

FY 2025-26 AGRICULTURE AND RURAL DEVELOPMENT BUDGET

H.B. 4706 (P.A. 22 of 2025): INITIAL APPROPRIATIONS

Article 1



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 INITIAL APPROPRIATIONS	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	550.0	546.0	(4.0)	(0.7)
GROSS	157,938,900	145,885,000	(12,053,900)	(7.6)
Less:				
Interdepartmental Grants Received	332,400	336,600	4,200	1.3
ADJUSTED GROSS	157,606,500	145,548,400	(12,058,100)	(7.7)
Less:				
Federal Funds	20,357,900	20,079,600	(278,300)	(1.4)
Local and Private.....	21,300	0	(21,300)	(100.0)
TOTAL STATE SPENDING.....	137,227,300	125,468,800	(11,758,500)	(8.6)
Less:				
Other State Restricted Funds.....	48,170,900	47,972,400	(198,500)	(0.4)
GENERAL FUND/GENERAL PURPOSE	89,056,400	77,496,400	(11,560,000)	(13.0)
PAYMENTS TO LOCALS	8,800,000	11,800,000	3,000,000	34.1

*As of October 7, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

- The Conference proposed retention of most sections of FY 2024-25 boilerplate, and** included those concerning discipline prohibition against department employees (Sec. **206**), requiring a restricted fund report (Sec. **212**), brining business to the geographically disadvantaged (Sec. **214**), retaining all reports (Sec. **218**), spending down of work projects prior to new funds be spent (Sec. **221**), work projects report (Sec. **222**), legislative response to ad board actions (Sec. **223**), report on impact of policy changes (Sec. **224**), in-person state workforce guidelines (Sec.**226**), contract guidelines and use of E-Verify (Sec. **228**), Legacy costs (Sec.**234**), grant disbursements/contracts transparency - revised from FY 2024-25 (Sec. **239**), guidelines for soil health/regenerative agriculture (Sec. **502**), ag nutrient best management voluntary practices program report (Sec. **503**), and a **NEW** section, requiring collaboration between LEO and MDARD on the Rural Development Fund Grant Program (Sec.**710**).

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FY 2024-25 Year-to-Date Appropriation	\$157,938,900	\$89,056,400		
	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. Accounting Service Center Increase. Conference included \$13,500 in Restricted revenue to cover increased costs for MDOT’s accounting service center, which provides services to MDARD.	13,500	0	1,190,900	1,177,400
2. Elimination of FY 2024-25 One-Time Appropriations. Conference included the elimination of One-Time appropriations from FY 2024-25, including \$5.1 million GF/GP for Agriculture Climate Resiliency, \$2.0 million GF/GP for Animal Disease Prevention and Response, \$500,000 GF/GP for Animal Welfare Grants, \$150,000 GF/GP for the Flint Farmers’ Market, \$500,000 GF/GP for Fruit and Vegetable Prescription Program, \$250,000 GF/GP for a Study on Agriculture Stewardship, and \$500,000 GF/GP for Underserved-Owned Food and Agriculture Ventures.	(9,000,000)	(9,000,000)	0	0
3. Adjustment for FY 2024-25 Appropriations Supplemental. An adjustment is made to reflect the passage of a FY 2024-25 supplemental appropriation of \$1.0 million Restricted for Food Safety and Quality Assurance.	(1,000,000)	0	18,407,500	9,214,500
4. Economic Adjustments. Conference included \$1,258,100 Gross and \$765,500 GF/GP for total economic adjustments.	1,258,100	765,500	n/a	n/a
<u>New Programs/Program Increases - None</u>				
<u>Eliminations/Reductions</u>				
5. Michigan Animal Agriculture Alliance. Conference eliminated the \$3.0 million GF/GP ongoing program for animal research, but included \$1.5 million GF/GP in one-time funding for the program.	(3,000,000)	(3,000,000)	0	0
6. Fair Food Network / Double Up Food Bucks. Conference reduced ongoing appropriations by \$1.0 million GF/GP for the food benefit program, but included an equal amount of \$1.0 million GF/GP in one-time funding to support the program.	(1,000,000)	(1,000,000)	4,000,000	4,000,000
7. Emergency Management. Conference included a reduction in funding of \$800,000 GF/GP for the program in FY 2025-26.	(800,000)	(800,000)	2,774,100	1,729,300

