

# **North Dakota Department of Agriculture**



**HB 1009**  
**House Appropriations Subcommittee**  
**Representative David Monson, Chairman**  
**January 14, 2025**

**Doug Goehring**  
**Agriculture Commissioner**

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## **Purpose**

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“Government is instituted for the protection, security, and benefit of the people,  
and they have a right to alter or reform the same  
whenever public good may require.”

-- North Dakota Constitution, Article 1, Section 2

## **Mission**

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Serve, advocate, protect and promote agriculture to benefit everyone.

## **Vision**

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We support agriculture by embracing diversity, innovation, research, and trade.

## **Core Values**

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Transparency, Respect, Integrity, Consistency.

# Statutory Authority

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North Dakota Century Code Chapters 4.1-01, 4.1-01.1, 4.1-02, 4.1-03, 4.1-04, 4.1-05, 4.1-06, 4.1-07, 4.1-08, 4.1-09, 4.1-10, 4.1-11, 4.1-12, 4.1-13, 4.1-14, 4.1-15, 4.1-16, 4.1-17, 4.1-18.1, 4.1-19, 4.1-22, 4.1-23, 4.1-25, 4.1-27, 4.1-28, 4.1-30, 4.1-31, 4.1-32, 4.1-33, 4.1-34, 4.1-35, 4.1-36, 4.1-37, 4.1-38, 4.1-39, 4.1-40, 4.1-41, 4.1-43, 4.1-44, 4.1-45, 4.1-47, 4.1-5, 4.1-54, 4.1-58, 4.1-59, 4.1-60, 4.1-61, 4.1-83, 6-09.10, 10.06.1, 36-01, 36-14, 36-14.1, 36-15, 36-21.1, 36-21.2, 36-25, 36-26, 61-02, and 61-31.

## Major Statutory Responsibilities

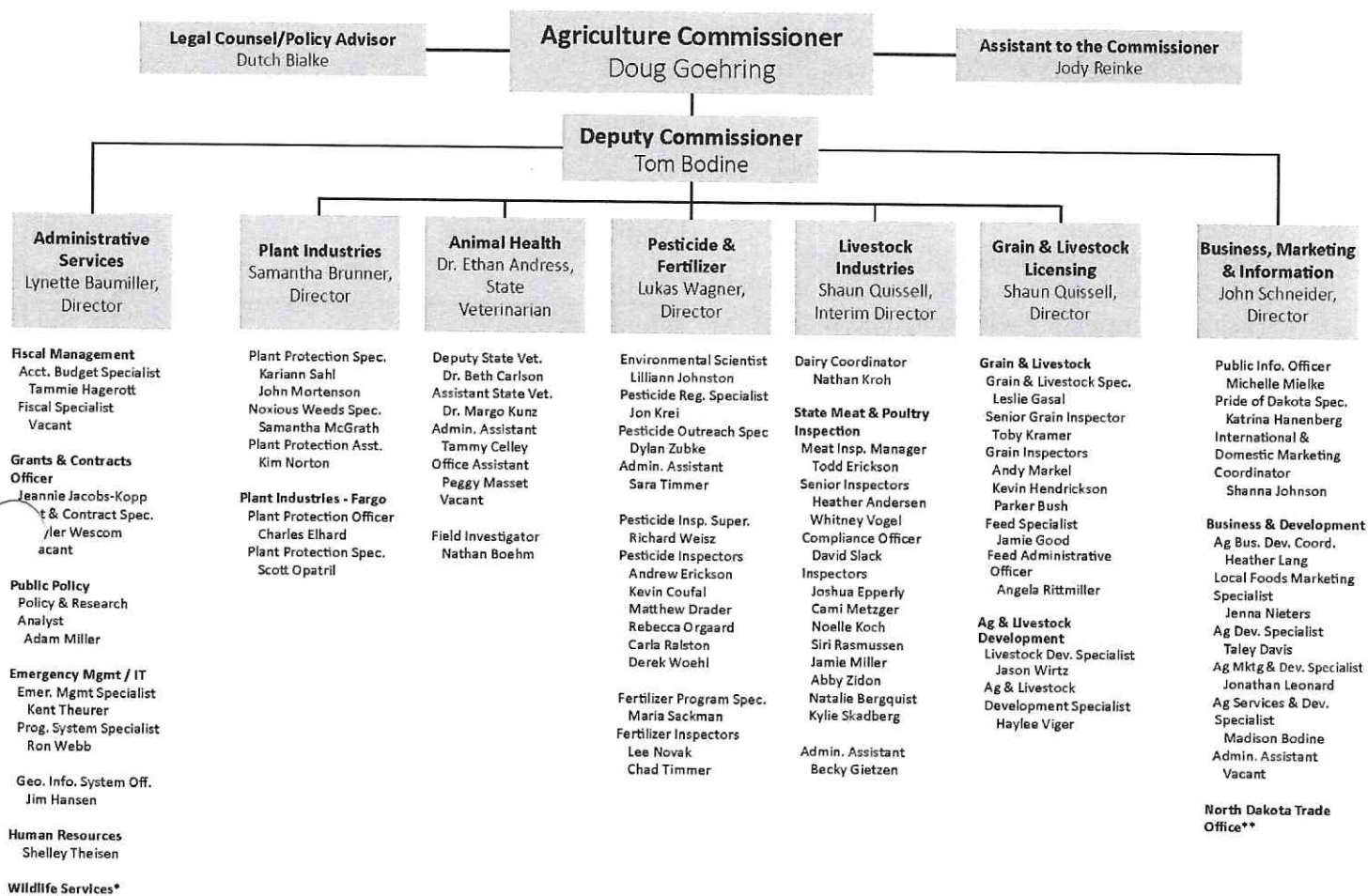
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The agriculture commissioner is responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, livestock development, dairy production, grain and livestock licensing, noxious weed control, hemp, nursery stock, plant export certification, petfood and feed, and beekeeping.

