

# **An Overview of the Arkansas Department of Correction's Agriculture Division & Explanation of Selected Audit Findings**

**Presented on October 20, 2016 by:**

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# Agriculture Division Overview

The Arkansas Department of Correction's (ADC) Agriculture Division (Division) "is designed to be a self-supporting program. The Division's primary goals are to:

- **Provide useful and meaningful work for inmates;**
- **Cost-effectively produce sufficient food for inmate consumption; and**
- **Maximize revenues from production and sales of marketable field crops and livestock."**

- ADC Agriculture Division Special Report, 2016

# Agriculture Division Overview

The Agriculture Division is a self-supporting division within the ADC that implements the following programs in support of the Department's various goals and objectives:

Row Crops	Garden Vegetables	Vegetable Processing	Cattle Operations	Equine Operations
Poultry Operations	Slaughter House	Common Fair Kitchen	Milk Processing	Feed Mill (for Livestock and Poultry Consumption)

**Total ADC Acres Owned: 25,294** (includes farm, prison facilities, and infrastructure)

**Total Agricultural Acres Owned: 20,344**

Row Crop Acres: 14,226

Pasture Acres: 5,238

Orchard Acres: 30

Garden Acres: 650

Misc. Agriculture Acres: 200

# Fiscal Year Crop Yield Averages Compared to USDA-NASS Averages

Unit (County) and Crops		USDA-NASS Proven Yield	ADC Yield CY 2015	Difference	Difference from Estimate
<b>Cummins (Lincoln)</b>					
Corn*	bu	465,452	432,818	(32,634)	-7.01%
Soybeans	bu	272,641	164,236	(108,405)	-39.76%
Rice	lbs	4,991,506	5,200,400	208,894	4.18%
Wheat	bu	100,232	62,369	(37,863)	-37.78
Oats**		N/A	1,292,280	N/A	N/A
<b>Tucker (Jefferson)</b>					
Corn**	bu	44,699	37,723	(6,976)	-15.61
Soybeans	bu	96,381	58,806	(37,575)	-38.99%
Rice	lbs	6,333,778	6,856,674	522,896	8.26%
Wheat	bu	35,115	25,603	(9,512)	-27.09%
Sorghum	bu	13,230	11,181	(2,049)	-15.49%
<b>East Arkansas (Lee)</b>					
Soybeans	bu	92,371	33,274	(59,097)	-63.98%
Wheat	bu	21,566	20,060	(1,506)	-6.98%
Sorghum	bu	42,302	31,442	(10,860)	-25.67%

USDA-NASS = U.S. Department of Agriculture National Agriculture Statistics Service

bu = bushels; lbs = pounds

\* - Corn yields include feed used for dairy cows, beef cattle, swine herd, and poultry.

\*\* - Oat yields are used for horse feed.

# Fiscal Year Crop Yield Averages Calendar Year ADC Yield Comparisons

Crops		ADC Yield CY 2014	bu/acre CY 2014	ADC Yield CY 2015	bu/acre CY 2015
Corn*	bu	380,685	181	470,541	220
Soybeans	bu	404,672	50	256,316	35
Rice	lbs	15,497,428	180	12,057,074	175
Wheat	bu	64,854	60	108,032	35
Oats**	lbs	953,900	82	1,292,280	112
Sorghum	bu	1,043,020	85	42,623	82

\* - Corn yields include feed used for dairy cows, beef cattle, swine herd, and poultry.

\*\* - Oat yields are used for horse feed.

# Description of Farm Land

Location	Total Acreage
<b>Cummins Farm</b>	<b>11,347</b>
Irrigated Cropland	7,250 65% of total area: 40% graded*, 20% pivot irrigated, and 40% furrow/flood irrigation
Non- Irrigated Cropland	1,293
Irrigated Garden	500
Pasture	2,304 15% of pasture is irrigated by pivot for hay production
<b>Tucker Farm</b>	<b>3,601</b> (does not included 21.24 leased acres)
Irrigated Cropland	2,708 75% of total area: 90% furrow/flood irrigation and 10% pivot irrigation; with 80% graded*
Non irrigated Cropland	732
Irrigated Garden	70
Pasture	91

\* - Graded land is not precision leveled.

