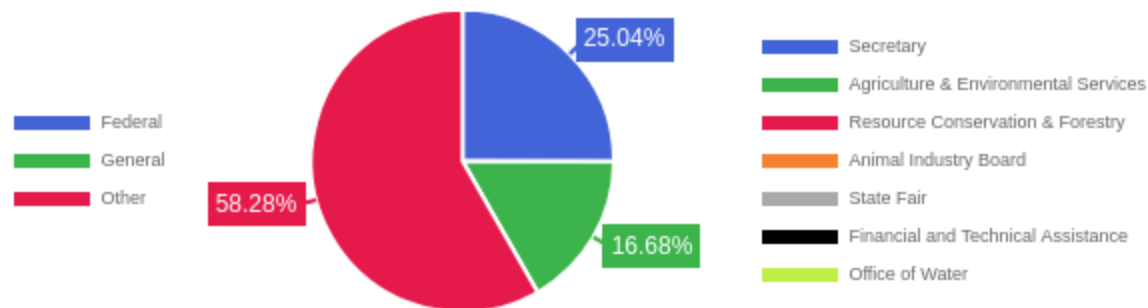


# Department of Agriculture and Natural Resources

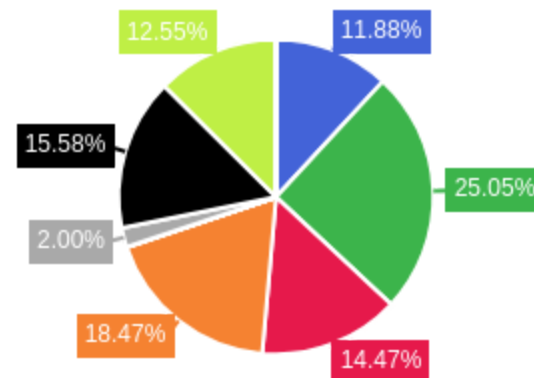
## Fiscal Year 2026 Budget Brief Summary

Information contained in this document is based on the Governor's FY2026 Budget and may not correspond with the final budget adopted by the Legislature.

### Source of Funds



### Distribution of General Funds



### Key Personnel

- |   |  |
|---|--|
| •Hunter Roberts, Secretary                      | •Kent Woodmansey, Agriculture and Environmental Services |
| •Brian Walsh, Public Affairs/Deputy Secretary   | •Mark Meyer, Office of Water                             |
| •Darcy Keiser, Finance Officer                  | •Peggy Besch, State Fair Manager                         |
| •Bill Smith, Resource Conservation and Forestry | •Andy Bruels, Financial and Technical Assistance         |

### Mission of the Department of Agriculture and Natural Resources

To protect and preserve South Dakota's agriculture, environment, and natural resources through effective regulatory services, natural resource conservation, and financial and technical assistance.

## Department of Agriculture and Natural Resources Budget Units

- Secretary (030)
- Agriculture & Environmental Services (031)
- Resource Conservation & Forestry (032)
- Animal Industry Board (033)
- American Dairy Association - Info (0341)
- Wheat Commission - Info (0342)
- Oilseeds Council - Info (0343)
- Soybean Research & Promo Council - Info (0344)
- Brand Board - Info (0345)
- Corn Utilization Council - Info (0346)
- Board of Veterinary Med Examiners - Info (0347)
- Pulse Crops Council - Info (0348)
- State Fair (035)
- Financial and Technical Assistance (036)
- Office of Water (037)
- Livestock Cleanup Fund - Info (0380)
- Regulated Response Fund - Info (0381)
- Petroleum Release Compensation (0390)
- Petroleum Release Compensation - Info (0391)

