

# AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND

GRANT REPORT 2022



Agriculture Commissioner  
Doug Goehring

**BND**   
Bank of North Dakota



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## ABOUT ADD

The Agriculture Diversification and Development Fund (ADD) was established through HB No. 1475 during the 67th Legislative Assembly to support new or expanding value-added-agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs and grow North Dakota's economy. The funding opportunities include grants, interest rate buydowns and loans.

The North Dakota Department of Agriculture (NDDA) houses the ADD grant committee. The committee is tasked with the review and recommendation of the grant funding portion of the ADD program. Applications for the program can be found at the Bank of North Dakota at <https://bnd.nd.gov/ag/agriculture-diversification-and-development-fund/>.

Applicants must complete the ADD application form and submit a complete business plan, current balance sheet and income statement along with full sources and use of funds.

## ELIGIBILITY

A value-added agriculture business registered with the North Dakota Secretary of State's office or a North Dakota resident that diversifies a crop or animal industry and provides collateral uses for agriculture resources. Businesses with a majority ownership comprised of North Dakota residents will have priority over majority non-North Dakota-owned applications. Companies outside North Dakota must have an established relationship with a North Dakota partner which includes an individual, company or agency to validate the credibility of the proposal and comply with the intent of the Code. The types of projects may include but are not limited to:

- Food production and processing facilities
- Feed or pet food processing facilities
- Commodity processing facilities
- Agriculture product manufacturer
- Animal production facilities

Priority consideration is given to projects most consistent with the mission of the Agriculture Diversification and Development Committee as established in North Dakota Century Code 4.1-01.1. Emphasis will be given to those proposals deemed most likely to generate economic returns and support agricultural-based prosperity of a region or sector of the state.

## USE OF PROCEEDS

Proceeds may be used to:

- Purchase or lease equipment.
- To establish a value-added agriculture business.
- To expand an existing value-added agriculture business.

Proceeds may not be used to:

- Fund salaries or operating expenses normally associated with standard business practices.
- Refinance an existing loan or debt.

# ADMINISTRATION

## ADD COMMISSIONERS

The ADD committee consists of 11 board members. The Agriculture Commissioner appoints five members and the Governor appoints one member.

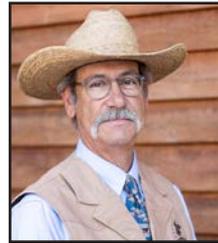
The board also includes three statutory members: the North Dakota Agriculture Commissioner, the Director of the Department of Economic Development & Finance, and the President of North Dakota State University, or their designees. The remaining two members must be representatives from Independent Community Banks of North Dakota and North Dakota Bankers Association.