The agriculture commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds, and veterinary medicines; the administration of mediation services to agriculture producers, creditors, and energy related issues; the collection and elimination of unusable pesticides; the state agriculture and energy mediation service; the management of the mitigation program regarding lands affected by energy transmission facilities; environmental mitigation of similar habitat from the construction or operation of energy facilities; the promotion and marketing of North Dakota agricultural products; and the administration of the state meat and poultry inspection program.

The agriculture commissioner leads in the formation and implementation of policies affecting the state's agriculture industry; the advocacy of the needs and concerns of farmers and ranchers on state and national levels; and the distribution of information concerning agricultural issues to the governor, legislature, and the public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock in the state.

# Organizational Chart



\* Wildlife Services, a division of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, operates in North Dakota under a cooperative agreement with the North Dakota Department of Agriculture, the North Dakota Game and Fish Department, and the North Dakota State Water Commission

\*\*The North Dakota Department of Agriculture partners with the North Dakota Trade Office to assist North Dakota businesses in expanding exports to international markets.

Updated 1/06/2025

Lynette Baumiller, Director

# Administrative Services Division (16)

The Administrative Services Division includes fiscal management, human resources, risk management and emergency response, policy, and information technology. Pipeline, Wind Energy, and Royalty Oversight programs are also managed by this division. This division also oversees the cooperative agreement and funding for the USDA Wildlife Services Program.

### Fiscal Management

- Oversees the development and tracking of the Department's budget.
- Processes payroll.
- Pays all bills and deposits all revenues.
- Reviews and approves contracts and grants.
- Ensures compliance with state and federal laws relating to the department's finances; including expenditure tracking and filing of required reports to federal agencies.
- Responsible for procurement of the goods and services for the department.
- No audit findings on 2021-2023 Department Audit.

### Human Resources

- Responsible for human resource activities, including recruitment, onboarding, retention programs, training, and employee relations and benefits.

### Risk & Emergency Management

- Plans, implements, and evaluates strategic emergency management plans.
- Develops and conducts training and education on risk management, loss control, and general safety issues.
- Coordinates with Department of Emergency Services and other partners.

### Information Technology

- Coordinates desktop support contract with NDIT.
- Maintains Department websites, email and intranet.
- Conducts GIS mapping and works with local government agencies to provide GIS mapping technology and expertise.

### HB 1009 Commissioner's Request

Salaries	\$4,330,069
Operating	2,251,883
Grants	100,000
Capital Assets	11,100
Pipeline Oversight Program	200,000
Wildlife Services	1,657,400
<b>Total</b>	<b>\$8,550,452</b>
General	\$6,332,221
Federal	0
Special	2,218,231
<b>Total</b>	<b>\$8,550,452</b>
FTEs	1

### Policy

- Researches and analyzes policies regarding agriculture, energy, water, infrastructure, and trade.
- Interacts with national associations.
- Administers Federal Environmental Law Impact Review Committee (FERLIC).
- Mitigation Program
- Facilitates and tracks legislation during biennial legislative session.

### Pipeline, Wind, and Royalty Ombudsman Programs

- Pipeline Program: 86 total cases; 5 active, 14 monitoring, and 67 closed.
- Royalty Program: Received 132 total cases; 57 active, 8 pending, 67 closed. Most complaints were for not receiving payment or inability to reach well operator.

### Wildlife Services

- Reduces wildlife depredation and damage to property (managed by USDA Wildlife Services in close cooperation with NDDA, State Water Commission and ND Game and Fish Dept.).

# Plant Industries Division (34)

The Plant Industries Division includes programs for apiary, hemp, plant protection, and noxious weeds.

## Apiary

- Licenses all beekeepers, 356 in 2023.
  - Registered colony numbers were 843,423 for 2023.
- Registers and maps apiary locations.
  - Currently 20,910 locations.
- Inspects bees and issues health certificates for migratory movement for over 75,000 colonies.
- Investigates and responds to bee complaints.
- Enforces statutory and regulatory compliance.
- Administers the Honey Fund for bee research.
- Oversees the pollinator plan to enhance communication and emphasizes best management practices for stakeholders.
- In 2023, collected and analyzed 586 samples for honey bee pests and pathogens.
- Inspected bee shipments to California, certifying 168,444 colonies.

## Plant Protection and Export Certification

- Conducts 9-10 plant pest surveys annually for:
  - Exotic pests such as moths, nematodes, emerald ash borer, and other wood borers that may threaten agriculture, forestry, and horticulture.
  - Pests that may harm agriculture or may export diseases, insects, and nematodes including Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, and potato cyst nematodes.
- Licenses and inspects approximately 250 nursery dealers and growers each year.
- Provides export certification/phytosanitary services for export of agricultural products to 61 different countries In 2023, issued 5,223 certificates.
- Reviews plant pest movement and biotechnology permits.
- Conducts plant pest outreach and awareness campaigns and events.

HB 1009 Commissioner's Request	
Salaries	\$1,883,234
Operating	1,042,738
Grants	2,110,869
<b>Total</b>	<b>\$5,036,841</b>
General	\$1,119,055
Federal	1,085,512
Special	2,832,274
<b>Total</b>	<b>\$5,036,841</b>
FTEs	8

## Noxious Weeds

- Distributes state and federal funds for noxious weed control to 53 counties and six city weed boards.
- Manages federal funds for noxious and invasive weeds granting \$47,039 to counties for weed control projects.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents to landowners.
- Assists county and city weed boards in nine field days for biocontrol agent collection.
- Assists the public with weed identification and noxious weed control.
- Trains and assists county and city weed boards with GPS/GIS mapping technology.
- Administers the weed seed free forage program certifying over 10,800 acres.
- Administers the Unmanned Aerial Systems Grant Program for identification and control of noxious weeds, prioritizing *Palmer Amaranth* in high-risk counties.

## Hemp Program

- Licenses and inspects all hemp growers and processors.
  - In 2023, licensed 11 processors and 22 growers with a total of 511 acres.
- Inspects and samples hemp fields to ensure compliance with state and federal law.