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
8. Emerging Contaminants. Conference reduced by \$750,000 GF/GP the ongoing program for contaminant research, but included \$250,000 GF/GP in one-time funding for the program.	(750,000)	(750,000)	1,362,200	1,362,200
9. Food Safety and Quality Assurance. Conference reduced the ongoing program by \$500,000 GF/GP, but included an equal amount, \$500,000 GF/GP in one-time appropriations.	(500,000)	(500,000)	18,407,500	9,214,500
10. Food and Agriculture Supply Chain. Conference reduced the ongoing program by \$500,000 GF/GP, but included an equal amount, \$500,000 GF/GP, in one-time appropriations.	(500,000)	(500,000)	305,100	305,100
11. Qualified Forest Program. Conference included a reduction of \$300,000 GF/GP for the ongoing program.	(300,000)	(300,000)	7,826,500	1,346,400
12. County fairs, Shows, and Expositions. Conference reduced the ongoing program by \$250,000 GF/GP, but included an equal amount, \$250,000 GF/GP, in one-time appropriations.	(250,000)	(250,000)	250,000	250,000
13. Laboratory Services. Conference included a reduction of \$200,000 GF/GP for the ongoing program.	(200,000)	(200,000)	8,467,700	4,306,300
14. Food and Agriculture Investment Grant Program. Conference included a reduction of \$25,500 GF/GP for the ongoing program.	(25,500)	(25,500)	2,449,300	2,449,300
15. USDA Monitoring. Conference removed 2.0 unfunded FTEs from the USDA Monitoring appropriations.	0	0	1,743,800	0
16. Pesticide and Plant Pest Management. Conference removed 2.0 unfunded FTEs from the appropriations for pesticide and plant pest management.	0	0	14,032,300	6,118,500
<u>One-Time Appropriations</u>				
17. Michigan Animal Agriculture Alliance. Conference included \$1.5 million GF/GP in one-time appropriations for the research program.	1,500,000	1,500,000	1,500,000	1,500,000
18. Fair Food Network / Double Up Food Bucks. Conference included a one-time appropriation of \$1.0 million GF/GP for the food support program.	1,000,000	1,000,000	1,000,000	1,000,000
19. Food Safety and quality Assurance. Conference included \$500,000 GF/GP in one-time appropriations for the food quality assurance program.	500,000	500,000	500,000	500,000

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
20. Food and Agriculture Supply Chain. Conference included \$500,000 GF/GP in one-time appropriations to support the improvement of food supply chains..	500,000	500,000	500,000	500,000
21. Emerging Contaminants.. Conference included \$250,000 GF/GP in one-time appropriations to support emerging contaminant research.	250,000	250,000	250,000	250,000
22. County Fairs, Shows, and Expositions. Conference included \$250,000 GF/GP in one-time appropriations to support agricultural fairs and other presentations of agriculture activities.	250,000	250,000	250,000	250,000
Total Changes	(\$12,053,900)	(\$11,560,000)		
FY 2025-26 INITIAL APPROPRIATIONS	\$145,885,000	\$77,496,400		

