

Agriculture Commissioner**Budget No. 602****House Bill Nos. 1009, 1143, 1531, and 1591; Senate Bill Nos. 2274 and 2327**

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriations	81.00	\$33,604,476	\$45,072,340	\$78,676,816
2025-27 base budget	80.00	14,820,933	27,117,306	41,938,239
Legislative increase (decrease) to base budget	1.00	\$18,783,543	\$17,955,034	\$36,738,577

ONGOING AND ONE-TIME GENERAL FUND APPROPRIATIONS

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2025-27 legislative appropriations	\$18,129,476	\$15,475,000	\$33,604,476
2023-25 legislative appropriations	14,820,933	33,000,000	47,820,933
2025-27 legislative increase (decrease) to 2023-25 appropriations	\$3,308,543	(\$17,525,000)	(\$14,216,457)
Percentage increase (decrease) to 2023-25 appropriations	22.3%	(53.1%)	(29.7%)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS**Changes to Base Budget**

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Adjusted funding for base payroll changes		\$203,651	(\$228,654)	(\$25,003)
Added funding to provide employee salary increases of 3 percent on July 1, 2025, and 3 percent on July 1, 2026		383,276	266,444	649,720
Added funding for employee health insurance premiums to reflect a revised premium estimate of \$1,893 per month		271,679	214,749	486,428
Added funding to replace the 2023-25 biennium new and vacant FTE funding pool, including \$214,930 for new positions and \$662,070 for vacant positions		608,727	268,273	877,000
Added funding for an FTE plant protection position from the general fund and the environment and rangeland protection fund, including \$41,396 for operating expenses	1.00	107,344	107,344	214,688
Transferred \$185,368 for 1 new FTE position from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$166,831 resulting in the savings as shown		(9,268)	(9,269)	(18,537)

Transferred \$839,494 for estimated savings from vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$587,646 resulting in the savings as shown	(146,988)	(104,860)	(251,848)
Adjusted funding for temporary salaries (reduction of \$202,601), travel (increase of \$217,708), and other operating expenses (increase of \$328,979), including an increase of \$806,464 from federal funds and \$39,143 from special funds	(501,521)	845,607	344,086
Added funding for state fleet rate increases	500,000		500,000
Reduced funding from the abandoned oil and gas well plugging and site reclamation fund for the postproduction royalty oversight program		(200,000)	(200,000)
Adjusted funding for capital assets to provide a total of \$11,100 for capital assets from the Agriculture Commissioner's operating fund		4,100	4,100
Adjusted funding for grants, including an increase of \$32,000 from federal funds and a reduction of \$26,100 from special funds		5,900	5,900
Added funding for noxious weeds grants from the environment and rangeland protection fund to provide a total of \$1,990,869, of which \$170,000 is from federal funds and \$1,820,869 is from the environment and rangeland protection fund		366,900	366,900
Added funding for the specialty crop block grant program to provide a total of \$9,063,305 from federal funds. A section is added to the bill to provide the Agriculture Commissioner an exemption to continue COVID-19 funding appropriated for the program for the 2019-21 biennium into the 2025-27 biennium.		1,968,500	1,968,500
Reduced funding for the board of animal health to provide a total of \$857,361 for the board of animal health	(8,357)		(8,357)
Added funding from the environment and rangeland protection fund for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program, of which \$598,600 is from the general fund and \$1,208,800 is from the environment and rangeland protection fund		150,000	150,000
Added ongoing funding to transfer the administration of the farm management program from the Department of Career and Technical Education to the Agriculture Commissioner (Senate Bill No. 2274)	1,900,000		1,900,000
Added one-time funding from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) program to provide a total of \$5,110,417 for the program, including \$2,110,417 from the APUC fund		3,000,000	3,000,000

Added one-time funding for the North Dakota Trade Office to provide a total of \$2 million from the general fund for the North Dakota Trade Office	400,000		400,000
Added one-time funding from the strategic investment and improvements fund (SIIF) for grasslands grazing grants		3,000,000	3,000,000
Added one-time funding from SIIF for food distribution grants for meat and protein		1,500,000	1,500,000
Added one-time funding from SIIF for autonomous technology grants		300,000	300,000
Added one-time funding from SIIF for providing a food distribution facility grant program (House Bill No. 1143)		5,000,000	5,000,000
Added one-time funding for the purpose of contracting with a consultant to study the potential benefits of expanding irrigation throughout the state (House Bill No. 1531)	75,000		75,000
Added one-time funding from SIIF for grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects (House Bill No. 1591)		1,500,000	1,500,000
Added one-time funding for a transfer to the agriculture diversification and development fund (Senate Bill No. 2327)	15,000,000		15,000,000
Total	1.00	\$18,783,543	\$17,955,034
			\$36,738,577