RACHEL RETTERATH, CHAIR  
Commissioner's Appointee



MATTHEW GLESSNER, VICE CHAIR  
Commissioner's Appointee



DAN KALIL  
Commissioner's Appointee



KEITH PELTIER  
Commissioner's Appointee



BILL ONGSTAD  
Commissioner's Appointee



WADE BOESHANS  
Governor's Appointee



DENNIS WALSH  
Independent Community  
Banks of North Dakota



DIANNE PIERCE  
North Dakota  
Bankers Association



KEVIN SONSALLA  
Commerce Designee



DOUG GOEHRING  
Agriculture Commissioner



DAVID COOK  
NDSU President

## ADD STAFF



JOHN F. SCHNEIDER  
Business, Marketing  
& Information Division  
Director



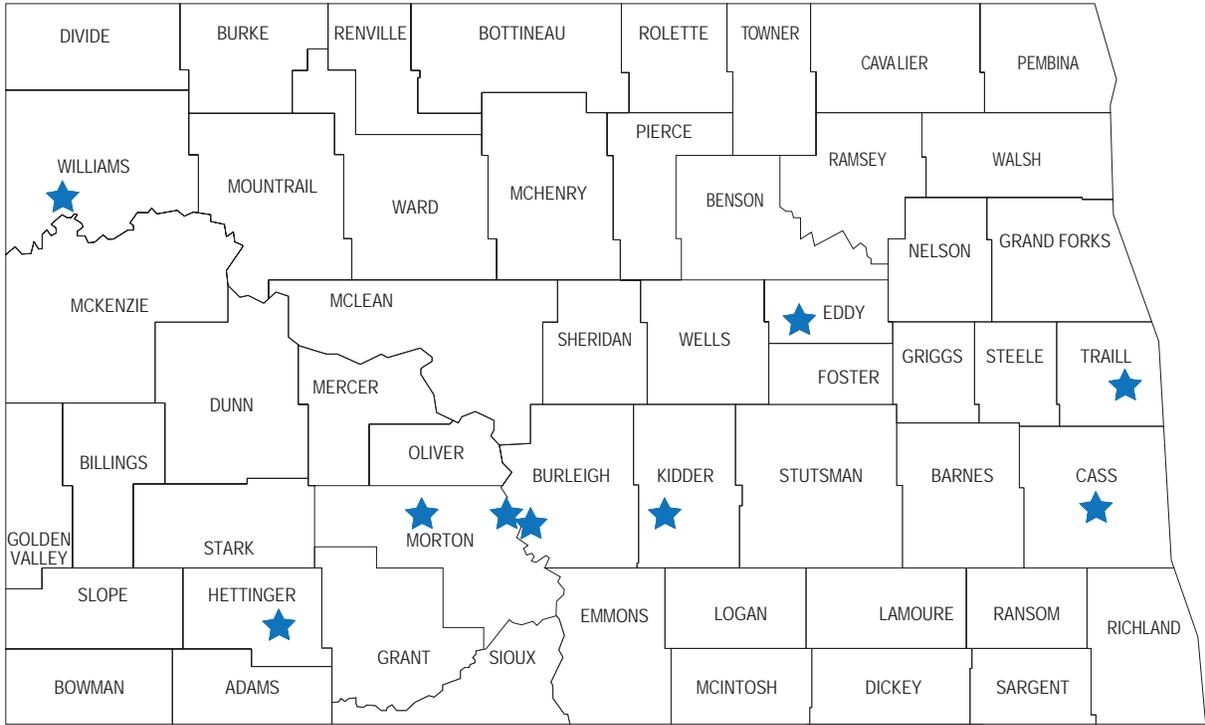
BRADLEY DEAN  
Administration



BETTY SCHNEIDER  
Administration

# PROJECT MAP

In 2022, ADD funded 10 projects in 9 North Dakota communities, totaling over \$2.1 million in grants.



- Bismarck - Two Track Malting, LLC
- Casselton - GP Turnkey Tharaldson, LLC
- Casselton - Tharaldson Ethanol Plant I, LLC
- Hillsboro - Agassiz Sustainable LLC
- Mandan - Cloverdale Foods Company
- Mott - South 40 Beef LLC
- New Rockford - North American Bison, LLC
- New Salem - 6 in 1 Meats, LLC
- Steele - Nodak Meats, LLC
- Williston - Yellowstone River Beef Inc.



*A worker trims beef at South 40 Beef in Mott, ND*

## **YELLOWSTONE RIVER BEEF INC.**

Trevor Abell, Williston

Grant Amount: \$250,000

Grant funding will be utilized to assist in the continued expansion of Yellowstone River Beef which includes a new shipping dock and expanded office space. Along with this, Yellowstone River Beef is adding new carcass cooling as well as expanding the kill floor to allow for more processing of local North Dakota beef. Yellowstone River Beef is an existing USDA beef processing facility.

## **GP TURNKEY THARALDSON, LLC**

Ryan Carter, Casselton

Grant Amount: \$250,000

Grant funding will be utilized to obtain equipment needed to produce higher-value proteins and corn oil at the Tharaldson ethanol facility. Maximized Stillage Co-Product (MSC) High Protein will improve the company's flexibility and profitability by producing higher-value proteins (50% or greater) and corn oil in a sustainable manner. This project is expected to be 105,000

tons at capacity. Currently this high protein is not available in North Dakota. This project will produce a high purity protein product that trades in the alternative high-value protein market. The protein has shown great success in the pet food, aqua, dairy, poultry, and swine markets.