Shaun Quissell, Director

# Livestock Industries Division (15)

The Livestock Industries Division includes dairy/poultry, meat inspection, and poultry inspection.

### Dairy/Poultry

- Inspects 22 dairy farms for equipment, facilities, sanitation, water purity, and proper drug usage and storage.
- Inspects three dairy processing plants and milk transfer stations for equipment, facilities, and sanitation.
- Monitors financial creditworthiness and stability of milk buyers.
- Conducts Grade A surveywork.
- Collects dairy products samples.
- Inspects manufacturing grade plants under agreement with USDA.
- Inspects distribution facilities, milk bulk trucks, and samplers/haulers.
- Inspects 28 licensed commercial egg producers.
- Dairy Program passed FDA audit with a significant compliance rating.

HB 1009 Commissioner's Request	
Salaries	\$3,469,196
Operating	774,194
<b>Total</b>	<b>\$4,243,390</b>
General	\$2,330,270
Federal	1,913,120
Special	0
<b>Total</b>	<b>\$4,243,390</b>
FTEs	16

### State Meat & Poultry Inspection

- Inspects 74 custom-exempt meat processing plants.
- Inspects 11 slaughter and 2 processing state plants.
- Inspects six Cooperative Interstate Shipment plants.
- Trains, certifies, and inspects meat processing facilities.
- Inspects retail outlets for country-of-origin labeling.
- Inspects seven Selected Establishments that operate under the Cooperative Interstate Shipment Program.
- Enforces meat and poultry processing regulations.
- Provides consultation with and education to the meat and poultry industry.
- Ensures proper label use by industry.
- Currently assisting two new establishments planning to be state slaughter establishments.
- Provides beef grading at any official federal or state slaughter plant at a reduced cost.



# Grain & Livestock Licensing Division (22)

The Grain and Livestock Licensing Division manages grain licensing, livestock licensing, livestock pollution prevention, and feed.

## Grain Licensing

- Oversees licensing and bonding of all grain warehouses, grain processors, roving grain buyers, and grain brokers.
- Administers the Credit-Sale Contract Indemnity Fund.
- Monitors financial condition of all warehouses and grain buyers.
  - 301 warehouse licenses
  - 38 grain processors
  - 121 roving grain buyers
  - 1 grain broker

## Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets.
- Contracts market reporters at auction markets to collect market data for the USDA.
  - 10 auction market licenses
  - 114 livestock dealers
  - 10 internet auction market representatives

## Livestock Pollution Prevention

- Cost-share funding assistance for livestock producers to install manure containment systems.
- Advises producers on nutrient management, project planning, regulations, and manure containment.
- Conducts age and source verification.
- Reviews livestock zoning ordinances.

## HB 1009 Commissioner's Request

Salaries	\$2,230,802
Operating	432,722
Grants	1,692,400
<b>Total</b>	<b>\$4,355,924</b>
General	\$1,703,686
Federal	1,215,525
Special	1,436,713
<b>Total</b>	<b>\$4,355,924</b>
FTEs	10

## Pet Food & Feed

- Registers all pet food sold in the state.
- Maintains a label file of commercial feeds sold in the state.
- Licenses commercial feed manufactures and retailers.
- Samples feed products to ensure that nutritional content matches the label claims.
- Inspects medicated feed plants.
- Verifies manufacturer and producer compliance with federal requirements to Food Safety Modernization Act.
- Provides producer outreach for the Veterinarian Feed Directive.
  - 372 licensed manufactures
  - 263 feed retailers
  - 14,901 registered pet food products
  - 3,732 registered commercial feed products.

# **Grain & Livestock Licensing Division (cont.)**

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## **Livestock Development**

- Assists producers and processors in expanding and promoting the state's livestock industry.

## **Regional Livestock Planning Grant Program.**

- Provides \$12,000 per county and \$500 per township. Grant develops county wide site analysis to show areas that would be suited for livestock production or value-added agriculture.
- Agreements entered into with seven regional councils for work on behalf of 37 counties.

## **Livestock Friendly Counties**

- Livestock Friendly Counties designation assists in developing animal agriculture.
- Currently developing criteria for counties to reach to receive designation.
- Program is waiting on completion of regional livestock planning grant by counties to be eligible.

## **Model Zoning Task Force**

- Model Zoning task force assists counties, townships and various agriculture groups to develop the standard zoning model for animal agriculture.

# Dr. Ethan Andress, State Veterinarian

## Animal Health Division (81)

The Animal Health Division protects the health of domestic animals and non-traditional livestock; and administers all rules and orders of the State Board of Animal Health.

### Animal Disease Traceability

- Traces animal movements as part of disease investigations.
- Monitors and regulates animal imports and exports.
- Maintains the state’s animal health and disease related traceability database (USAHERDS).
- Monitors and reports diseases on state and national levels.
- Distributed 473,930 official identification tags. Maintains records of official USDA tags and official state certificates of veterinary inspection.
- Reviewed 23,758 export CVIs and 10,475 import CVIs.

### Disease Control and Eradication

- Conducts case investigations on suspected cases of transboundary/foreign animal diseases, emerging diseases, and other zoonotic diseases.
- Administers the National Brucellosis Eradication Program and Bovine Tuberculosis Eradication Program.
- Administers the voluntary Chronic Wasting Disease (CWD) Herd Certification program.
- Administers Johne’s disease control program.
- Acts as the Official State Agency (OSA) for the National Poultry Improvement Plan.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Acts as the OSA for US Swine Health Improvement Plan.
- Monitors for novel swine enteric coronavirus diseases, such as porcine epidemic diarrhea virus and emerging diseases.
- Administers the National Scrapie Eradication program.
- Oversees the Brucella ovis Free-Flock status program.