FTE Changes

The Legislative Assembly approved 81 FTE positions for the Agriculture Commissioner for the 2025-27 biennium, an increase of 1 FTE position from the 2023-25 biennium level of 80 FTE positions. The Legislative Assembly added 1 FTE plant protection position.

One-Time Funding

The Legislative Assembly approved \$29.8 million of one-time funding for the Agriculture Commissioner for the 2025-27 biennium as follows:

	General Fund	Other Funds	Total
APUC (Bank of North Dakota profits)		\$3,000,000	\$3,000,000
North Dakota Trade Office	\$400,000		400,000
Grasslands grazing grants (SIIF)		3,000,000	3,000,000
Food distribution grants for meat and protein (SIIF)		1,500,000	1,500,000
Autonomous technology grants (SIIF)		300,000	300,000
Food distribution facility grant (SIIF) (House Bill No. 1143)		5,000,000	5,000,000
Irrigation expansion study (House Bill No. 1531)	75,000		75,000
County fair resiliency grant program (SIIF) (House Bill No. 1591)		1,500,000	1,500,000
Agriculture infrastructure grant program (Senate Bill No. 2327)	15,000,000		15,000,000
Total	\$15,475,000	\$14,300,000	\$29,775,000

Environment and Rangeland Protection Fund

The environment and rangeland protection fund was established by the 1991 Legislative Assembly in Senate Bill No. 2451 and enacted as North Dakota Century Code Section 19-18-02.1 then amended and reenacted by the 2017 Legislative Assembly as Section 4.1-39-07 as part of the agriculture law rewrite. The fund contains collections from pesticide registration fees, fertilizer registration, inspection, and tonnage fees, and weed seed free forage fees. Prior to the 2009-11 biennium, the biennial fee was \$350 per pesticide product registered in the state. Of this amount, \$300 was deposited in the environment and rangeland protection fund and \$50 in the general fund. Beginning with the 2009-11 biennium, the entire pesticide registration fee is deposited in the environment and rangeland protection fund rather than a portion in the general fund. Funding in the environment and rangeland protection fund is utilized for various Agriculture Commissioner programs. Please refer to the **TRUST FUND ANALYSES** section of this report for an analysis of the environment and rangeland protection fund.

Minor use pesticide fund transfer - Section 5 of House Bill No. 1009 (2025) transfers \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2025-27 biennium, the same as the 2023-25 biennium.

Environmental impact mitigation fund transfer - Section 6 of House Bill No. 1009 transfers \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program, the same as the 2023-25 biennium. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.

Environment and rangeland protection fund - Section 9 of House Bill No. 1009 identifies \$8,057,927 of funding from the environment and rangeland protection fund for Agriculture Commissioner programs, an increase of \$706,380 from the 2023-25 biennium.

Agricultural Products Utilization Commission

In Senate Bill Nos. 2009 and 2328 and House Bill No. 1018, the 2019 Legislative Assembly approved the transfer of the APUC program from the Department of Commerce to the Agriculture Commissioner beginning in the 2019-21 biennium. The following is a summary of recent funding for APUC in the Department of Commerce (2013-15 through 2017-19 bienniums) and Agriculture Commissioner (2019-21 through 2025-27 bienniums):

Biennium	General Fund	APUC Fund ¹	Bank of North Dakota Profits	Federal Funds	Total ²
2013-15	\$1,202,210	\$1,738,284		\$300,000	\$3,240,494
2015-17 (adjusted) ^{3,4}	1,022,983	2,095,628			3,118,611
2017-19 ^{5,6}		3,152,915			3,152,915
2019-21 ⁷		1,760,417	\$2,000,000		3,760,417
2021-23		1,760,417	2,700,000		4,460,417
2023-25		\$2,110,417	\$3,000,000		\$5,110,417
2025-27		2,110,417	3,000,000		5,110,417
Increase (decrease) from 2023-25 biennium	\$0	\$0	\$0	\$0	\$0