## Major Items Summary - Department of Agriculture and Natural Resources

	Agency Request					Governor's Recommendation				
	General	Federal	Other	Total	FTE	General	Federal	Other	Total	FTE
<b>FY 2026 Base Budget</b>	<b>\$16,782,685</b>	<b>\$19,133,610</b>	<b>\$55,849,390</b>	<b>\$91,765,685</b>	<b>354.5</b>	<b>\$16,782,685</b>	<b>\$19,133,610</b>	<b>\$55,849,390</b>	<b>\$91,765,685</b>	<b>354.5</b>
1. Boards/Commissions Budget Adjustments	\$0	\$0	\$3,272,517	\$3,272,517	0.0	\$0	\$0	\$3,272,517	\$3,272,517	0.0
2. Bond/Lease Payment Adjustments	\$0	\$0	\$0	\$0	0.0	\$0	\$0	(\$3,350,000)	(\$3,350,000)	0.0
3. CAFO Fee Increase	\$0	\$0	\$705,000	\$705,000	0.0	(\$350,000)	\$0	\$350,000	\$0	0.0
4. Federal Fund Authority Increase	\$0	\$0	\$0	\$0	0.0	\$0	\$5,247,024	\$0	\$5,247,024	0.0
5. Other Fund Authority Increase	\$0	\$0	\$700,000	\$700,000	0.0	\$0	\$0	\$816,358	\$816,358	0.0
6. Sioux Falls One Stop Rent	\$143,000	\$0	\$0	\$143,000	0.0	\$65,845	\$101,787	\$33,642	\$201,274	0.0
7. Vacant Positions	\$0	\$0	\$0	\$0	0.0	(\$190,000)	\$0	\$0	(\$190,000)	(2.0)
<b>FY 2026 Total Budget</b>	<b>\$16,925,685</b>	<b>\$19,133,610</b>	<b>\$60,526,907</b>	<b>\$96,586,202</b>	<b>354.5</b>	<b>\$16,308,530</b>	<b>\$24,482,421</b>	<b>\$56,971,907</b>	<b>\$97,762,858</b>	<b>352.5</b>
Change from Base Budget	\$143,000	\$0	\$4,677,517	\$4,820,517	0.0	(\$474,155)	\$5,348,811	\$1,122,517	\$5,997,173	(2.0)
% Change from Base Budget	0.9%	0.0%	8.4%	5.3%	0.0%	(2.8%)	28.0%	2.0%	6.5%	(0.6%)

1. Boards/Commissions Budget Adjustments

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$3,272,517	\$3,272,517	0.00
Governor's Recommendation	\$0	\$0	\$3,272,517	\$3,272,517	0.00

The agency requests an increase of **\$3,272,517** in **other fund** expenditure authority for board/commission budget adjustments.  
*The governor recommends this request.*

2. Bond/Lease Payment Adjustments

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	\$0	\$0	(\$3,350,000)	(\$3,350,000)	0.00

*The governor recommends a decrease of **(\$3,350,000)** in **other fund** expenditure authority for paying off the remainder of the Animal Disease Research and Diagnostic Laboratory (ADRDL) bond using one-time funds. General funds are transferred to the state animal disease research and diagnostic laboratory bond redemption and operations fund in the back of the general appropriations bill which are then used to pay the bond. The bond was originally issued in 2017 with authority given in [SB 172](#) for \$44,305,000.*

3. CAFO Fee Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$705,000	\$705,000	0.00
Governor's Recommendation	(\$350,000)	\$0	\$350,000	\$0	0.00

The agency requests an increase of **\$705,000** in **other fund** expenditure authority for a concentrated animal feeding operation (CAFO) fee increase. The program's primary responsibilities are to: protect surface and ground waters of the state; implement and enforce federal Clean Water Act regulations and state General Water Pollution Control Permit for Concentrated Animal Feeding Operation rules; and implement and enforce state on-site wastewater system rules.

Created in 1997, the CAFO fee is used to pay permitting activities and the inspections of a permitted concentrated animal feeding operation, e.g. a swine facility, dairy, or beef feedlot. While the fee is assessed annually, the agency’s proposed bill (HB1021) would change the fee structure from a fixed rate to a per animal basis and establish an application fee. In total the state permits 436 facilities. What the fee does not cover, general and federal funds make up.