HB 1009 Commissioner's Request	
Salaries	\$1,873,735
Board of Animal Health	865,718
<b>Total</b>	<b>\$2,739,453</b>
General	\$1,689,249
Federal	677,966
Special	372,238
<b>Total</b>	<b>\$2,739,453</b>
FTEs	7

### Emergency Preparedness and Response

- Trains and coordinates a Reserve Veterinary Corps to assist in emergency situations and assist with disease investigations.
- Participates in animal emergency preparedness and response on state, regional and national levels.
- Provides oversight on proper carcass disposal following disease outbreaks and disasters.
- Coordinates pet sheltering and livestock relocation during disasters.
- 2021-2023 biennium, completed 62 Foreign Animal Disease investigations.
- 2021-2023 biennium, investigated and responded to 25 Highly Pathogenic Avian Influenza (HPAI) outbreaks during the spring and fall migrations including six commercial and 19 backyard flocks.

### Education and Outreach

- Provides inspection services at the ND State Fair.
- Communicates with other state and federal animal health officials regionally and nationally to guide animal health policy.
- Provides education and outreach for practicing veterinarians and the livestock industry.

# Animal Health Division (cont.)

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## Regulatory Oversight

- Enforces non-traditional livestock and farmed elk regulations, evaluates importation risk assessments, and conducts facility inspections.
- Supports investigations of inhumane treatment complaints by local authorities.
- Coordinates feral swine investigations with partner agencies.
- Collaborates with ND Department of Health and Human Services on zoonotic and anthrozoonotic disease issues.
- Registered 633 veterinary medicines for sale in the state and approves the use of autogenous vaccines.
- Registers and inspects restricted feedlots.
- Licenses and inspects rendering facilities.
- Completed 39 inspections of livestock auction markets; ensured regulatory compliance.
- Licensed 79 modified live vaccine facilities, provided annual education to 193 employees of these businesses, and did 155 facility inspections.
- Approved 42 farmed elk facilities, issued 64 non-traditional livestock licenses.
- Issued 191 Permits to Possess, Propagate and Domesticate on behalf of ND Game and Fish.

# Pesticide & Fertilizer Division (35)

The Pesticide and Fertilizer Division oversees and regulates pesticides, fertilizers, and anhydrous ammonia to protect human health and the environment.

## Pesticides

- Conducts inspections of pesticide dealers, users and repackaging facilities to ensure compliance with state and federal laws.
- Administers North Dakota Crop Protection Product Harmonization and Registration Board. Oversee Minor Use grant fund. Review crop protection product labeling needs and pursue opportunities to make more crop protection product options available to agriculture producers.
- Provided outreach at nearly 200 events during '23 and '24 to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency and special local needs exemption requests to ensure producers have access to necessary pest management tools including Section 18 and 24 (c) requests.
- Registers all pesticides including herbicides, fungicides, rodenticides, insecticides, avicides, and disinfectants that are sold in ND and approves product labeling.
- Coordinates Project Safe Send; an annual, statewide collection of unusable pesticides. 552,220 total pounds collected in '23 and '24.
- Works with EPA on national pesticide regulatory and policy issues.
- Conducts risk assessments, receives public input, and offers data and recommendations to EPA to mitigate risk of pesticides to threatened and endangered species as part of the ND Endangered Species Protection Plan.
- Investigates and responds to pesticide contamination of groundwater and surface water resources.
- Investigates complaints of pesticide misuse and other violations.
- Administers and enforces the federal Worker Protection Standard to protect workers who handle and use pesticides.
- Works with producers and local ag groups to prepare comments for proposed EPA regulation.

HB 1009 Commissioner's Request	
Salaries	\$3,111,674
Operating	1,947,592
Crop Harmonization Board	75,000
<b>Total</b>	<b>\$5,134,266</b>
General	\$0
Federal	1,585,745
Special	3,548,521
<b>Total</b>	<b>\$5,134,266</b>
FTEs	15

## Fertilizer and Anhydrous Ammonia

- Sampled 375 fertilizer products to ensure claims match labels.
- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licensed 272 anhydrous ammonia storage facilities.
- Conducts inspections of anhydrous ammonia storage facilities and nurse tanks to ensure compliance with federal regulations.
- Administers the Risk Management Program for agricultural anhydrous ammonia facilities and inspects facilities to ensure compliance with federal regulations.
- Provides outreach and compliance assistance to the fertilizer industry and anhydrous ammonia users.
- Audits fertilizer distributors to ensure compliance with fertilizer tonnage reporting.
- Administers the state waterbank program.

# Business, Marketing & Information Division (34)

The Business, Marketing, and Information Division provides information, education, promotion, and market enhancement to increase sales of agricultural commodities and value-added agricultural products in international, domestic, and local markets.

## Agricultural Products Utilization Commission

- Creates new wealth and employment opportunities through the development of new and expanded uses of agricultural products. In 2023-24, 42 projects were funded.

## Agriculture Infrastructure Grant Program

- Grants awarded to political subdivisions for roadway and bridge improvements; and to political subdivisions or entities for utility improvements necessary to accommodate value-added agriculture businesses.

## Agriculture Diversification and Development Fund

- Supports 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. In 2023-24, 29 projects were funded.

## North Dakota Mediation Service

- Mediation services provided to farmers, ranchers, creditors and others to help resolve disputes.
- Credit counseling assists with agricultural credit issues.
- Address energy development related issues and deer depredation issues.
- Offers farm and ranch stress assistance.

## Bioscience Innovation Grant Program

- Supports biotechnology innovation and commercialization in areas including crop genetics, biofuels, biomaterials, biosensors, and biotechnology in relation to food, nutrition, animals, human, equipment, medical, and health products and services, medical diagnostics, medical therapeutics, and farm-based pharmaceuticals. In 2023-24, 37 projects were funded.