¹The 2013 Legislative Assembly renamed the agricultural fuel tax fund the agricultural products utilization fund. Section 19 of Senate Bill No. 2018 (2013) removed the requirement that two cents per gallon of the motor vehicle fuel tax refund for agricultural purposes be deposited in the agricultural products utilization fund, resulting in the remaining ongoing funding sources for the agricultural products utilization fund be an annual transfer of 5 percent of the Mill and Elevator Association profits and one-half cent per gallon of the motor vehicle fuel tax refund for industrial purposes. In Section 2 of House Bill No. 1099 (2023), the Legislative Assembly amended Section 57-43.1-03 to remove the requirement to deposit one-half cent per gallon of the motor vehicle fuel tax refund in the agricultural products utilization fund, resulting in the annual transfer of 5 percent of the Mill and Elevator Association profits being the only ongoing funding source for the agricultural products utilization fund.

²These amounts do not include carryover authority.

³The 2015-17 general fund appropriation for APUC reflects a \$200,000 reduction made during the August 2016 special legislative session reductions.

⁴The 2015 Legislative Assembly provided an exemption for APUC in Section 17 of House Bill No. 1018 allowing unexpended funds from the 2013-15 biennium to continue during the 2015-17 biennium.

⁵Of the amount appropriated to the Department of Commerce through the agricultural products utilization fund for the 2017-19 biennium, approximately \$1.3 million was from the Mill and Elevator Association profits and approximately \$1,000 was from motor vehicle fuel tax refunds. The remaining amount was additional special fund spending authority from the agricultural products utilization fund if additional Mill and Elevator Association profits become available.

⁶The 2017 Legislative Assembly provided an exemption for APUC in Section 4 of Senate Bill No. 2018 allowing unexpended funds from the 2015-17 biennium to continue during the 2017-19 biennium.

⁷In addition to the funding provided to the Agriculture Commissioner in the APUC line item, funding for 1 FTE position is included from the general fund in the salaries and wages line item for the APUC program.

North Dakota Trade Office

The North Dakota Trade Office creates global partnerships to expand trade opportunities for North Dakota businesses through advocacy, education, and expertise. In Section 13 of House Bill No. 1009 (2025), the Legislative Assembly identified \$2 million appropriated in Section 1 from the general fund for the North Dakota Trade Office. The Legislative Assembly transferred the North Dakota Trade Office program from the Department of Commerce to the Agriculture Commissioner in Senate Bill No. 2018 (2021).

The following is a summary of funding for the North Dakota Trade Office in the Department of Commerce (2003-05 through 2019-21 bienniums) and Agriculture Commissioner (2021-23 biennium and 2025-27 biennium):

Biennium	General Fund	Other Funds	Total
2003-05 ¹	\$75,000		\$75,000
2005-07 ²		\$700,000	700,000
2007-09 ³	1,500,000		1,500,000
2009-11 ⁴	2,064,000		2,064,000
2011-13 ⁵	2,613,400		2,613,400
2013-15 ⁵	2,613,400		2,613,400
2015-17 (adjusted) ^{5,6}	2,556,694		2,556,694
2017-19 ⁷	2,000,000		2,000,000
2019-21 ⁷	1,600,000		1,600,000
2021-23 ⁷	1,600,000		1,600,000
2023-25 ⁷	\$2,100,000		\$2,100,000
2025-27 ⁷	2,000,000		2,000,000
Increase (decrease) from 2023-25 biennium	(\$100,000)	\$0	(\$100,000)

¹Section 21 of House Bill No. 1019 (2003) required the Department of Commerce to establish a trade promotion authority for promoting North Dakota products and improving international trade for North Dakota products for the 2003-05 biennium. The department was to use \$75,000 from the general fund appropriated in its operating expenses line item for operating costs of the trade authority for the 2003-05 biennium. Section 22 of the bill provided that the department may spend any gifts, grants, or other income received by the authority pursuant to a continuing appropriation for the 2003-05 biennium.

²The 2005 Legislative Assembly provided funding of \$500,000 from the development fund and \$200,000 from the Mill and Elevator Association for costs associated with the North Dakota Trade Office. Matching funds of 50 percent were to be provided before this funding was made available.

