

**Mill and Elevator Association
Budget No. 475
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2019-21 legislative appropriation	156.00	\$0	\$76,994,824	\$76,994,824
2017-19 legislative appropriation	<u>153.00</u>	<u>0</u>	<u>68,213,519</u>	<u>68,213,519</u>
2019-21 appropriation increase (decrease) to 2017-19 appropriation	3.00	\$0	\$8,781,305	\$8,781,305

Item Description

FTE position changes - The 2019-21 biennium appropriation includes funding for 156 FTE positions, an increase of 3 FTE positions. The Legislative Assembly added 2 FTE food safety positions and 1 FTE utility worker position.

Projects - During the 2019 legislative session, the Mill and Elevator Association identified potential future projects, including increased whole wheat milling capacity, increased durum wheat milling capacity, a flour and millfeed distribution system, terminal elevator conveyors and automation, and a new H mill.

Transfer to agricultural products utilization fund - Section 54-18-21, enacted by the Legislative Assembly in 2009, provides that within 30 days after the conclusion of each fiscal year, the Industrial Commission transfer 5 percent of the net income earned by the Mill and Elevator Association during that fiscal year to the agricultural products utilization fund. Money in the fund is available to APUC to provide grants to develop and expand the use of agricultural products.

Transfer to general fund - Section 54-18-19, enacted by the Legislative Assembly in 2009, requires the Industrial Commission transfer to the general fund 50 percent of the annual earnings and undivided profits of the Mill and Elevator Association after any transfers to other state agricultural-related programs. The money must be transferred on an annual basis in the amounts and at the times requested by the director of OMB. The 2017 Legislative Assembly increased the transfer to 75 percent of the Mill's profits only for the 2017-19 biennium.

Status/Result

All of the new FTE positions were filled as of March 2020.

The Mill and Elevator Association is in the process of completing the first phase of the upgrades to the flour and millfeed distribution system and the first phase of the terminal elevator conveyors and automation project. The projects are anticipated to be completed by the end of the biennium.

The Mill and Elevator Association had fiscal year 2019 income of approximately \$10.6 million and transferred \$531,111 to the agricultural products utilization fund for the 2nd year of the 2017-19 biennium (fiscal year 2019). The total transferred for both years of the 2017-19 biennium was \$1,240,525. The estimated transfer to the agricultural products utilization fund during the 2019-21 biennium is \$1.4 million.

The Mill and Elevator Association had fiscal year 2017 income of approximately \$10.6 million and transferred \$7,568,325 to the general fund for the 2nd year of the 2017-19 biennium (fiscal year 2019). The total transferred for both years of the 2017-19 biennium was \$17,677,472, which reflects a transfer of 75 percent of the Mill's profits. The 2019 Legislative Assembly estimated the 2019-21 biennium transfer to the general fund would be \$13.4 million. The Mill's profits may decline as a result of fewer sales due to COVID-19, but the impact, if any, has not yet been determined.