

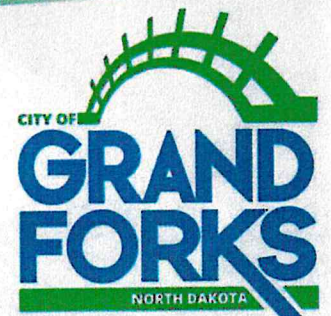
ND Agristo

Major Expansion of the ND Value
Added Agriculture & Potato Market

February 19, 2025



NORTHLAND
POTATOES





ND Agristo Overview

Agristo
we love potatoes

Family-Owned from Belgium and expanding to further serve the U.S. frozen retail market

2 Years of test growing (dry and irrigated) in ND of a new yellow potato from Europe

Will be grown on dry and irrigated land

100+ ND farms in 12 counties and 200 miles around Grand Forks; additional 20,000 acres to the estimated 72,000 acres of potatoes in ND

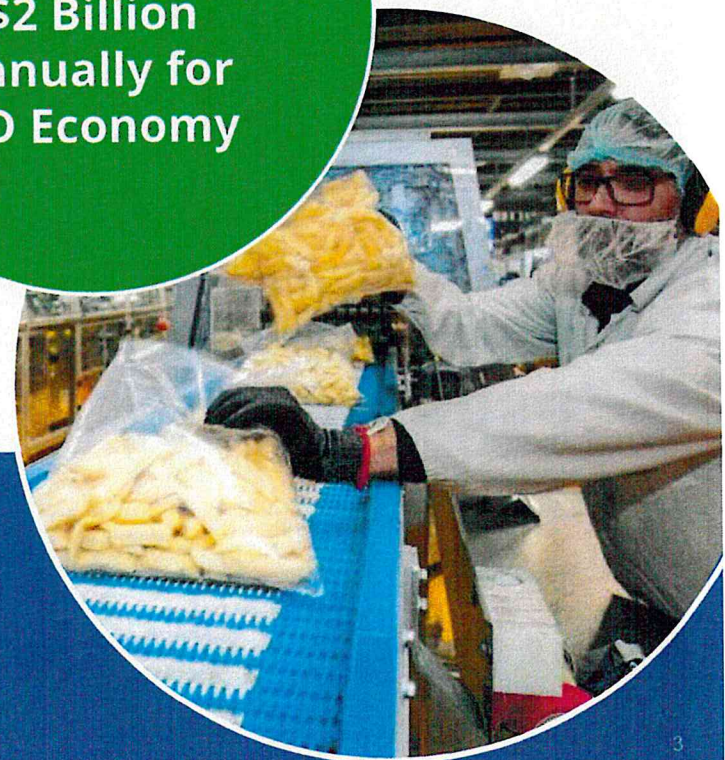




Agristo + ND

Northland Potato Growers Association + City of Grand Forks + State of ND **Collaboration to grow the ND potato industry**

Potato Industry Generates Over \$2 Billion annually for ND Economy



WORKFORCE

Agristo is working with experienced labor recruiters to source employees.

Agristo Investment

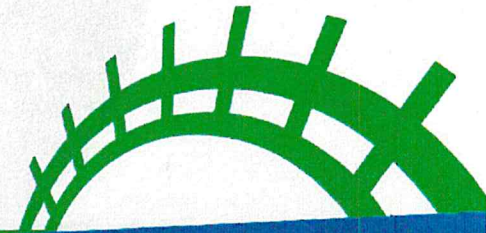
\$450 million
Direct and Initial
Investment
in processing facility

\$150 million
Grower Investment
for on-farm and off-farm
grower collaborative
storage.