³Section 10 of House Bill No. 1018 (2007) provided that the Department of Commerce may spend 50 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁴Section 11 of Senate Bill No. 2018 (2009) provides that the Department of Commerce may spend 62.5 percent of the funding without requiring any matching funds from the North Dakota Trade Office, and any additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the Department of Commerce. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁵Section 26 of Senate Bill No. 2057 (2011), Section 31 of Senate Bill No. 2018 (2013), and Section 12 of House Bill No. 1018 (2015), provided the Department of Commerce may spend 70 percent of funding appropriated to the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

⁶The 2015-17 biennium appropriation for the North Dakota Trade Office reflects a \$56,706 general fund reduction made as part of the August 2016 special legislative session reductions.

⁷Section 11 of Senate Bill No. 2018 (2017) and Section 9 of House Bill No. 1018 (2019) provided the Department of Commerce and Section 12 of House Bill No. 1009 (2021), Section 13 of Senate Bill No. 2009 (2023), and Section 13 of House Bill No. 1009 (2025) provided the Agriculture Commissioner may spend 60 percent of funding appropriated for the North Dakota Trade Office without requiring matching funds from the North Dakota Trade Office. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for each \$1 provided by the state. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota Trade Office's export assistance program.

Bioscience Innovation Grant Program

In Senate Bill No. 2224 (2019), the Legislative Assembly established a bioscience innovation grant program, provided a continuing appropriation to the Agriculture Commissioner for the program, and required the Office of Management and Budget to transfer \$700,000 from the Research North Dakota fund to the bioscience innovation grant fund during the 2019-21 biennium. Of the \$700,000 transferred, up to \$200,000 was to be awarded to entities providing assistance to develop bioscience companies. The Agriculture Commissioner was required to collaborate with the Department of Commerce when awarding bioscience innovation grants and to coordinate the management of the Agriculture Commissioner's bioscience innovation grant program with the Department of Commerce's biotechnology grant program. At the request of the Department of Commerce, the 2021 Legislative Assembly removed funding for the biotechnology grant program beginning in the 2021-23 biennium, eliminating the program. The 2025 Legislative Assembly did not provide funding for the bioscience innovation grant program, and Section 7 of House Bill No. 1009 (2025) provides for the transfer of any balance in the bioscience innovation grant fund to the general fund on June 30, 2025. This will increase the beginning general fund balance for the 2025-27 biennium by \$1,029,968.

The following is a summary of funding transferred to the bioscience innovation grant fund for the bioscience innovation grant program:

Biennium	General Fund	SIIF	Research North Dakota Fund	Total
2019-21	\$0	\$0	\$700,000	\$700,000
2021-23	5,500,000	0	0	5,500,000
2023-25	6,500,000	5,500,000	0	12,000,000
2025-27	0	0	0	0
Total	\$12,000,000	\$5,500,000	\$700,000	\$18,200,000

Other Sections in House Bill No. 1009

New and vacant FTE pool - Section 3 provides for the use of funding in the new and vacant FTE pool line item.

Department of water resources funding - Section 4 identifies \$125,000 in the other funds line item, which the Department of Water Resources is required to transfer to the Agriculture Commissioner for the Wildlife Services program for the 2025-27 biennium, the same as the 2023-25 biennium.

Agricultural Products Utilization Commission - Section 8 identifies one-time funding of \$3 million in the other funds line item and APUC line item from current earnings and undivided profits of the Bank of North Dakota, which must be transferred to the Agriculture Commissioner for deposit in the agricultural products utilization fund for defraying the expenses of the APUC program during the 2025-27 biennium.

Game and fish funding - Section 10 identifies \$671,918 from the game and fish operating fund for the State Board of Animal Health (\$171,918) and Wildlife Services program (\$500,000) for the 2023-25 biennium, an increase of \$23,690 from the 2023-25 biennium appropriation of \$648,228.

Abandoned oil and gas well plugging and site reclamation fund - Section 11 identifies \$500,000 in the other funds line item from the oil and gas well plugging and site reclamation fund, of which \$200,000 is for the pipeline restoration and reclamation program during the 2025-27 biennium, the same as the 2023-25 biennium. The remaining \$300,000 is for a postproduction royalty oversight program, a decrease of \$200,000 from the 2023-25 biennium appropriation of \$500,000.