# Description of Farm Land - Continued

Location	Total Acreage
<b>East Arkansas Regional Farm</b>	<b>2,417</b>
Irrigated Cropland	1,505 62% of total area: 75% pivot irrigated and 25% furrow/flood irrigation
Non- Irrigated Cropland	668 This includes the corners and areas not reached by the pivots
Irrigated Garden	75
Pasture	169
<b>Wrightsville Farm</b>	<b>2,420</b>
Pasture	2,420 325 acres irrigated by pivot for hay production
<b>North Central Farm</b>	<b>254</b> (does not included 160 leased acres)
Pasture	219
Orchard (Irrigated)	30
Irrigated Garden	5

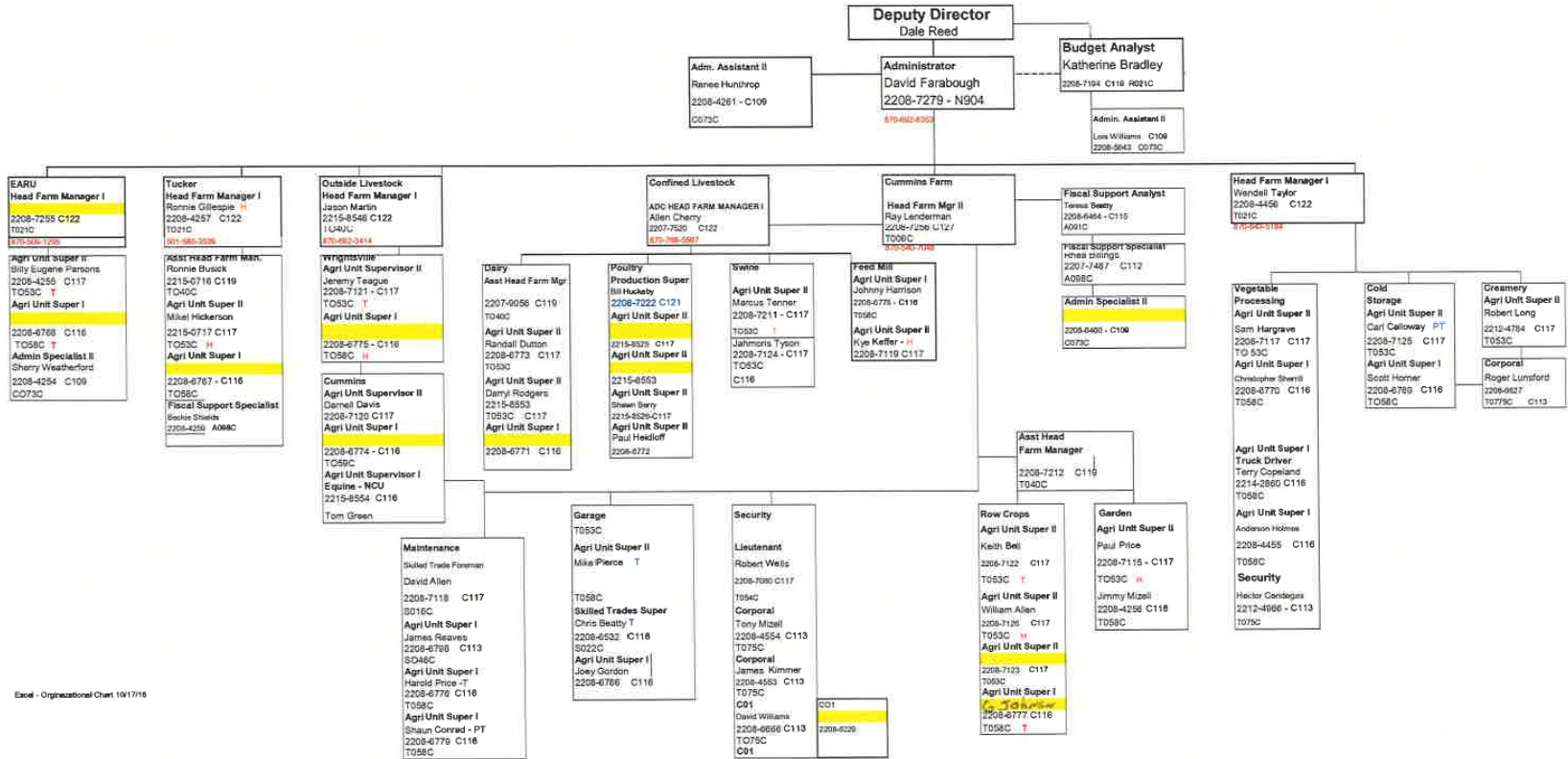
# Agriculture Division Staff

Operations Area	Filled Positions	Unfilled Positions
Management (1 Administrator, 3 Farm Managers, 2 Livestock Managers, and 1 Processing Manager)	7	1
Office Staff	5	0
Correctional Officers	7	0
Garden/Vegetables	2	0
Vegetable Processing	4	0
Row Crops	7	1
Beef	3	1
Horse Program	1	0
Swine	2	0
Dairy	1	2
Poultry	3	1
Feed Mill	2	0
Buildings Maintenance/Roads	5	0
Farm Garage	3	0
Cold Storage/Milk Processing	3	0
Total	55	6

**Note: All agriculture employees are paid from agriculture special revenues.**



# Agriculture Division Staff



# Inmate Workers Assigned to the Agriculture Division

- **3,477** Inmates are assigned, through the Department's classification system, to jobs assignments in support of the Agriculture Division. This number includes both those assigned to "specialized jobs" and to various Field Utility Crews.
- Turnout each day to job assignments in support of the Agriculture Division varies due to lay-ins and program participation.

# Inmate Workers Assigned to the Agriculture Division - Detailed

NUMBER OF INMATES ASSIGNED	Beef Herd	Bee Keeper	Cold Storage	Dairy	Farm Garage	Farm Maintenance	Farm Utility	Feed Mill	Fence Crew	Field Major Crew	Field Utility	Garden Squad	Heavy Equipment	Hoe/Field Squad	Horse Barn	Hot House	ICC Garage	IC Utility	Kosher Kitchen	Milk Processing	Poultry	Rice Squad	Swine	Tractor Squad	Utility Squad	Farm Office Porter	Farm Construction	Vegetable Process	Unit Totals		
Cummins									29		89			416				10		5										549	
Cummins Modular	6		23	13	7	12		8		5			5			7	6		1			25	5	7	8	6	5			149	
Delta Regional															1		1									180				182	
East Arkansas						9			21		143	8		248	1		4													434	
Grimes											31			148			6													185	