## **AGASSIZ SUSTAINABLE LLC**

Hua Sun, Hillsboro

Grant Amount: \$250,000

Grant funding will be utilized for the pilot project of an Agassiz Sustainable wheat straw pulping facility near Hillsboro, ND. The project will convert residual wheat straw into pulp for producing food containers which uses 70% less water and 60% less chemical than competing processes, and produces a usable carbon in either liquid, syrup, or pelletized form that can be returned to the farmland to preserve soil carbon content. At full production, this facility will use 20,000 metric tons of wheat straw, providing \$1.2 million in additional annual revenue to farmers.

### **NODAK MEATS, LLC**

Scott Sandquist, Steele

Grant Amount: \$149,000

Grant funding will be utilized for starting a custom exempt meat processing facility in Steele, North Dakota. The demand for cattle processing has increased and this will help service farmers directly and provide meat to the local food industry.

### **SOUTH 40 BEEF LLC**

John Roswech, Mott

Grant Amount: \$200,000

Grant funding will be utilized for expansion of the cut floor at the South 40 Beef meat processing facility in Mott, North Dakota. They average about 140 head per month, however fabrication and freezer are bumping up to capacity. South 40 Beef partners with local ranchers to process their beef. Ranchers can sell their federally inspected beef direct to the consumer.

### **THARALDSON ETHANOL PLANT I, LLC**

Ryan Carter, Casselton

Grant Amount: \$250,000

Grant funding will be utilized for installing Selective Milling Technology (SMT) System Equipment to the ethanol plant in Casselton, North Dakota. The SMT System will enable Tharaldson to operate at an annual denatured ethanol production rate of 190,000,000 U.S. gallons per year with a slurry flow up to 2,250 gallons per minute. The SMT efficiently processes a corn mash slurry to expose more starch for conversion and release additional oil for recovery. The additional starch conversion can increase the ethanol production per bushel of corn.

### **6 IN 1 MEATS, LLC**

Travis Maddock, New Salem

Grant Amount: \$200,000

Grant funding will be utilized to increase slaughter numbers and expand value-added processing to include case-ready retail products. Value-added will be offered to other processors that don't have the capability of processing and packaging to retail specifications.

### **CLOVERDALE FOODS COMPANY**

Scott Staudinger, Mandan

Grant Amount: \$125,000

Grant funding will be utilized to cover costs to resolve issues of inefficiency related to the current electrical distribution system within the facility.

### **NORTH AMERICAN BISON, LLC**

Mike Jacobson, New Rockford

Grant Amount: \$250,000

Grant funding will be utilized for construction costs and to reduce the amount of company equity required to complete the expansion of their facility to meet demand. North American Bison harvests and processes bison for domestic and global markets. Approximately half the bison are sourced from North Dakota. Sales have increased to the point that the facility is being expanded.



*Close up of two-row barley growing on Stober Farms near Goodrich, ND*

**TWO TRACK MALTING, LLC**

Jared Stober, Bismarck

Grant Amount:       \$250,000

Grant funding will be utilized to assist with construction costs to complete the expansion of their facility to meet increased demand and growth. Two Track Malting is a value-added agriculture business turning barley and wheat grown in North Dakota into malt, which is used by brewers across the country.

## Financials as of December 31, 2022

Total Appropriation	\$2,500,000
Total Projects Funded	<u>\$2,174,000</u>
Remaining Appropriation	\$ 326,000

## Loan Participation Commitments

Total Appropriation	\$7,500,000.00
Total Committed	<u>\$2,681,704.45</u>
Remaining Appropriation	\$4,818,295.55





**NORTH DAKOTA DEPARTMENT OF AGRICULTURE**

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