Other funds - SIIF - Section 12 identifies \$4.8 million in the other funds line item in Section 1 is from SIIF, of which:

- \$3 million is for grassland grazing grants to organizations representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, capture carbon, or increase the health of grasslands. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation district guidance and the plan must be approved by the local soil conservation district. The Agriculture Commissioner shall establish additional guidelines for the program;
- \$1.5 million is for grants to food pantries for meat and protein; and
- \$300,000 is for autonomous technology grants to individuals or entities in the agriculture industry. The Agriculture Commissioner may require an individual or entity to provide \$1 of matching funds for every \$4 provided by the State.

Waterbank program - Section 14 provides that of the amount appropriated in the salary and wages line item in Section 1, the Agriculture Commissioner may use up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

Salary of the Agriculture Commissioner - Section 15 includes the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026, to reflect salary adjustments consistent with 2025-27 biennium state employee salary increases.

Wildlife Services program - Indirect costs - Section 16 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.

Exemption - Unexpended appropriations - Section 17 allows any unspent funds remaining from the following appropriations to be continued into the 2025-27 biennium:

- 2019-21 biennium appropriation authority of \$300,000 from federal funds derived from COVID-19 funds for the specialty crop block grant program;
- 2021-23 biennium appropriation authority of \$5 million from SIIF for grasslands grazing grants;
- 2023-25 biennium appropriation authority of \$660,000 from the environment and rangeland protection fund for the regional livestock development and planning program; and
- 2023-25 biennium appropriation authority of \$1 million from SIIF for grasslands grazing grants.

Emergency clause - Section 18 declares section 7, relating to the transfer from the bioscience innovation grant fund to the general fund, to be an emergency measure.

Related Legislation

House Bill No. 1143 - Food distribution facility grant program - This bill appropriates \$5 million of one-time funding from SIIF for a food distribution facility grant program. Grant funds may be used only for costs related to the construction of a statewide charitable food distribution and logistics facility. The bill requires grant recipients to provide \$1 of matching funds for every \$1 provided by the state.

House Bill No. 1235 - Agriculture infrastructure grant program - This bill requires road and bridge projects under the agriculture infrastructure grant program to be awarded to counties, townships, or cities with a population of 1,500 residents or less.

House Bill No. 1332 - Value-added agriculture facility incentive program - This bill provides \$30 million from a line of credit with the Bank of North Dakota for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a value-added agriculture facility incentive program. The line of credit may be accessed through June 30, 2029.

House Bill No. 1531 - Irrigation expansion study - This bill appropriates \$75,000 of one-time funding from the general fund for contracting with consultant to study the potential benefits of expanding irrigation throughout the state.

House Bill No. 1591 - County fair resiliency grant program - This bill appropriates \$3 million of one-time funding from the general fund for grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects. Grant recipients must provide \$1 of matching funds for every \$1 provided by the state.

Senate Bill No. 2274 - Farm management program - This bill provides statutory authority for the Agriculture Commissioner to administer the farm management program currently administered by the Department of Career and Technical Education and appropriates \$1,900,000 of ongoing funding from the general fund to the Agriculture Commissioner for the program. The Legislative Assembly removed the entire \$1,706,138 general fund appropriation from the Department of Career and Technical Education base budget for the program in Senate Bill No. 2019 (2025).

Senate Bill No. 2327 - Transfer to agriculture diversification and development fund - This bill transfers \$15 million from the general fund to the agriculture diversification and development fund and allows the agriculture diversification and development committee to use a portion of the funding for administrative expenses.

Senate Bill No. 2333 - Low-carbon fuels fund - This bill creates a low-carbon fuels fund, provides a continuing appropriation from the fund, transfers any balance in the ethanol production incentive fund to the new fund, and adjusts transfers from the highway tax distribution fund. The purpose of the fund is to distribute low-carbon fuels incentives to ethanol production facilities and to contract with an entity to develop a carbon intensity verification process.

Senate Bill No. 2342 - Value-added milk processing facility initiative program - This bill provides 10 million from a line of credit from the Bank of North Dakota for deposit in the agriculture diversification and development fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a value-added milk processing facility incentive program.

Senate Bill No. 2368 - Grasslands grazing grants program - This bill establishes the existing grasslands grazing grant program as a new section to Chapter 4.1-01, which provides grants to organizations representing cooperative grazing associations in the state. The organizations must provide \$1 of matching funds for every \$4 of grant funding. The 2023 Legislative Assembly provided \$1 million from SIIF for the program for the 2023-25 biennium. The 2025 Legislative Assembly provided \$3 million from SIIF for the program for the 2025-27 biennium.