HB 1009 Commissioner's Request	
Salaries	\$2,464,676
Operating	2,212,523
Grants	11,965,388
APUC	5,110,417
ND Trade Office	2,000,000
Spec Crop Block (HB 1394)	300,000
Bioscience-GF Transfer	12,000,000
ADD-GF Transfer	25,000,000
<b>Total</b>	<b>\$61,053,004</b>
General	\$41,096,471
Federal	12,203,352
Special	7,753,181
<b>Total</b>	<b>\$61,053,004</b>
FTEs	10

## Agriculture in the Classroom

- Helps K-12 teachers integrate agriculture information into science, math, social studies, and language curricula.
- Provides hands-on lessons to help students better understand the relationships between the world's environment, agriculture, and people.
- Attended 34 agriculture education events, impacting 28,000 people, such as KMOT Ag Expo, KFYR Agri International Ag Expo, Fargo Living Ag Classroom and Morton County Ag Day.
- Publishes the Ag Mag three times a year for third, fourth, and fifth-graders.
- Underwrites organizations such as ND FFA Foundation, ND Farm Bureau, and the ND Genotyping Center with mini-grants for agriculture-related projects, units, and lessons used by school-age children. Awarded eight mini-grants.

## Grape and Wine Program

- Provides research and promotion in support of the grape and wine industry and has funded two projects.

# Business, Marketing & Information Division (cont.)

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## Local Foods

- Supports ND produce growers by providing them education on produce safety through the FDA's Food Safety Modernization Act Produce Safety Rule. A large part of our support includes providing annual training.
- Provides technical assistance, business development opportunities, education and help facilitate an annual Local Foods conference.
- Market local foods and statewide farmers markets to the consumer through targeted educational pieces to promote ND Specialty Crops and the Fresh from North Dakota brand.
- Administered the Local Foods Purchase program procuring local foods for ND food pantries.

## Farm to School Program

- A program administered by both NDDA and NDDPI that supports local foods in schools, school gardens and education. It includes farm to school activities, local food purchasing, hands-on, garden-based learning, farm field trips, cooking demos and integration of food-related information into classroom curriculum.
- Creates new financial opportunities for producers as well as introduce more local food to students.

## Grasslands Grazing Cost Share Program

- Provides grants to organizations representing cooperative grazing organizations for 228 projects for water development, fencing, conservation initiatives, compliance with federal permitting requirements, enhance wildlife habitat, capture carbon, and increase overall health of the grassland.

## Specialty Crop Block & Organic Grants

- Administers specialty crop grants.
- FY23 funded 21 projects; FY24 funded 21 projects.  
Administers organic certification and transition reimbursement grants.

## Resilient Food Systems Infrastructure Grant

- Received \$4,690,280 from USDA-AMS, for this program, which supports the development of the middle-of-the-supply-chain for food and farm businesses.

## International & Domestic Marketing

- Coordinates int'l and domestic trade shows. Last biennium, participated and coordinated seven domestic and five international trade shows.
- Coordinates trade missions; most recently to Vietnam.
- Supports & coordinates with commodity groups.
- Supports agriculture companies to diversify and coordinate trade shows.
- Administers Specialty Crop subgrants.
- Supports and coordinates with Commerce, NDTO, and the Food Export Midwest Association.
- Issued 182 certificates of free sale agreements and health certificates.

## North Dakota Trade Office

- Administers contract with ND Trade Office to expand state businesses with expertise & resources to grow businesses through national and international trade.

## Pride of Dakota

- Administers Pride of Dakota (POD), including holiday showcases, annual meetings, and other events. The 2023 showcases had 42,103 attendees and the 2024 showcases had 43,846 attendees.
- Provides trade show assistance to ND companies.
- Maintains membership of over 500 POD Companies.

## Public Information

- Writes and edits Department publications, including news releases, brochures, and annual/biannual reports.
- Monitors and updates the Department website and social media account.
- Issues Centennial Farm certificates.

## 2023-2025 New FTE

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### **New International and Domestic Marketing Coordinator position approved by the 2023 Legislative Assembly:**

There was one new FTE approved during the 2023-25 biennium. This was a marketing specialist (professional services II) requested to assist the department in setting up domestic trade shows, recruiting companies for international trade missions, to increase department interaction with commodity groups as well as assist with marketing of the department and its many programs.

This position was filled on 9-1-2023 and \$210,407 (general funds) was requested from the new and vacant FTE funding pool. \$214,930 (general funds) were appropriated for this position. The amount estimated to be spent for this position for the 2023-2025 biennium is \$227,320. To date, the funding has been paid approximately 77% general funds; 21% federal funds and 2% special funds.



# 2023-2025 Turnover and Vacant Positions

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## **Employee turnover and vacant positions during the 2023-2025 biennium:**

The Department has had 34 vacant positions during the 2023-25 biennium to date.

From our budget \$877,000 was removed for one new FTE and estimated savings from vacant FTE positions. We requested \$210,407 from the new and vacant FTE funding pool when the new FTE was hired. This resulted in a \$666,593 reduction in our salary and wages budget.

We used the “Alternate Vacancy Savings Calculation” method to estimate vacancy savings. This has shown \$574,251 of savings through December 2024. We haven’t spent any savings for other purposes. Currently, we don’t anticipate transferring any further amounts from the new and vacant FTE funding pool.

The Department has spent over 100 hours related to implementing, administering, tracking, and reporting data for the new and vacant FTE funding pool. It would be helpful if there was standardization of this reporting process as it appears agencies aren't consistent in reporting data.

Additionally, in past biennia we have used cost savings to invest in the department to create efficiencies or updates with programs or in helping to administer new legislatively authorized programs.

# 2023-2025 One-Time Funding Items

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## **Agricultural Products Utilization Commission (APUC) - \$3,000,000 (BND Transfer)**

Creates new wealth opportunities through the development of new and expanded uses of North Dakota's agricultural products. The program focuses on: Basic and Applied Research, Marketing and Utilization, Farm Diversification, Technical Assistance, Nature Based Agri-Tourism and Prototype Development and Technology.

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## **Grasslands Grazing Cost Share Program - \$1,000,000 (SIIF)**

Additional funding to assist Grassland Associations across North Dakota with water development, fencing, conservation initiatives, compliance with Federal permitting requirements, professional services and supplies.

