

Department of Agriculture, Weights and Measures: Fee Analysis and Description

The Department of Agriculture, Weights and Measures (AWM) is committed to providing regionwide services that support public health and safety, a resilient food supply, continuing agricultural trade, enhanced consumer confidence, and a sustainable environment.

Today's cost recovery proposal considered impacts of potential reductions in revenues that AWM receives from the State and Federal funding sources and have adjusted fees accordingly to ensure that there will be continuity in service delivery for programs that may be affected by the revenue reductions. Approximately 87% of AWM's costs are fixed, such as salary and benefits, retirement, enterprise-wide services, and facilities, while 13% of the department's costs are determined by the department based on operational needs, such as services and supplies. This proposal reflects known costs and ensures full cost recovery for continued delivery of services to our customers and communities. By reviewing and updating fees annually, AWM can recover costs in a consistent and predictable manner, while also providing stakeholders with an opportunity to plan for smaller, more incremental fee increases as stakeholders have requested.

Recognizing customers have incurred rising costs, AWM continues to focus on cost containment through innovation, efficiencies, and streamlining so that those savings can be applied where possible. The practice of continuous improvement, implementing operational efficiencies, such as online services and automation, as well as prioritizing resources in key areas, has positioned AWM to respond to evolving programs and regulatory changes. AWM has continued to implement time and cost-saving improvements and initiatives for both the Department and customers, such as mobile field inspection apps, streamlining operational processes, and developing additional resource documents, such as checklists and tutorials to increase industry engagement in maintaining compliance.

AWM receives County and State funding to partially recuperate the cost of eligible agricultural programs. A portion of this funding, along with operational efficiencies, was applied to the programs in this proposal to mitigate cost increases. The amount of County and State funding used to mitigate cost increases was adjusted to accommodate the potential reductions to State and federal revenue sources and did affect the proposed increases in this proposal. The County General Purpose Revenue (GPR) support in the amount of \$149,591 serves as required matching funds for State supplemental funding and is consistent with the Board's commitment to and support for agriculture in the region as stated in Board Policy I-133: *Support and Encouragement of Farming in San Diego County*

In FY 2024-25, the total cost of all agricultural programs was \$22.4 million. Local growers paid a fee total of \$370,000 or 2%, and out-of-county agricultural operators paid a fee total of \$1.2 million, or 5% of the total program costs. The remaining 93% of program costs were covered by the County providing \$6.0 million, or about 27% in GPR, while State and federal contributions of \$14.8 million covered about 66%. Of the \$14.8 million in federal and State funding, \$7.5 million comes from the State through disbursements of State supplemental funding. State law mandates counties to provide fiscal support to receive this State supplemental funding. This State funding fluctuates annually and is a separate dedicated revenue source to supplement, not supplant, the available County funding for eligible agricultural programs. For this cost recovery proposal, AWM applied

a total amount of \$254,079 of State supplemental funding to mitigate the cost increases for the eligible agricultural programs.

Agricultural Programs	Amount	Percentage of Total Cost	Industry	Fee Amount of Total Cost	Percentage of Total Cost
Industry	\$1.6 million	7%	Local	\$370,000	2%
			Out-of-County	\$1.2 million	5%
County	\$6.0 million	27%			
State	\$14.8 million	66%			
Total Cost	\$22.4 million	100%			

If approved, the cost recovery proposal will be effective in FY 2026-27 beginning on July 1, 2026. The proposed fees would remain in place until further adjusted by ordinance and approved by the Board. After completing the annual review process, the average proposed adjustment is \$5 or 3.3%. Fees associated with the Agricultural Export, Certified Farmers' Market, Industrial Hemp Cultivation, Hazardous Materials Inventory, Price Accuracy, and Weights and Measures Devices Programs will have increases and result in additional costs and revenue of \$93,751.

AWM evaluated 77 fees for this cost recovery proposal and proposes to increase 26 fees and leave 51 fees unchanged.

Agricultural Export

The Agricultural Export Program inspects and certifies agricultural shipments for export, a service that is vital for the region's agricultural sector to access markets in other California counties, states, and countries. In FY 2024-25, AWM issued over 10,500 phytosanitary certificates for plants and plant products being shipped to foreign countries. AWM inspectors inspect export shipments to ensure they are free of harmful pests and plant diseases, and to conform to importing country requirements. AWM certified agricultural shipments to 38 countries, 18 states, two U.S. territories, and 26 California counties. All shipments certified by AWM were successfully accepted at destination.

