all employees of the Mississippi Department of Agriculture and Commerce (MDAC).

Our major accomplishment in 1997 was **implementing an agency-wide computer network**, connecting the agency with remote satellite offices and the State Computer Center. In addition to installing five (5) computer servers, our division:

- Installed 60 personal computers and 15 laser printers
- Established MDAC Web page (www.mdac.state.ms.us)
- Trained 75 MDAC employees in use of new computer technology

The agency migrated from an in-house accounting system to the state's financial management system, Statewide Automated Accounting System. This system will make it easier to manage and control budgets, as well as, warrants production.

In addition to bringing an entirely new computer network on-line, Information Management also **increased productivity** by updating several data base systems, including:

- Budget request system
- Petroleum Products Inspection
- *Market Bulletin* Subscriptions

Our upgrades were not just with the computer systems. We also began implementation of a new, state of the art, telephone system. This will not only put our department on par with other state agencies, it will allow us to connect with the Capitol Complex Telephone System and provide a platform for future service.

We implemented an **Interactive Video KIOSK**. This allows the department to be represented at trade shows and other events with less manpower. Interested customers are able to touch the buttons on a computer screen to get important information about Mississippi agriculture and commodities.

The agency developed and implemented a long range plan, Information Technology Policies and Guidelines for the agency's computer users, and a year 2000 action plan which will allow us to move into the 21st century and avoid many of the expensive technical problems that others will face with year 2000 conversions.

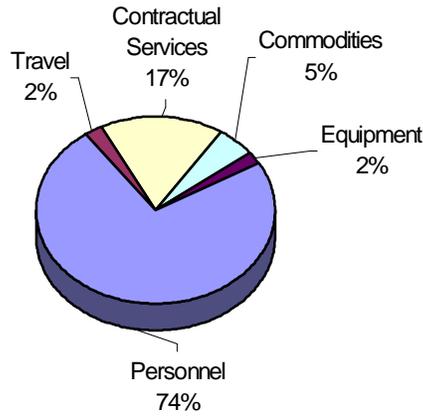
The Egg Marketing Board is strictly promotional for that industry. On the other hand, the Central Farmer's Market offers a place where farmers from throughout Mississippi can come and market their fruits and vegetables to the public.



In the area of personnel, the Mississippi Department of Agriculture and Commerce (MDAC) has a great story to tell; **more work is getting done with fewer people and that trend is expected to continue**. In 1995, MDAC had about 350 employees; by 1997, that number had fallen below 300. In the coming years, while we expect to greatly increase productivity, total employment is not expected to rise above 300. It is important to note that the **greater productivity is across the entire department, not just in one or two divisions**.

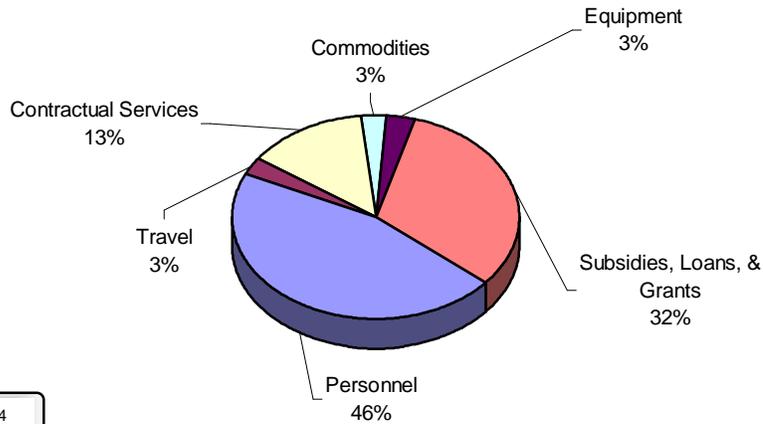
The reasons for the increased productivity are numerous, including **greatly increased use of modern computer technology, streamlining operations and planning**. The department will continue to use these techniques in the future, thus **reducing the number of anticipated new staff to a minimum**.