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## **Bioscience Innovation Grant Program (BIG) - \$6,500,000 (General Fund)**

Foster the growth of the bioscience industry within the State. The program focuses on: Supporting biotechnology innovation and commercialization, creation of bioscience jobs, development of new technologies, start-up companies, leveraging the agriculture industry to support development of bioscience technologies, promoting bioscience research and development, and encouraging coordination and collaboration with the industry. Total program budget was \$12,000,000. (\$5.5 M SIIF)

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## **Food Distribution Grants - \$1,000,000 (General Fund)**

Program to create opportunities for the purchase, storage, and distribution of food directly from North Dakota producers.

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## **North Dakota Trade Office - \$500,000 (General Fund)**

Additional funding for the North Dakota Trade Office to identify overseas markets for ND export industries, facilitate trade missions that return economic benefits, and conduct data and market driven meetings and events.

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## **Livestock Planning Grants - \$1,200,000 (ERP Fund)**

Funded during the 2023 Session, HB 1437 appropriated \$1,200,000 for regional livestock planning grants for identifying locations for rural economic development.

# General Fund Collections

Source of Collections	Authority	23-25 Est. Collections	25-27 Est. Collections	Increase/ (Decrease)	Appropriateness of Fee
AUCTION MARKET	NDCC Chapter 4.1-27-03	5,900	5,000	(900)	<b>Remove video auction fee \$100.</b> Auction market (\$200) similar to surrounding states
COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	1,500,000	1,600,000	100,000	<b>Reduce pet food reg from \$120 to \$100.</b> \$50 (in-state), \$100 (out-state) for mfg. license. Commercial Feed: (\$0.20/ ton) SD: \$50 license for mfg. license Commercial Feed: (\$0.10/ ton) MN: \$75 license for mfg. license Commercial Feed: (\$0.16/ ton) MT: \$75-100 license Commercial Feed: (\$0.18/ ton)
GRAIN STOREHOUSE LIC.	NDCC Chapter 60-02	780,000	780,000	0	ND fees updated in 2021 by Legislature
LIVESTOCK DEALERS	NDCC Chapter 4.1-83-04	11,000	9,000	(2,000)	ND: \$50 SD: \$50
CREAMERY STATE LICENSE.	NDCC Chapter 4.1-25-02	10,000	10,000	0	ND: \$25 Annual SD: \$200-1,000 (Depending on volume) + other fees MN: \$30-500 Annual + \$.08/ cwt MT: Based on volume
ICE CREAM TESTERS LIC.	NDCC Chapter 4.1-25-22	1,200	1,200	0	ND: \$10 MT: Based on volume SD: \$50 MN: \$200 + \$50 testing fees
POULTRY FEES	NDCC Chapter 4.1-19-04	600	540	(60)	<b>Remove hatchery license.</b> Egg Dealer Lic \$10, similar to surrounding states
NURSERY LICENSE	NDCC Chapter 4.1-22-06	22,870	22,870	0	ND: \$50 SD: \$42.50 - 200 (Size/Type Dependent) MN: \$50 - 1,900 (Based on annual sales) MT: \$25 - 400 (Based on annual sales)
INSPECTION FEES-NOT CLASS	NDCC Chapter 4.1-23-12	250,000	250,000	0	ND: \$20 SD: \$200 MN: \$100 MT: \$105-180 Federal: \$100
LIVESTOCK MEDICINES	NDCC Chapter 4.1-43-02	76,250	78,000	1,750	ND: \$40 SD: \$75
NON-TRADITIONAL LIVESTOCK LIC.	NDCC Chapter 36-01-08.1	2,913	2,913	0	ND: \$7/ bird, Max \$40, \$15/ all other, Max \$100 SD: \$10/ Animal, \$100 Max MT: \$100 (1-20 Animals), \$200 (21-60), \$400 (60+) MN: \$250-\$500 for cervid species
RENDERING PLANTS	NDCC Chapter 4.1-32-03	0	0	0	ND: \$50 (No Plants in the State) SD: \$75
ANHYDROUS AMMONIA LICENSE	NDCC Chapter 4.1-37-04	500	500	0	ND: \$100 MT: \$75
FEES-FORFEITURES-ESCHEAT	Varies	30,350	30,350	0	Case by Case
<b>TOTAL</b>		<b>2,691,583</b>	<b>2,790,373</b>	<b>98,790</b>	

**Items in Red - Legislative Request(s) to update**

# Special Fund Collections

Source of Collections	Authority	23-25 Est. Collections	25-27 Est. Collections	Increase/ (Decrease)	Appropriateness of Fee
APIARY	NDCC Chapter 4.1-16-06,07	217,702	254,100	36,398	ND: \$5 per lic, \$0.15 per colony: SD: \$16 per apiary location MT: \$35 commercial, \$10 hobby MN: No apiary laws
FERTILIZER REG & TONNAGE	NDCC Chapter 4.1-40-02,03,07	1,400,000	1,550,000	150,000	ND: \$0.20/ Ton SD: \$0.75/ Ton MT: \$0.25/ Ton MN: \$1.16/ Ton
PESTICIDE REGISTRATION, TONNAGE, LICENSE	NDCC Chapter 4.1-34-03	5,495,000	5,600,000	105,000	ND: \$350, 2 Year Lic MT: \$233, 1 Year Lic SD: \$165, 1 Year Lic MN: \$350, 1 Year Lic
HEMP LICENSE & TESTING	NDCC Chapter 4.1-18.1-02,03	29,750	14,700	(15,050)	ND: \$100-350 Grower License, \$200 Processor License. \$75 or \$125 for testing. SD: \$500 License + \$20 Cert. + \$50 App. Fee \$250 for testing MN: \$150 License + \$250 Reg Fee, \$100 Test Fee MT: \$850 Grain / Fiber Cultivar License Other cultivars \$1,100, Additional sample \$25
HEALTH CERTIFICATES	NDCC Chapter 36-01-08	20,000	20,000	-	At cost to purchase and ship certifi
MEAT LICENSE	NDCC Chapter 4.1-31-16.3	2,575	250	(2,325)	ND: \$25 one-time fee. (Est. 2023 session) SD: \$100 inspected slaughter, \$50 custom, \$10 retail MT: \$25 MN: \$100 (additional based on sales)
COMMERICAL FEED REG & TONNAGE	NDCC Chapter 4.1-41-02	727,500	727,500	-	<b>Reduce pet food reg from \$120 to \$100.</b> \$50 (in-state), \$100 (out-state) for mfg. license. Commerical Feed: (\$0.20/ ton) SD: \$50 license for mfg. license Commerical Feed: (\$0.10/ ton) MN: \$75 license for mfg. license Commerical Feed: (\$0.16/ ton) MT: \$75-100 license Commerical Feed: (\$0.18/ ton)
MEDIATION USER FEES	NDCC Chapter 6-09.10-03	2,000	2,000	-	\$25 per hour assistance fee. Fee is reasonable/low to assist farmers/ranchers in need
PRIDE OF DAKOTA SUPPLIES	NDCC Chapter 4.1-01-08	4,700	4,700	-	At cost to purchase and ship POD logo stickers
PRIDE OF DAKOTA MEMBERSHIPS	NDCC Chapter 34-01-19	103,000	103,000	-	\$100 / \$250 annual memberships. Fee is to cover program operations.
CONFERENCE REGISTRATION FEES	NDCC Chapter 4.1-01-10	356,000	366,000	10,000	\$200 - \$250 Depending on show attending. Fee is to cover costs of space rentals and expenses
<b>TOTAL</b>		<b>7,892,527</b>	<b>8,166,550</b>	<b>274,023</b>	