20% increase
above existing inputs
for area suppliers

=

Generate est. \$1 Billion
in economic activity
from construction



Economic Impact

Construction

4,904

CONSTRUCTION JOBS

with \$759M Payroll

+

\$37.9M

STATE SALES TAX

+

\$17M

CITY SALES TAX

+

\$6.1M

INDIVIDUAL
INCOME TAX

Economic Impact

Operations

250 DIRECT JOBS

with \$15M Annual Payroll

406 INDIRECT JOBS

with \$26.7M Annual Payroll
(Suppliers, Grower Labor)

\$19.2M

STATE SALES TAX

+

+

+

+

\$8.6M

CITY SALES TAX

(Annual)

\$813,000

INCOME TAX

\$2.26M

CORPORATE INCOME TAX

(Annual)



HOUSE BILL NO. 1332

Agriculture Diversification
and Development Fund

- Up to \$30 million for infrastructure and industrial property
- 9 proposed requirements (Agristo meets/exceeds all)
- Proposed \$30M Grant to be used for land, rail service, and infrastructure special assessments
- Peony/Fufeng site for Agristo (with infrastructure)



City will have invested over \$28 million in infrastructure on industrial ready site and the 20 year/90% property tax incentive is estimated to be \$57 million.

HB 1332 Proposed Requirements

Proposed Requirement	Agristo Facility Details
Located in ND	Facility is proposed to be located on the North End of the City of Grand Forks
New Construction on Industrial-Ready Site	Two industrial ready sites are currently under consideration. The preferred site is the land known as the Peony Site that was proposed for the Fufeng wet corn mill and that is still under private ownership.
Minimum investment of \$350M	Project is currently estimated at \$450M
Leverage Regional Agricultural Producer Capital Investments	Agricultural producers are expected to need approximately \$150M in on-farm investment to support the project.
Have a Competing Offer from at Least One Other Midwestern State	North Dakota/Grand Forks was in Direct Competition with Wisconsin/Stevens Point for this project.
Produce a New Agricultural Product	The Facility will create food products for domestic distribution from a new variety of yellow potato that just completed 2-years of test trials in ND.
Have an Estimated Annual Economic Impact of greater than \$20M	The project is expected to create nearly \$42M in annual wages from direct and induced job creation.