CAFO Fee Proposed				CAFO Fee (Current)	
animal	\$/animal			animal units	fee
	FY26	FY27	FY28		
mature dairy cow, milked or dry;	\$ 0.1720	\$ 0.3430	\$ 0.5140	2000+	\$ 250
other cattle	\$ 0.1200	\$ 0.2400	\$ 0.3600	1000-1999	\$ 175
horse	\$ 0.2400	\$ 0.4800	\$ 0.7200	0-999	\$ 100
weaned swine < 55lbs	\$ 0.0120	\$ 0.0240	\$ 0.0360	CAFO Revenue	
weaned swine >= 55lbs	\$ 0.0480	\$ 0.0960	\$ 0.1440	2022	\$ 97,675
sheep or weaned lamb	\$ 0.0120	\$ 0.0240	\$ 0.0360	2023	\$ 97,316
turkey	\$ 0.0022	\$ 0.0044	\$ 0.0066	2024	\$ 98,537
chicken	\$ 0.0011	\$ 0.0022	\$ 0.0033	Total	\$ 293,528
duck or goose	\$ 0.0040	\$ 0.0080	\$ 0.0120		

The governor recommends a decrease of **(\$350,000)** in **general funds** and an increase of **\$350,000** in **other fund** expenditure authority. The agency plans to have a three year step up for fees. The first year is budgeted at \$350,000; the second at \$522,000; and then fully operational at \$705,000.

4. Federal Fund Authority Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	\$0	\$5,247,024	\$0	\$5,247,024	0.00

The governor recommends an increase of **\$5,247,024** in **federal fund expenditure authority** for aligning the grant budget with anticipated expenses. Most authority requested is due to Bipartisan Infrastructure Law (BIL) grants. DANR has 70-90 open grants at any given time. The agency did not provide a list of federal grants when requested by staff.

5. Other Fund Authority Increase

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$700,000	\$700,000	0.00
Governor's Recommendation	\$0	\$0	\$816,358	\$816,358	0.00

The agency requests an increase of **\$700,000** in **other fund** expenditure authority for a variety of different general administrative costs such as central services, increased bureau billings, and public noticing.

The governor recommends an increase of **\$816,358** in **other fund** expenditure authority.

6. Sioux Falls One Stop Rent

	General	Federal	Other	Total	FTE
Agency Request	\$143,000	\$0	\$0	\$143,000	0.00
Governor's Recommendation	\$65,845	\$101,787	\$33,642	\$201,274	0.00

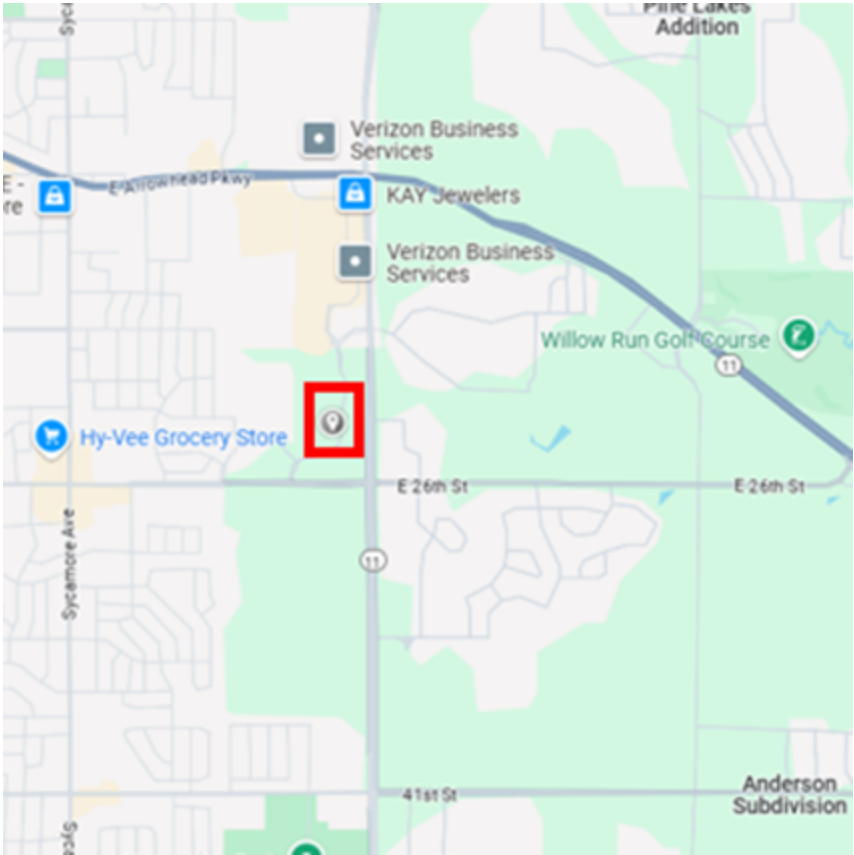
The agency requests an increase of **\$143,000** in **general funds** for rent.