**Mississippi Department of Agriculture and Commerce
Support Budget for FY97**



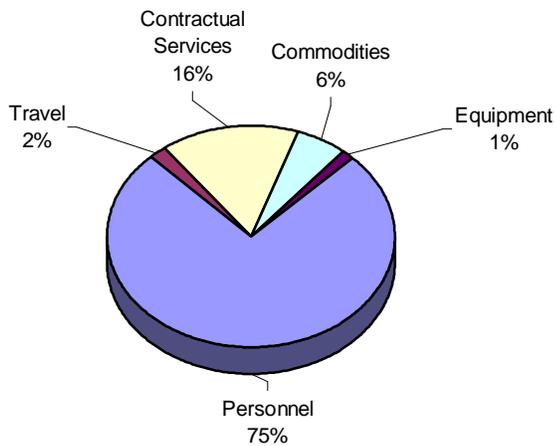
Total General Fund Appropriations and Revenues	\$ 8,985,894
Total Expenditures	\$ 7,943,985

General & Special Funds



Total Expenditures	\$ 2,307,404
Total Revenues	\$ 2,413,221

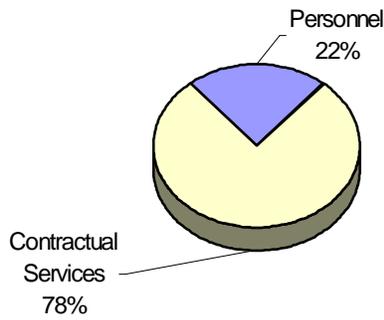
Special Funds Only



Total General Fund Appropriations	\$ 6,678,940
Total Expenditures	\$ 5,530,764

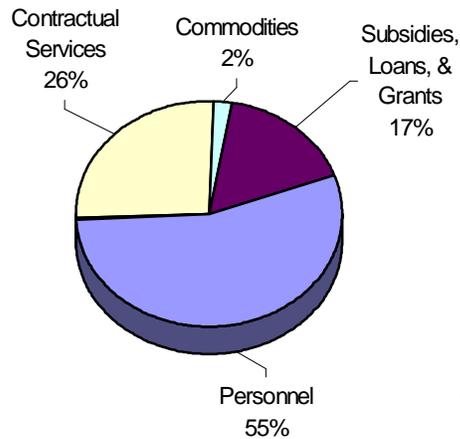
General Funds Only

Mississippi Department of Agriculture and Commerce
Program Budgets for FY97



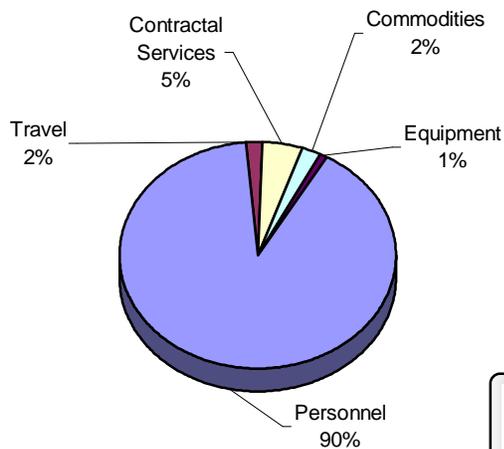
Total Expenditures	\$ 57,886
Total Revenues	\$ 47,294

Egg Marketing Board - Special Funds



Total Expenditures	\$ 370,219
Total Revenues	\$ 361,416

Farmers Central Market - Special Funds



Total General Fund Appropriations	\$ 607,736
Total Expenditures	\$ 508,435

Grain Division - General Funds

BUREAU OF PLANT INDUSTRY

The Bureau of Plant Industry is a regulatory and service division of the Mississippi Department of Agriculture and Commerce (MDAC). The division protects the state's agricultural and horticultural interests from harmful insects and plant diseases through various state and federal laws, rules and regulations. It also works with other state and federal agencies in administering programs and cooperative agreements that safeguard the public and the environment.

The Bureau of Plant Industry is located at the Seed Complex facility on the campus of Mississippi State University. It maintains a staff of 32 headquarters personnel and 17 district inspectors. The bureau has **seven program areas** which are listed below, along with their major accomplishments in 1997.