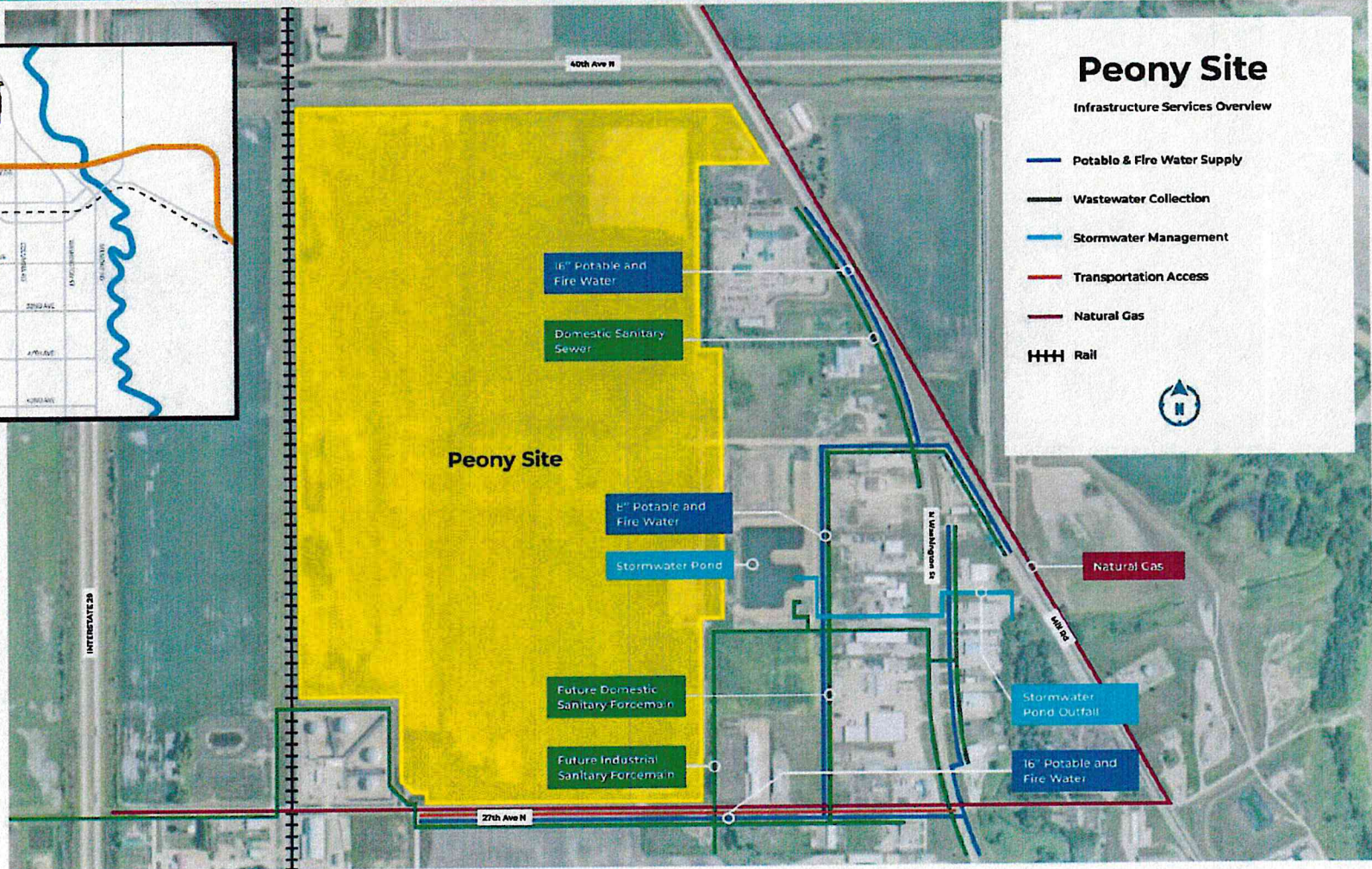
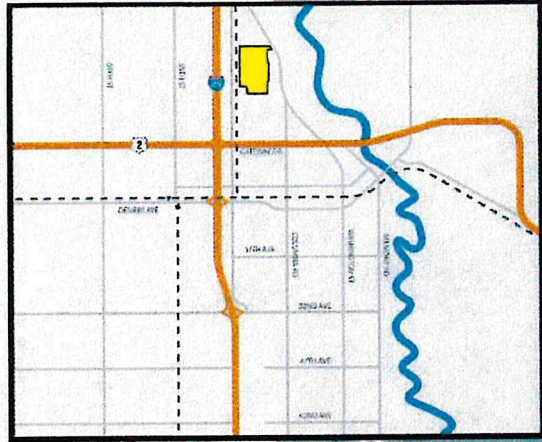
Why are Grant Dollars Necessary?

- More financially feasible site in Wisconsin
- Over \$40M more financially beneficial
(Based on life-cycle cost analysis)
- Primarily comprised of land and site access infrastructure & a more robust tax subsidization program
- Logistical costs were significantly less
(no freight rail service)

Grand Forks vs. Wisconsin Site

	North Dakota/ Grand Forks Site	Wisconsin/ Stevens Point Site
Tax Exemption	20-year / 90%	20-year / 100%
Taxation of Land Value	Full Value	100% Exempt
Public Infrastructure Assessments	\$6.3M	Negligible / No Cost
Site Land Acquisition	\$14M	Negligible / No Cost
Rail Development	\$8M	Not Applicable





QUESTIONS?



**NORTHLAND
POTATOES**

Soil to Success

Building A Legacy of Opportunity for North Dakota Growers & Communities

PROJECT GREEN YIELD SUMMARY

\$450M Potato Processing Plant	Company New to North Dakota	Grower & City of Grand Forks Collaboration	Competing with Wisconsin for Site Location	100+ ND Farms in 12 Counties Impacted
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The collaboration between the Northland Potato Growers and the Grand Forks region reflects a unified effort to recruit a \$450M potato processing facility, a transformative opportunity for the state. Significant infrastructure investments by the City of Grand Forks, including utilities and site readiness, have laid the groundwork for this project, while regional growers are committing to build modern potato storage facilities to

meet the demand of the potato industry. By keeping processing in-state rather than exporting potatoes for out-of-state processing, this facility ensures a long-term economic benefit to the state, further diversifies the state's ag industry and stabilizes markets for growers. Its impact will span generations, creating local jobs, fostering ag innovation, and establishing North Dakota as a leader in the potato processing industry.