Items in Red - Legislative Request(s) to update

# **Federal State Recovery Funds**

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## **Unmanned Aircraft System (UAS)**

**2023-2025 Funding: \$275,000**

During the 2023 session, HB1519 funded the Unmanned Aircraft System Grant Program. The program has funded one project for a total of \$274,710. The project was dedicated to aid in the identification and control of the noxious weed Palmer Amaranth in ag systems. The project is expected to be completed by June 30, 2025.

# Notable Upcoming Legislation

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<u>Bill</u>	<u>Sponsored By</u>
<b>HB 1082: Elk Definition</b> Updates definition of farmed elk that includes scientific name for elk	Commissioner
<b>HB 1083: PMO Dairy Update</b> Updates USDA program reference in statute from 2019 to 2023	Commissioner
<b>HB 1084: Eggs and Poultry</b> Removes language related to federal state grading service for poultry and poultry products and removes criminal violations language	Commissioner
<b>HB 1085: Meat Inspection Update</b> Updates reference to federal meat and poultry inspection regulations effective date from October 19, 2022 to July 03, 2024	Commissioner
<b>HB 1143: Food Distribution Facility Grant Program</b> Providing a food distribution facility grant program (APPROPRIATION: \$10,000,000)	Legislature
<b>HB 1332: Value Added Agriculture Facility</b> Post completion grant program (APPROPRIATION: \$36,000,000)	Legislature
<b>SB 2085: US Swine Health Improvement Plan - Swine Bill</b> Creates a new section for "swine" and identifies the official state agency to participate in the United States swine health improvement plan	Commissioner
<b>SB 2086: Pesticide Certification</b> Clarifies standards for pesticide certification and federal code reference	Commissioner
<b>SB 2087: Animal ID</b> Clarifies identification program from 'animal' to 'premises' and identifies Stockman's Association as "a" state administrator	Commissioner
<b>Pet Food</b> Updates labeling requirements on pet food labels	Legislature

# Notable Upcoming Legislation

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## Bill

## Sponsored By

### **Career & Technical Education - Farm Management Program**

Moves Farm Management Program from "Career and Technical Education" to the Department of Ag.

(APPROPRIATION: \$1,900,000)

Legislature

### **Low Carbon Fuel Program**

Provide reimbursement to ethanol production facilities for capital improvements projects that increase the efficiency of a facility and lower the carbon intensity score of the product produced.

(APPROPRIATION: 30,000,000 / TRANSFER \$6,000,000)

Legislature

### **Bioscience Innovation Grant Program (BIG)**

Clarifies purpose of bioscience program and changes distribution of funds to be "Reimbursable" as opposed to upfront. Adds committee members from UND and NDSU.

Legislature

### **Bio-Stimulants**

Relates to fertilizer and soil conditioners. Removes the phrases "Soil amendments" and "Plant amendments" from the code.

Legislature

### **ADD (Agriculture Diversification & Development)**

(APPROPRIATION: \$25,000,000)

Legislature

# Optional Budget Requests

<u>Priorities</u>	<u>Amount Requested</u>	<u>Funded</u>
<b>1. Inflationary Increases</b> DOT increased rates, supplies, printing, capitol rent and risk mgmt. increases	776,200 GF	Yes
<b>2. Livestock Planning Program</b> Carryover authority of ERP for this program	660,000 SF	Yes
<b>3. Plant Protection FTE</b> Salary and operating for field employee	214,688 GF/SF	Yes
<b>4. Environmental FTE</b> Salary and operating for wind/transmission mitigation program	221,278 GF	No
<b>5. Noxious Weed Program</b> Funds for county weed boards to assist landowners in purchasing chemical or equipment	366,900 SF	Yes
<b>6. BIG Program</b> Bioscience Innovation Grant Program to foster the growth of this industry in ND	<b>12 Million GF</b> *Funded \$5.5M GF Transfer (1x)	Partially
<b>7. ADD/AIF Program</b> Ag Diversification and Development and Ag Infrastructure programs	25 Million GF	No
<b>8. APUC Program</b> Agricultural Products Utilization Commission to continue to carry out its mission	3 Million SF	Yes
<b>9. Trade Office</b> Additional funds for trade missions	400,000 GF	No



# FTE Requests

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## FTE Requests for 2025-2027 biennium:

The Department currently has 80 FTE's. Two FTE's were requested in the 2025-27 biennium budget.