McPherson														192																192	
Maximum Sec.											36			62	5											7				110	
North Central						3					297	40			4		3													347	
Ouachita River									6		38				4													252		300	
Pine Bluff Unit															3													73		76	
Randall L Williams																												132		132	
Tucker						12					46			105																163	
Varner									14		44			246	4															52	360
Wrightsville	12	1							25	9	34			71	5		16	1												174	
Wrightsville Satellite																											83			83	
Wrightsville Hawkins											41																			41	
<b>CATAGORY TOTALS</b>	<b>18</b>	<b>1</b>	<b>23</b>	<b>13</b>	<b>7</b>	<b>36</b>	<b>0</b>	<b>8</b>	<b>95</b>	<b>14</b>	<b>799</b>	<b>48</b>	<b>5</b>	<b>1488</b>	<b>27</b>	<b>7</b>	<b>36</b>	<b>11</b>	<b>1</b>	<b>5</b>	<b>25</b>	<b>5</b>	<b>7</b>	<b>8</b>	<b>733</b>	<b>5</b>	<b>0</b>	<b>52</b>	<b>3477</b>		

# Summary of Fiscal Year 2016 Egg Sales

Egg sales to the Oklahoma DOC contract ranged from \$.29-\$.48/dozen above bid prices resulting in higher profits for the Agriculture Division.

Oklahoma DOC Contract		Bids	
Sale Date	Sale Price	Bid Date	Bid Price
December 7, 2015	\$1.26/dozen	December 3, 2015	\$0.97/dozen
March 9, 2016	\$0.86/dozen	February 29, 2015	\$0.51/dozen
April 21, 2016	\$0.59/dozen	May 31, 2015	\$0.11/dozen

# Summary of Current Cattle Sale Procedures

1. Permission is sought, in writing, from the Director, Chief Deputy Director, and Board Liaison.
2. Once permission is obtained, and recorded, Superior Livestock is commissioned and the Farm Administrator and Livestock Manager set the minimum bids based on current market conditions.
  - Superior Livestock videos the cattle and advertises them online and in their sale catalog.
  - Superior Livestock has over 9,000 registered bidders nationwide, 182 of which are in Arkansas. Bids are submitted over the phone, on-line, or at the sale site.
3. If the minimum bid is reached, the cattle are sold. The buyer is responsible for transportation.
4. If the minimum bid is not reached, the cattle are not sold and are instead placed on the next sale, with no charge to ADC.
5. Proceeds from the sale of cattle are used to purchase ground beef. The ground beef is in turn mixed with a soy filler resulting in more available meat (by weight) than if the department slaughtered the cattle.