*The governor recommends an increase of **\$65,845** in **general funds**, an increase of **\$101,787** in **federal funds** and an increase of **\$33,642** in **other fund** expenditure authority.*

The Sioux Falls One Stop is a building set to house multiple agencies designed to centralize public service in the Sioux Falls area. The campus is set to be located along Highline Avenue just north of 26th Street. It is south of Dawley Farms Village in the eastern part of the city. Below is a map of the location of the One Stop within Sioux Falls. The One Stop is being developed by Dream Design International, which has teamed up with CO-OP Architecture and McGough Construction for completing the project. Dream Design was selected via [a bidding process started on September 12, 2022](#). The company has taken on the full cost of constructing the building.

The landlord for the building will be SF One Stop LLC, a company managed by the owner of Dream Design International, Hani Shafai. The One Stop is expected to be completed and ready for move-in around June 2025. Agencies may move into the One Stop before the lease begins but must pay rent for the time that they occupy the building. The One Stop will consist of three connected structures at the same location, housing thirteen separate agencies.

The lease is set to be for a period of 30 years, from September 1, 2025, to August 31, 2055. Each agency will be charged is \$22.95 per sq. ft. for the lease plus \$3.97 per sq. ft. for the operating costs of the building for a total of \$26.92 per sq. ft. Along with their own square footage, agencies are responsible for the rent on a portion of the common area shared across the entire One Stop. The state has agreed to pay, in total, \$543,387 per month for rent and \$93,998 per month for operating costs. The state is also responsible for covering the cost of electricity, gas, water, sewer, telephone, cable, janitorial services, garbage pickup, and internet. The landlord has agreed to cover landscaping, lawn mowing, and snow removal. In the event the Legislature does not provide expenditure authority for renting space in the One-Stop, the lease becomes null and void.



The table below shows the cost per agency for renting space in the Sioux Falls One Stop as opposed to renting space in the previous locations being used by these agencies.

SIOUX FALLS		Prior to One Stop			One Stop			Difference		
Agency	Address	SqFt	Price per SqFt	Annual Cost	SqFt	Price per SqFt	Annual Cost	SqFt	Price per SqFt	Annual Cost
DANR	4305 S Louise Ave Suite 107	700	\$ 12.52	\$ 8,764	7,477	\$ 26.92	\$ 201,275	5,142	\$ 13.42	\$ 169,763
DANR	4305 S Louise Ave Suite 104 &	1,635	\$ 13.91	\$ 22,748						

## 7. Vacant Positions

	General	Federal	Other	Total	FTE
Agency Request	\$0	\$0	\$0	\$0	0.00
Governor's Recommendation	(\$190,000)	\$0	\$0	(\$190,000)	(2.00)

The governor recommends a decrease of **(\$190,000)** in **general funds** and a decrease of **(2.0)** FTE for vacant positions. The positions were the Director of Policy and Outreach and a program assistant.

## Department of Agriculture and Natural Resources Budget Request

By Fund Category	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
General	\$14,413,357	\$16,164,403	\$16,332,774	\$16,782,685	\$16,925,685	\$16,308,530	(\$474,155)
Federal	\$12,446,128	\$14,682,661	\$24,779,099	\$19,133,610	\$19,133,610	\$24,482,421	\$5,348,811
Other	\$44,188,616	\$45,930,537	\$55,448,610	\$55,849,390	\$60,526,907	\$56,971,907	\$1,122,517
<b>Total</b>	<b>\$71,048,101</b>	<b>\$76,777,602</b>	<b>\$96,560,483</b>	<b>\$91,765,685</b>	<b>\$96,586,202</b>	<b>\$97,762,858</b>	<b>\$5,997,173</b>