PROJECT IMPACTS



Significant Investment Multiplier

- \$450M direct investment will generate an estimated \$1B in economic activity from construction alone.
- Grower investment of \$100-150M for on-farm or off-site grower collaborative storage.
- 20%+ increase above existing inputs for area suppliers.
- Expansion & upgrades including infrastructure, irrigation and equipment for growers



State Tax Benefits

- State sales tax revenue from construction \$37.9M
- State sales tax revenue from operations \$19.2M annually
- Individual income tax revenue from construction \$6.1M
- Individual income tax revenue from facility employees annually \$813k
- Corporate income tax revenue annually \$2.26M

*State tax collections listed here do NOT include grower, transportation or input tax revenue. This data is for facility only.



Employment & Labor Income

- 4,904 construction jobs with \$759M payroll
- 250 direct jobs for operations with \$15M annual payroll
- 406 indirect/induced jobs with \$26.72M annual payroll (suppliers, grower labor)



Local Tax Benefits

- City/County sales tax collections on construction: \$17M
- City/County sales tax collections on operations annually \$8.6M
- City/County property tax collection \$2.7M annually post-incentive period



NORTHLAND
POTATOES

Building A Legacy of Opportunity for North Dakota Growers & Communities

SEEKING LEGISLATIVE SUPPORT

- The request for Project Green Yield is for \$30M structured as a forgivable loan upon project becoming operational.
- Funds may be used for large scale infrastructure necessary to complete the project. (Examples, Rail, Natural Gas, and electrical infrastructure)
- Local taxing authorities must also participate in infrastructure development and project participation through incentives as available.



QUICK FACTS

- **Annual Economic Impact:** The potato industry generates over \$2 billion annually for North Dakota's economy.
- **Acres Planted:** More than 72,000 acres of potatoes are cultivated in North Dakota each year. This project expects to add 15,000-20,000 ac to that number.
- **Market Share:** North Dakota ranks among the top 5 potato-producing states in the U.S.
- **Export Reach:** North Dakota potatoes are shipped to over 30 states and numerous international markets.
- **Job Creation:** The potato industry supports approximately 10,000 jobs statewide, including growers, processors, and suppliers.
- **Processing Demand:** A significant portion of potatoes grown in North Dakota are transported out of state for processing, highlighting the need for in-state facilities like the proposed Grand Forks plant.
- **Research and Innovation:** The region benefits from partnerships with North Dakota State University, advancing research in sustainable farming and crop improvement.

PROJECT GREEN YIELD FAQ

- **Who will this project impact?**
 - **Growers & ag suppliers:** The proposed project will positively impact a very large area including 100+ farms in ND spanning over 12 counties and 200 miles from Grand Forks. The facility will also draw potatoes from 8 counties in MN with 25+ farms.
 - **Complimentary businesses in ND:** Through both construction and operation, the facility will call on in-state businesses for equipment/metal manufacturing, facility maintenance (electrical, HVAC, plumbing, refrigeration, etc.), cardboard packing companies and will be a large buyer of sunflower oil.
 - **Local/state taxing jurisdictions:** Significant tax revenues will assist with local infrastructure, schools, parks, state funding and more.
- **Will this compete with existing potato processors in ND?:** This company sells 100% retail, while existing processors sell exclusively to quick-service restaurants. The potatoes sought by this company are a different variety than those currently processed in-state, thus opening a new market opportunity for growers.
- **Will this create additional competition for other crops?:** This potato variety opens new opportunities for growers, especially for marginal and underutilized land.
- **Where will the labor come from for this project?:** The company is working with experienced labor recruiters to source employees from elsewhere if necessary.
- **Why isn't there more in-state processing?:** Transportation of commodities to populations has been challenging for years. The only way to maintain hubs of agricultural growth is by bringing processing in-state.