# Explanation of Tractor Lease – Audit Report Exhibits X and XI

- File notes indicate that OSP staff ‘changed the engine description to one that allows more competition while getting us the power class we need.’ The bid specs were changed to a maximum of 135 hp and a minimum of 129 hp.
- The bid was posted three (3) different times (SP-13-0013, SP-13-0013R, SP-13-013R2) before a contract was issued. The first bid (SP-13-0013) was ‘sealed for rebid’. The second bid (SP-13-0013R) was issued a ‘no award’ and bidders were notified by phone that it would be rebid on bid #SP-13-0013R2).
- No potential bidder protested or voiced concern on the bid specs before the bids were due.
- Both vendors that were disqualified filed protests after the bid award. OSP denied both protests.

# Summary of Current Tractor/Combine Leases

- Lease Term: May 1, 2016 – June 30, 2017

Tractor Horsepower	Quantity	Unit Price
470 engine hp +/- 5	1	\$32,604.48
340 engine hp +/- 5	3	\$22,279.32
315 engine hp +/- 5	2	\$20,393.40
315 engine hp +/- 5	2	\$30,564.00
225 engine hp +/- 5	2	\$13,956.72
130 engine hp +/- 5	6	\$11,913.96
75 engine hp +/- 5	6	\$7,288.68

## Eligible Manufacturers Under Current Lease

- Case-IH
- John Deere
- New Holland
- Caterpillar/Challenger

Combine Horsepower	Quantity	Unit Price
550 engine hp +/- 50	1	\$109,414.80

# Benefits of the Agriculture Division

- **Reduces the Risk of Institutional Violence** – Agriculture Division programs effectively reduce idleness inside prisons, which could lead to institutional violence.
- **Restricts the Flow of Contraband** – The farm land around facilities creates a buffer zone from the community.
- **Enhances the Security of Work Crews** – The Agriculture Division provides horses which are used by correctional officers supervising Regional Maintenance and Field Utility Crews throughout the state.
  - The Equine Program has an annual operating cost of nearly \$300,000 (inclusive of personnel, operation, and feed costs).
  - Regional Maintenance hours during the last quarter of Fiscal Year 2016 averaged out to 61,645 hours a month.
- **Provide Useful and Meaningful Work for Inmates** - Agriculture Division programs instill a work ethic among participating inmates, which is essential to successful reentry.



# Benefits of the Agriculture Division Continued

- **Reduces Cost of Incarceration** – Inmate consumption of farm produced goods reduces the cost of feeding inmates.
- **Provides Benefits Without Direct State Funding** – Agriculture Division programs are self-supporting and operate from the special revenues they generate.
- **Supports Local Businesses** – The Agriculture Division purchases supplies, equipment and services to support its operations. Much of this economic activity supports businesses in the local areas.
- **Provides Benefits Without Competing With Private Business** – According to Arkansas Farm Bureau, the ADC Agriculture Division programs are designed to support departmental activities and not to advance any commercial interest of the state. In addition, the ADC Agriculture Division programs are not eligible for USDA Farm Service Agency payments.

# Benefits of the Agriculture Division - Inmate Consumption

	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	Total
Market Value of Goods Provided by Farm Prog.	\$8,090,177.56	\$8,795,399.86	\$7,220,067.31	\$6,883,215.46	\$7,310,207.69	\$6,079,034.93	<b>\$44,378,102.81</b>
Total Payments to the Farm Prog.*	\$7,100,000.00	\$6,850,000.00	\$4,850,000.00	\$5,600,000.00	\$5,600,000.00	\$5,600,000.00	<b>\$35,600,000.00</b>
Savings to Tax Payers	\$990,177.56	\$1,945,399.86	\$2,370,067.31	\$1,283,215.46	\$1,710,207.69	\$479,034.93	<b>\$8,778,102.81</b>
* - Total payments reflect the Revenue Stabilization Act Loan and ADC Payments during the noted fiscal year.							

# Efficiency Evaluation and Strategic Planning

The Agriculture Division is in the midst of an internal efficiency evaluation and strategic planning effort. In addition to divisional efficiency evaluations, potential programs and processes will be reviewed/evaluated.