AWM continues to see cost containment and operational efficiencies in this program by streamlining the inspection assignments and the use of compliance agreements to meet the regulatory requirements of other jurisdictions when applicable. AWM evaluated 10 fees for this cost recovery proposal in the Agricultural Export Program. There are proposed increases to five fees and two hourly rates shown in the table below. These proposed increases constitute an average increase of 3.1%. If approved, the increases will result in projected additional revenue of \$56,270 in FY 2026-27.

Proposed Agricultural Export Fee and Hourly Rate Adjustments			
Fee	Existing	Proposed	Increase
International Plant Shipment Certification	\$118	\$123	\$5
International Counter Service Certification	\$93	\$97	\$4
Domestic Plant Shipment Certification	\$53	\$55	\$2
Domestic Counter Service Certification	\$46	\$47	\$1
Missed Appointment	\$82	\$84	\$2
Hourly Rate	Existing	Proposed	Increase
Specialized Field Inspections	\$164/hr.	\$168/hr.	\$4/hr.
After-Hours Inspections	\$246/hr.	\$252/hr.	\$6/hr.

Certified Farmers' Market

The Certified Farmers' Market Program supports food security in communities by creating access to markets where locally grown fresh produce is available, provides opportunities for community belonging and engagement, and reduces carbon footprints. This program also supports economic opportunities for small-scale growers by enabling direct-to-consumer sales without the added costs associated with retail, while also reducing greenhouse gas emissions associated with long distance transportation. These markets also align with the County's Food Justice Community Action Plan by expanding equitable access to healthy, locally sourced foods and strengthening the regional food system.

AWM leverages continued cost containment through strategic staffing adjustments to optimize costs, and by combining various inspections and reducing documentation processes where applicable. AWM evaluated six fees for this cost recovery proposal in the Certified Farmers' Market Program. There are proposed increases to four fees and two hourly rates shown in the table below. These proposed increases constitute an average of 3.5%. If approved, the increases will result in projected additional revenue of \$1,329 in FY 2026-27.

Proposed Certified Farmers' Market Fee and Hourly Rate Adjustments			
Fee	Existing	Proposed	Increase
Certified Farmers' Market Certification	\$220	\$228	\$8
Certified Producer's Certification	\$66	\$68	\$2
Additional County Listing on a Certified Producer's Certificate	\$15	\$16	\$1
Certified Producer's Certificate Change or Addition	\$15	\$16	\$1
Hourly Rate	Existing	Proposed	Increase
Certified Producer Inspection	\$198/hr.	\$199/hr.	\$1/hr.
Certified Farmers' Market Inspection	\$198/hr.	\$199/hr.	\$1/hr.

Industrial Hemp Cultivation

The Industrial Hemp Cultivation Program supports economic opportunities for local farmers and protects the public and natural resources from illegal cultivation activities. AWM promotes regulatory compliance among industrial hemp cultivators through outreach and enforcement relating to registration, inspection, sampling, testing, and approval or removal of crop harvest at the local level. Although industrial hemp remains present in the region, the number of cultivators has been steadily declining both locally and statewide; this decrease can be attributed to the absence of a large market for hemp products and the increased state restrictions on hemp-based products.

AWM evaluated two fees for this cost recovery proposal in the Industrial Hemp Cultivation Program. There are proposed increases to the license fee and the hourly rate shown in the table below. These proposed increases constitute an average increase of 5.0%. If approved, the increase will result in projected additional revenue of \$304 in FY 2026-27.

Proposed Industrial Hemp Cultivation Fee and Hourly Rate Adjustments			
Fee	Existing	Proposed	Increase
Industrial Hemp Cultivation Licensing	\$239	\$251	\$12
Hourly Rate	Existing	Proposed	Increase
Industrial Hemp (direct services including sampling, crop removal, and site visits)	\$163/hr.	\$171/hr.	\$8/hr.

Hazardous Materials Inventory

The Hazardous Materials Inventory Program (HMI) protects our natural and agricultural resources, first responders during emergencies, and the larger community from accidental releases and improper handling and storage of hazardous materials on farms in the region. Farmers who store hazardous materials such as fertilizers and fuels, over specified thresholds, as part of their operations must register. HMI conducts inventory inspections and reviews business plans to ensure they are current and complete. In FY 2024-25, AWM conducted 83 inspections at farms where the hazardous materials are stored and reviewed 362 business plans.