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Secretary	\$2,337,439	\$3,554,994	\$4,060,728	\$4,079,759	\$4,179,759	\$4,463,874	\$384,115
Agriculture & Environmental Services	\$12,501,586	\$13,123,396	\$15,981,322	\$15,962,301	\$17,094,682	\$17,097,270	\$1,134,969
Resource Conservation & Forestry	\$5,286,399	\$5,851,614	\$12,383,397	\$7,659,860	\$7,775,479	\$9,033,863	\$1,374,003
Animal Industry Board	\$7,267,195	\$7,849,948	\$8,776,931	\$9,072,029	\$9,072,029	\$5,722,029	(\$3,350,000)
American Dairy Association - Info	\$4,364,922	\$4,706,121	\$4,835,471	\$5,321,785	\$5,423,100	\$5,423,100	\$101,315
Wheat Commission - Info	\$1,559,150	\$1,828,477	\$1,879,130	\$1,604,381	\$2,035,082	\$2,035,082	\$430,701
Oilseeds Council - Info	\$477,578	\$396,016	\$540,613	\$431,184	\$351,184	\$351,184	(\$80,000)
Soybean Research & Promo Council - Info	\$15,122,035	\$14,042,268	\$14,839,616	\$16,383,180	\$17,883,821	\$17,883,821	\$1,500,641
Brand Board - Info	\$2,135,584	\$2,644,804	\$2,881,784	\$2,907,026	\$3,095,613	\$3,095,613	\$188,587
Corn Utilization Council - Info	\$4,840,685	\$7,162,524	\$7,166,159	\$4,934,806	\$6,069,937	\$6,069,937	\$1,135,131

By Program	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
Board of Veterinary Med Examiners - Info	\$51,135	\$65,203	\$60,092	\$61,856	\$61,856	\$61,856	\$0
Pulse Crops Council - Info	\$44,393	\$63,281	\$68,470	\$73,226	\$69,368	\$69,368	(\$3,858)
State Fair	\$3,848,231	\$4,260,730	\$4,957,062	\$5,076,607	\$5,076,607	\$5,226,607	\$150,000
Financial and Technical Assistance	\$4,201,902	\$4,004,911	\$6,137,397	\$6,376,942	\$6,376,942	\$6,376,942	\$0
Office of Water	\$5,901,900	\$6,000,769	\$6,915,711	\$6,736,870	\$6,936,870	\$9,768,439	\$3,031,569
Livestock Cleanup Fund - Info	\$0	\$0	\$765,000	\$765,000	\$765,000	\$765,000	\$0
Regulated Response Fund - Info	\$220,077	\$163,527	\$1,750,001	\$1,750,001	\$1,750,001	\$1,750,001	\$0
Petroleum Release Compensation	\$268,670	\$324,009	\$461,599	\$468,872	\$468,872	\$468,872	\$0
Petroleum Release Compensation - Info	\$619,219	\$735,010	\$2,100,000	\$2,100,000	\$2,100,000	\$2,100,000	\$0
<b>Total</b>	<b>\$71,048,101</b>	<b>\$76,777,602</b>	<b>\$96,560,483</b>	<b>\$91,765,685</b>	<b>\$96,586,202</b>	<b>\$97,762,858</b>	<b>\$5,997,173</b>
By Object Expenditure Personnel Costs	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	<b>\$25,476,480</b>	<b>\$28,674,530</b>	<b>\$33,626,241</b>	<b>\$35,342,686</b>	<b>\$35,881,687</b>	<b>\$35,276,687</b>	<b>(\$65,999)</b>
Salaries	\$19,914,138	\$22,413,712	\$26,279,582	\$27,791,495	\$28,250,524	\$27,719,274	(\$72,221)
Benefits	\$5,562,342	\$6,260,817	\$7,346,659	\$7,551,191	\$7,631,163	\$7,557,413	\$6,222
Operating Expenditures	FY 2023 Actual	FY 2024 Actual	FY 2024 Budget Revised	FY 2025 Budget	FY 2026 Agency Request	FY 2026 Governors Recommended	Change From FY2025
	<b>\$45,571,621</b>	<b>\$48,103,072</b>	<b>\$56,892,242</b>	<b>\$56,422,999</b>	<b>\$60,704,515</b>	<b>\$62,486,171</b>	<b>\$6,063,172</b>
Travel	\$1,535,753	\$1,649,331	\$2,230,543	\$2,275,952	\$2,337,590	\$2,337,590	\$61,638
Contractual Services	\$37,695,703	\$40,771,528	\$44,805,532	\$43,333,294	\$47,557,272	\$44,091,904	\$758,610
Supplies	\$933,542	\$952,271	\$1,552,426	\$1,078,846	\$1,112,246	\$1,112,246	\$33,400
Grants	\$2,540,737	\$2,964,827	\$6,912,995	\$8,084,769	\$8,057,269	\$13,304,293	\$5,219,524
Capital Outlay	\$2,492,732	\$931,219	\$752,188	\$752,188	\$752,188	\$752,188	\$0
Other Expenses and Budgeted Operating Transfers Out	\$373,154	\$833,896	\$638,558	\$897,950	\$887,950	\$887,950	(\$10,000)
<b>Total</b>	<b>\$71,048,101</b>	<b>\$76,777,602</b>	<b>\$90,518,483</b>	<b>\$91,765,685</b>	<b>\$96,586,202</b>	<b>\$97,762,858</b>	<b>\$5,997,173</b>
<b>Full-Time Equivalent (FTE)</b>	<b>307.97</b>	<b>317.78</b>	<b>355.5</b>	<b>354.5</b>	<b>354.5</b>	<b>352.5</b>	<b>(2.0)</b>