1. Plant Protection FTE - a field employee to assist in many plant industries programs to alleviate some of the growth and workload that has greatly increased over the past ten years. The demand for phytosanitary certificates (required for many overseas shipments of plants and plant products such as grain), apiary inspections and hemp retail inspections have increased. Many of these inspections and duties are required by various statutory authority.

Total requested = \$214,688 (Salary=\$173,292; Operating=\$41,396)

**Was included in the Executive Recommendation**

2. Environmental FTE – an employee to assist with the development and implementation of the wind/transmission mitigation program. Under this mitigation program, wind energy companies may elect to contribute into the Mitigation Fund for environmental impact offsets. This employee will manage the program and have a strong technical background in natural resources management, agriculture, finance, and property easement agreements.

Total requested = \$221,278 (Salary=\$200,882; Operating=\$20,396)

**Was NOT included in the Executive Recommendation**

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## FTE History:

2009 - 74.5 FTE's

2024 - 80 FTE's (Increase of 5.5 FTE's over 15 years)

## Department Administrative Overhead:

**Current biennium = 17.5%**

Salary & Wages line divided by Total budget (appropriated and unappropriated funds).

The department has committed 17.5% of our total budget this biennium to support the development and success of our programs. This investment ensures we have the resources needed to provide services and achieve key objectives as directed by the Legislature.

# Updates to Executive Budget / Summary

## HB 1009 Version Comparison

### House Bill No. 1009 Agriculture Commissioner

	25-27 Base Level	Executive Budget Recommendation	Commissioner's Budget Request
<b>Salaries and Wages</b>			
Salaries	17,042,562	19,146,504	19,146,504
Environmental FTE			200,882
USDA Tropilaelaps (fed funds)			16,000
<b>Salary and Wages</b>	<b>17,042,562</b>	<b>19,146,504</b>	<b>19,363,386</b>
<b>Operating Expenses</b>			
Operating Expenses	7,426,173	8,564,256	8,564,256
Environmental FTE			20,396
USDA Tropilaelaps (fed funds)			77,000
<b>Operating Expenses</b>	<b>7,426,173</b>	<b>8,564,256</b>	<b>8,661,652</b>
<b>Capital Assets</b>	<b>7,000</b>	<b>11,100</b>	<b>11,100</b>
<b>Grants</b>			
Grants	10,953,969	13,875,269	13,875,269
Grasslands Grazing Grants c/o			1,400,000
Local Food Purchase Assistance Grant (fed funds)			580,388
USDA Forest Service Grant (fed funds)			13,000
<b>Grants</b>	<b>10,953,969</b>	<b>13,875,269</b>	<b>15,868,657</b>
<b>COVID-19 Specialty Grants (ends 9/2025)</b>	-	300,000	300,000
<b>Bioscience Innovation Grant Program</b>	-	5,500,000	12,000,000
<b>Ag Products Utilization Commission</b>	2,110,417	5,110,417	5,110,417
<b>ND Trade Office</b>	1,600,000	1,600,000	2,000,000
<b>Board of Animal Health</b>	865,718	857,361	865,718
<b>Wildlife Services</b>	1,657,400	1,657,400	1,657,400
<b>Pipeline Restoration &amp; Reclamation Oversight</b>	200,000	200,000	200,000
<b>Ag Diversification &amp; Develop/Ag Infrastructure</b>	-	-	25,000,000
<b>Crop Harmonization Board</b>	75,000	75,000	75,000
<b>HB 1009 Total</b>	<b>41,938,239</b>	<b>56,897,307</b>	<b>91,113,330</b>
<b>Full Time Employees</b>	80	80	80
<b>Changes</b>		1	2
<b>Full Time Employees - Total</b>	<b>80</b>	<b>81</b>	<b>82</b>

# Conclusion

North Dakota has roughly 25,000 farms and ranches, comprising nearly 38.5 million acres, or approximately 90 percent of the total land area in North Dakota. North Dakota agriculture contributes considerably over 30 billion dollars in economic activity annually to the State.

As a prime exporter of agricultural products, North Dakota is often cited as the “breadbasket of the world.” North Dakota is the country’s 11th largest agricultural exporting State, shipping \$5.8 billion in domestic agricultural exports abroad in 2022.

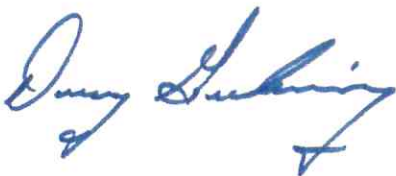
North Dakota produces over 50 different commodities. Soybeans, wheat, corn, cattle & calves, and canola are North Dakota’s top commodities in terms of cash receipts. North Dakota farmers lead the nation in the production of more than a dozen important commodities, among them spring and durum wheat, rye, food grains, assorted beans, barley, flaxseed, canola, honey, sunflowers, pulse crops and more. North Dakota is also a hotbed for emerging crops like hemp, hops, fava beans, and carinata.

Of North Dakota’s approximately 790,000 residents, only about three percent are farmers and ranchers. Nonetheless, agriculture broadly supports over 90,000 jobs and generates over thirteen billion dollars in cash receipts each year. Agriculture remains the leading industry in North Dakota, providing the entire world with enormous quantities of food, feed, fiber, and fuel.

Additionally, North Dakota agriculture extends well beyond crops and livestock. Agribusiness and food processing, agriculture equipment manufacturing and dealerships, innovative technology, local food and farmers markets, agritourism, and agricultural education all contribute to the state’s thriving industry.

The Department’s mission is to “serve, advocate, protect and promote agriculture to benefit everyone.” In furtherance of our mission, we promote agriculture to protect both the value and use of agricultural lands, protect agricultural capacity and output, and promote rural economic development and agricultural industries.

The work of the North Dakota Department of Agriculture is vital to our state’s most important industry. This budget presentation is respectfully provided to assist the Governor and Legislative Assembly in determining spending priorities for the 2025-2027 biennium.



Doug Goehring  
Agriculture Commissioner