AWM evaluated two fees for this cost recovery proposal in the HMI Program. AWM continues to be committed to implementing services that provide cost savings to regulated agricultural operations. Since 2021, AWM has held unwanted pesticide disposal events and pesticide container recycling that allow operations to dispose of unwanted pesticides and empty pesticide containers safely and at no cost by leveraging external funding. To date, these events saved agricultural operations about \$910,000 in pesticide disposal costs. AWM also provides cost savings through operational efficiencies and containment of costs by educating operators to reduce the number of hazardous materials stored at farms. AWM also assigns the reviews of the farms' business plans and California Environmental Reporting Systems' submittals to a more cost-efficient staff. There are proposed increases to base registration and inventory item registration fees. These proposed increases constitute an average of 2.22%. If approved, the proposed changes will result in a projected increase in revenue of \$4,069 in FY 2026-27.

Proposed Hazardous Materials Inventory Fees Adjustments			
Fee	Existing	Proposed	Increase
Base Fee Registration	\$546	\$559	\$13
Inventory	\$100/item/year	\$102/item/year	\$2/item/year
FY 2026-27 State Surcharge for Certified Unified Program Agency Oversight	\$94	\$94	\$0

Price Accuracy

The Price Accuracy Program supports consumer confidence and a fair marketplace by verifying customers are charged accurate prices at retail businesses using point-of-sale stations (cash registers with price scanners). By preventing pricing overcharges and unfair business practices, this program supports economic sustainability and equity, especially in underserved communities that experience disproportionate effects from price overcharges. This Program is full cost recovery.

AWM continues to realize cost containment through past innovations in operational efficiency in this Program including the use of a unique field inspection application that assists in scanning barcodes, coupling inspection activities where appropriate, and a specialized document storage and reporting system. The Tier Registration fees are based on the number of point-of-sale stations at the business. AWM evaluated four fees for this cost recovery proposal in the Price Accuracy Program. There are proposed increases to three fees and the one hourly rate shown in the table below. These proposed increases constitute an average of 2.8%. If approved, the increase will result in projected additional revenue of \$26,166 in FY 2026-27.

Proposed Price Accuracy Fee and Hourly Rate Adjustment			
Fee	Existing	Proposed	Increase
Tier 1 (1-3 Point-of-Sale Stations) Registration fee	\$173	\$178	\$5
Tier 2 (4-9 Point-of-Sale Stations) Registration fee	\$235	\$242	\$7
Tier 3 (10 or more Point-of-Sale Stations) Registration fee	\$293	\$302	\$9
Hourly Rate	Existing	Proposed	Increase
Re-inspection hourly rate (for regulatory non-compliance)	\$174/hr.	\$179/hr.	\$5/hr.

Weights and Measures Devices

The Weights and Measures Devices Program supports consumer confidence, economic equity, and sustainability by verifying that commercial weighing and measuring devices are accurate. AWM evaluated 44 fees for this cost recovery proposal for the Weights and Measures Devices Program. Many of the fees are capped by State law but the hourly rates for requested inspections of non-commercial devices and non-registered utility submeters are not capped and are part of our cost recovery proposal. Multi-family housing management may bill tenants' utility charges based on utility submeters that measure each tenant's utility usage. New multi-family building developments are required to install utility submeters, and AWM receives requests to inspect

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utility submeters from different places across the State and the hourly rate is charged for these requested inspections. AWM inspects tens of thousands of submeters each year. The funding collected from these fees allows AWM to support continued access to County submeter inspection and other requested services. Mandated annual inspections for utility submeters registered in the region are not charged the hourly rate.

AWM continues to see cost containment and operational efficiencies in this program by streamlining inspection through the use of mobile applications that help reduce time spent on paperwork and tracking of devices and ensure greater accuracy and timeliness when conducting inspections. The proposed increase constitutes an average increase of 4.3%. If approved, the increase will result in projected additional revenue of \$5,600 in FY 2026-27.

Hourly Rate	Existing	Proposed	Increase
Non-Commercial Device Inspection	\$188/hr.	\$196/hr.	\$8/hr.
Non-Registered Utility Submeter	\$188/hr.	\$196/hr.	\$8/hr.

The Board's approval of these recommendations will allow AWM to provide quality customer service, support industry business continuity and ensure that fees and hourly rates recover the County's costs where feasible in alignment with Board Policy B-29. A summary of all fee adjustments is included in Attachment Q.