## Funding Sources (Governor's Recommended)

	General	Federal	Other	General%	Federal%	Other%
STATE GENERAL FUND	\$16,308,530	\$0	\$0	100.0%	0.0%	0.0%
ENVIRONMENT & NAT. RESOURCES FEDERAL	\$0	\$22,158,016	\$0	0.0%	90.5%	0.0%
ANIMAL INDUSTRY BOARD FEDERAL FUNDS	\$0	\$2,324,405	\$0	0.0%	9.5%	0.0%
WHEAT COMMISSION	\$0	\$0	\$2,035,082	0.0%	0.0%	3.6%
PETROLEUM RELEASE COMPENSATION	\$0	\$0	\$2,568,872	0.0%	0.0%	4.5%
AGRICULTURAL SERVICES	\$0	\$0	\$9,957,972	0.0%	0.0%	17.5%
AMERICAN DAIRY ASSOCIATION OF SD FUND	\$0	\$0	\$5,423,100	0.0%	0.0%	9.5%
OILSEEDS/SOYBEAN FUND	\$0	\$0	\$18,304,373	0.0%	0.0%	32.1%
CORN UTILIZATION COUNCIL	\$0	\$0	\$6,069,937	0.0%	0.0%	10.7%
AGRICULTURE REVOLVING FUND	\$0	\$0	\$204,147	0.0%	0.0%	0.4%
BRAND BOARD FUNDS	\$0	\$0	\$455,264	0.0%	0.0%	0.8%
PESTICIDE RECYCLING & DISPOSAL	\$0	\$0	\$1,120,138	0.0%	0.0%	2.0%
DENR-OTHER FUNDS, NON-PARTICIPATING	\$0	\$0	\$144,450	0.0%	0.0%	0.3%
DENR-OTHER FUNDS, PARTICIPATING	\$0	\$0	\$2,515,001	0.0%	0.0%	4.4%
SPECIAL LIVESTOCK DISEASE INDEMNITY FUND	\$0	\$0	\$337,373	0.0%	0.0%	0.6%
PROFESSIONAL & LICENSING BOARDS	\$0	\$0	\$61,856	0.0%	0.0%	0.1%
RODENT CONTROL	\$0	\$0	\$184,881	0.0%	0.0%	0.3%
STATE FAIR FUND	\$0	\$0	\$4,900,847	0.0%	0.0%	8.6%
ANIMAL INDUSTRY BOARD NON-CAFR FUNDS	\$0	\$0	\$48,265	0.0%	0.0%	0.1%
BRAND FUND	\$0	\$0	\$2,640,349	0.0%	0.0%	4.6%