Plant Pest Regulatory-this program is charged with preventing the introduction and spread of harmful insects, plant diseases and weeds. Its chief accomplishment in the past year was **implementing and concluding a successful two-year trapping program for sweet potato weevil infestation in north Mississippi.**

Plant Pest Survey-this is a program to detect the presence of non-native insects, diseases and weeds harmful to plants. In 1997 this program **carried out a large-scale pest detection survey to track the movement of exotic pests, such as gypsy moths, pink bollworms and Japanese beetles. As a result, no evidence of infestation of such pests was detected.**

Pesticide Regulatory-this program is designed to protect the public, other living organisms and the environment from pesticide misuse. As a result of the continuing investigation begun in November 1996 by program staff into the misuse of methyl parathion and other agricultural pesticides, state laws against pesticide misuse were toughened and new regulations were implemented regarding certification of private applicators of agricultural pesticides in 1997. Program staff also obtained successful convictions on 62 counts of operating a pest control business without a license and misuse of pesticides in 1997.

The program also conducted a **major investigation, along with other state and federal agencies into possible dioxin contamination of catfish and poultry feed. The investigation pinpointed the source of the contamination and assisted the industries involved in abating the problem.**

Apiary Inspection-this program protects the state's beekeeping industry from disease, parasites and exotic pests. Its major effort in 1997 was **conducting two beekeeping short courses to promote the profession and increase the number of beekeepers.**

Regulation of Professional Services-the purpose of this program is to protect the public from fraud by licensing persons charging for services ranging from pest control to landscape gardening and soil classification. Its major accomplishment for 1997 was **working with the pesticide regulatory program to successfully obtain convictions on 62 counts of operating pest control businesses without a license and misuse of the agricultural pesticide, methyl parathion.**

Seed-this program is designed to prevent fraud by regulating production of commercial agricultural, vegetable, flower, tree and shrub seed.

Feed, Fertilizer, Soil/Plant Amendment and Lime-the objective of this program is to prevent fraud by regulating production of commercial feed, fertilizer, soil and plant additives and lime. Its major accomplishment in 1997 was to **take several strategic steps to prepare for changes in the fertilizer industry. These steps included updated training for inspectors, initiating “base materials” testing and conducting an educational seminar on fertilizer laws and manufacturing practices.**



AGRICULTURE AND FORESTRY MUSEUM

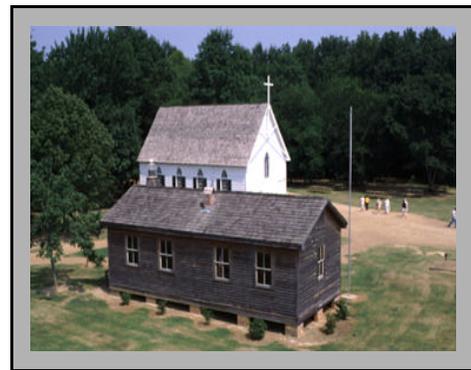
The museum's mission is to provide safe, family-oriented, recreational opportunities in a scenic and peaceful environment. In doing so, we enrich the quality of life for all Mississippians, while promoting the state's tourism industry. In 1997 we streamlined operations, stepped up marketing efforts and placed our museum café under private management. The results were something we are all proud of:

- \$600,000 in admissions, rentals, catering, special events, and retail sales
- \$500,000 **reduction in overhead**
- Building rentals **up 39%**
- Net proceed from café **up 38%**

As good as the past year has been, 1998 looks even better. Coordination of efforts with other area attractions began in 1997 toward the goal of improving services and awareness of the museum so that we could take advantage of major upcoming tourist events such as the *Splendors of Versailles* exhibit and the International Ballet Competition in 1998. Other goals are:

- Increase visitation 10%
- Form a "Friends of the Museum" type organization
- Co-promote the museum with other area attractions
- Complete major renovation projects

Based upon several major events already booked at the museum, we feel these goals for 1998 should be achieved.



MISSISSIPPI
DEPARTMENT OF AGRICULTURE AND COMMERCE

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The department would like to acknowledge the following people for their work on the annual report.

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