Date Completed: 10-7-25

Fiscal Analyst: Bruce R Baker

FY 2025-26 Gross and GF/GP Changes to FY 2024-25

Item #	Budget Area/Line Items	Gov Changes to FY 2024-25			House Changes to FY 2024-25			Senate Changes to FY 2024-25			Conference Changes to FY 2024-25		
		FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP	FTE	GROSS	GF/GP
AGRICULTURE AND RURAL DEVELOPMENT													
Ongoing Changes													
1	Protecting Michigan food supply	27.0	5,500,000	3,500,000				19.0	4,000,000	2,000,000			
2	Plant, soil and pest diagnostics	4.0	900,000	900,000				4.0	900,000	900,000			
3	Rural development grants	2.0	2,000,000	0		0		2.0	2,000,000	0			
4	Accounting services		13,500	0		(58,900)	(58,900)		13,500	0		13,500	
5	Environmental stewardship/MAEAP							(27.0)	(10,924,600)	(471,600)			
6	Local conservation district grants					0	0		(3,000,000)	(3,000,000)			
7	MAEAP/Cons district support							6.0	9,600,000	4,400,000			
8	Environmental stewardship							21.0	5,424,600	171,600			
9	Commissions and boards					(23,800)	(15,000)						
10	Emergency management				(2.0)	(1,250,000)	(1,250,000)					(800,000)	
11	Emerging contaminants				(3.0)	(1,582,400)	(1,582,400)					(750,000)	
12	Executive direction				(3.0)	(1,000,000)	(1,000,000)					(750,000)	
13	Property management					(39,300)	(32,900)						
14	Information technology					(591,600)	(529,900)						
15	Food safety and quality assurance				(3.0)	(1,891,700)	(1,435,500)					(500,000)	
16	Milk Safety and quality assurance					(1,397,600)	(1,317,400)					(500,000)	
17	Animal disease prevention and response				(11.0)	(3,786,700)	(3,655,700)						
18	Animal feed safety					0	0						
19	Michigan animal agriculture alliance					(3,000,000)	(3,000,000)					(3,000,000)	
20	Ag climate resiliency/soil health/regen ag - eliminate				(5.0)	(2,024,900)	(2,024,900)						
21	Environmental stewardship/MAEAP				(1.0)	0	0						
22	Right to farm					0	0						
23	Pesticide and plant pest management				(10.0)	(7,253,400)	(3,021,200)					(2.0)	
24	Agricultural support - eliminate				(5.0)	(1,000,000)	(1,000,000)						
25	Agriculture development				(4.0)	(1,662,200)	(708,200)						
26	Fair food network - double up food bucks					(3,750,000)	(3,750,000)					(1,000,000)	
27	Farm to family program - eliminate				(6.0)	(3,000,000)	(3,000,000)					(1,000,000)	
28	Farmland and open space preservation					0	0						
29	Food and agriculture investment grant program					(474,800)	(474,800)					(25,500)	
30	Food and agriculture supply chain - eliminate				(1.0)	(804,900)	(804,900)					(500,000)	
31	Fruit and vegetable inspections					0	0						
32	Intercounty drain					(383,800)	(383,800)						
33	Migrant labor housing					0	0						
34	Michigan craft beverage council - eliminate				(1.0)	(1,341,500)	0						
	Laboratory services											(200,000)	
35	Producer security/grain dealers					0	0					(200,000)	
36	Qualified forest program					(7,026,900)	(1,626,900)					(300,000)	
36	USDA monitoring											(2.0)	
36	County fairs, shows and expositions											(250,000)	
36	Fairs and racing												
36	Purses and supplements - fairs/licensed tracks											0	
36	Standardbred breeder's awards											0	
36	Standardbred purses and and supplements - licensed tracks											0	
36	Standardbred sire stakes											0	
37	Laboratory and consumer protection				(9.5)	(3,717,200)	(3,277,200)						
38	Horse racing programs					2,017,900	0						
39	Unclassified salaries		31,000	20,800		0	0		31,000	20,800		31,000	
40	Economic adjustments		1,227,100	744,700		0	0		1,227,100	744,700		1,227,100	
	Subtotal - Ongoing	33.0	9,671,600	5,165,500	(64.5)	(45,043,700)	(33,949,600)	25.0	9,271,600	4,765,500	(4.0)	(6,053,900)	
One-Time Changes													
1	Plant, soil and pest diagnostics		700,000	700,000					700,000	700,000			
2	Tariff impacts monitoring and evaluation								250,000	250,000			
3	Small farm tariff relief grants placeholder								100	100			
4	Ice storm relief for maple syrup and other agriculture industries								100	100			
5	Farm to family - new family support grants								800,000	800,000			
6	Horticulture education programs								99,900	99,900			
7	Agricultural flooding and water control infrastructure								400,000	400,000			
9	Emerging contaminants											250,000	
9	Michigan animal agriculture alliance											1,500,000	
10	Food safety and quality assurance											500,000	
11	County fairs, shows, and expositions											250,000	
12	Fair food network - double up food bucks											1,000,000	
13	Food and agriculture supply chain											500,000	
8	Remove FY25 one-time and supplemental appropriations		(9,000,000)	(9,000,000)		(9,000,000)	(9,000,000)		(9,000,000)	(9,000,000)		(9,000,000)	
	Subtotal - One-Time	0.0	(8,300,000)	(8,300,000)	0.0	(9,000,000)	(9,000,000)	0.0	(6,749,900)	(6,749,900)	0.0	(5,000,000)	
	TOTAL AGRICULTURE AND RURAL DEVELOPMENT	33.0	1,371,600	(3,134,500)	(64.5)	(54,043,700)	(42,949,600)	25.0	2,521,700	(1,984,400)	(4.0)	(11,053,900)	