WHO WE ARE

The Northland Potato Growers Association (NPGA) stands as a cornerstone of agricultural excellence in the Upper Midwest. Representing a robust network of potato growers, suppliers, and advocates in North Dakota, Minnesota, NPGA is dedicated to advancing the economic and agricultural strength of the region. With the announcement of a groundbreaking \$450 million potato processing facility to be constructed in Grand Forks, North Dakota, the region is poised for transformative growth. Legislative support for this initiative will amplify its far-reaching benefits for growers, suppliers, and the local economy.



Gary Shields,
Executive Director
gshields@nppga.org



1/22/2025

PROPOSED AGRISTO GRAND FORKS, ND FACILITY

KEY ITEMS FOR HB1332 SUPPORT NEEDS

WHO IS AGRISTO?

Agristo is a family owned and operated internationally recognized potato processor. They are based in Belgium and the proposed Grand Forks Facility will be their first processing facility to serve the U.S. market. They work closely with regional growers to produce and supply a specialty yellow potato. They have been working with agronomists and growers for the past two years to test grow their potato variety in Wisconsin and North Dakota.

WHY AGRISTO?

House Bill No. 1332 is proposed to create the "agricultural diversification and development fund" (Fund) that would appropriate dollars to the Bank of North Dakota to, among other things, provide value-added agriculture facility incentive funding. To be eligible for grant dollars from the Fund, the value-added facility must meet a number of requirements in the proposed legislation. The Agristo Facility is proposed to check all the boxes necessary to meet these requirements:

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Leverage Regional Agricultural Producer Capital Investments	Agricultural producers are expected to invest nearly \$150M in on-farm investment to support the project.
Have a Competing Offer from at Least One Other Midwestern State	The City of Grand Forks was in Direct Competition with Wisconsin for this project.
Produce a New Agricultural Product	The Facility will create food products for domestic distribution from a new variety of yellow potato that just completed 2-years of test grows in ND.
Have an Estimated Annual Economic Impact of greater than \$20M	The project is expected to create nearly \$42M in annual wages from direct and induced job creation.

WHY ARE GRANT DOLLARS NECESSARY?

The Agristo Facility's Grand Forks site selection was made in consideration of a more financially feasible site in Wisconsin. In total, and based on the Agristo's Facility life-cycle cost analysis, the Wisconsin site was expected to be financially beneficial over the proposed Grand Forks' site by nearly \$40M. This difference was primarily comprised of land and site access infrastructure that were expected to be essentially free and a more robust tax subsidization program, including a 20-year, 100% property tax abatement and no taxation of land values. In addition, logistics costs were expected to be significantly less with no freight rail service required to efficiently bring end product to market. In order to close the gap and make the Grand Forks site competitive with the Wisconsin site, the support of the State of North Dakota is necessary to ensure this project is secured for our region.

WHAT GRANT AMOUNT WILL LIKELY BE REQUESTED?

Grant dollars from the proposed Fund are not to exceed \$30M for any individual project and must be spent on eligible infrastructure, site acquisition, and/or related capital investments to support the facility. The Agristo Facility is expected to request this full amount to close the financial gap between the competing Wisconsin site. The proposed grant dollars are anticipated to reimburse the following costs that under the currently drafted legislation would be considered eligible:

LAND

Due to the original acquisition cost by Fufeng for the approximately 350-acre industrial ready site on the City's north end and their desire to fully recoup their original investment, site acquisition costs for Agristo are expected to be significant with the current asking price of \$14M.

RAIL SERVICE

As stated prior, the Grand Forks site will require rail service development costs that the Wisconsin site did not. The rail development costs are expected to exceed \$10M.

INFRASTRUCTURE SPECIAL ASSESSMENTS

Significant special assessments currently exist on the preferred site that were created to annex and serve the original Fufeng industrial site. To date the City has invested over \$28M in infrastructure to serve the area and currently there is nearly \$6.3M in existing infrastructure assessment costs that would be assumed by Agristo upon acquisition.

	Grand Forks Site	Wisconsin Site
Tax Exemption	20-year / 90%	20-year / 100%
Taxation of Land Value	Full Value	100% Exempt
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