

**DEPARTMENT 602 - AGRICULTURE COMMISSIONER
2025-27 BASE LEVEL BUDGET**

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$17,042,562
Operating expenses	7,426,173
Capital assets	7,000
Grants	10,953,969
Agricultural products utilization commission	2,110,417
North Dakota trade office	1,600,000
Board of animal health	865,718
Wildlife services	1,657,400
Pipeline restoration and reclamation oversight program	200,000
Crop harmonization board	75,000
Total all funds	\$41,938,239
Less other funds	<u>27,117,306</u>
Total general fund	\$14,820,933
Full-time equivalent (FTE) positions	80.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages of 80 FTE positions, including temporary salaries of \$548,570	\$9,789,337	\$7,253,225	\$17,042,562
2. Includes funding for operating expenses, primarily related to operating fees and services, travel, information technology data processing, and rent expenses	\$2,399,431	\$5,026,742	\$7,426,173
3. Includes funding in the operating expenses line item from the abandoned oil and gas well plugging and site reclamation fund for a postproduction royalty oversight program to allow the Agriculture Commissioner to contract for an ombudsmen to assist individuals and companies with mineral royalty payment issues. The program was established in Senate Bill No. 2194 (2023).	\$0	\$500,000	\$500,000
4. Includes funding from the environment and rangeland protection (ERP) fund for capital assets	\$0	\$7,000	\$7,000
5. Includes funding for grape and wine (\$80,000) and apiary (\$75,000) grants	\$155,000	\$0	\$155,000
6. Includes federal funds for the specialty crop block grant program to provide grants to farmers to enhance the competitiveness of specialty crops, including fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops	\$0	\$7,094,805	\$7,094,805
7. Includes funding for noxious weed grants, of which \$170,000 is from federal funds and \$1,453,969 is from the ERP fund. The Agriculture Commissioner coordinates efforts of county and city weed boards and offers cost-share programs to implement integrated weed management programs.	\$0	\$1,623,969	\$1,623,969
8. Includes federal funding for the livestock pollution prevention program to provide cost-share assistance grants to beef feedlots and dairy, hog, and large cattle operations for excavation, ponds, lots, diversions, heavy use pads, fencing, clean water, access roads, and fencing or windbreak projects	\$0	\$1,000,000	\$1,000,000
9. Includes federal funding of \$868,000 for grants and \$110,000 for operating expenses for the local food purchase assistance program for local underserved producers	\$0	\$978,000	\$978,000
10. Includes funding from the North Dakota outdoor heritage fund for the waterbank program which is a water management program available to farmers and ranchers to conserve surface waters, enhance wildlife habitat, and promote wetland conservation	\$0	\$100,000	\$100,000

11. Includes funding for the Agricultural Products Utilization Commission (APUC), of which \$1,900,000 is for grants and \$210,417 is for APUC operating expenses. The program provides grants to individuals and businesses in the state to promote employment opportunities and the development of new and expanding agricultural products. Funding is derived from 5 percent of profits from the Mill and Elevator, which is transferred to the APUC fund. During the 2021-23 biennium, \$1,595,802 was transferred to the APUC fund.	\$0	\$2,110,417	\$2,110,417
12. Includes funding to be provided to the North Dakota Trade Office to provide assistance to North Dakota companies with export education, research, advocacy, and expertise	\$1,600,000	\$0	\$1,600,000
13. Includes funding for the Board of Animal Health, of which \$533,745 is from federal funds and \$53,408 is from the Agriculture Commissioner's operating fund	\$278,565	\$587,153	\$865,718
14. Includes funding for the Wildlife Services program, including \$500,000 from the game and fish fund, \$433,800 from the ERP fund, and \$125,000 from water resource funds. The program assists individuals and businesses with damages or concerns caused by wildlife, such as damage to crops, trees, and waterways, which is conducted in collaboration with the Game and Fish Department, Department of Water Resources, and United States Department of Agriculture.	\$598,600	\$1,058,800	\$1,657,400
15. Includes funding from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation oversight program, which is a program to connect landowners and tenants with an independent ombudsman to help resolve pipeline reclamation and restoration issues with pipeline companies.	\$0	\$200,000	\$200,000
16. Includes funding from the ERP fund to be provided to the Crop Harmonization Board for crop protection product registration, labeling, and grants	\$0	\$75,000	\$75,000
17. The estimated income line item includes \$14,492,125 from federal funds and \$12,625,181 from special funds, of which \$7,351,547 is from the ERP fund, \$2,110,417 is from the APUC fund, \$1,689,989 is from the Agriculture Commissioner's operating fund, \$648,228 is from the game and fish fund, \$125,000 is from water resource funds, and \$700,000 is from the abandoned oil and gas well plugging and site reclamation fund.	\$0	\$27,117,306	\$27,117,306
18. The Agriculture Commissioner's office includes the Administrative Services Division, Plant Industries Division, Livestock Industries Division, Grain and Livestock Licensing Division, Animal Health Division, Pesticide and Fertilizer Division, and Business, Marketing, and Information Division			

Continuing Appropriations

Bioscience innovation grant fund - North Dakota Century Code Section 4.1-01-20.1 - Authorizes the Agriculture Commissioner to award grants to North Dakota bioscience businesses to support biotechnology innovation and commercialization, promote the creation of bioscience jobs in the state, encourage the development of new bioscience technologies and bioscience startup companies in the state, leverage the agriculture industry in the state to support the development of bioscience technologies impacting livestock operations and crop production, promote bioscience research and development at institutions under the control of the State Board of Higher Education; and encourage coordination and collaboration among other entities and programs in the state to promote bioscience innovation goals. For the 2021-23 biennium, the fund had \$5.5 million of revenue transferred from the general fund, \$5.5 million of expenditures, and a fund balance of \$151 on June 30, 2023.

Federal environmental law impact review fund - Section 4.1-01-21 - Allows the Agriculture Commissioner to use money in the fund for certain administrative costs related to the Federal Environmental Law Impact Review Committee, which reviews federal environmental legislation and regulations detrimentally impacting or potentially detrimentally impacting the state's agricultural, energy, or oil production sectors. For the 2021-23 biennium, the fund had \$5,000,000 of revenue transferred from the general fund, \$1,020,398 of expenditures, and a fund balance of \$5,043,688 on June 30, 2023.

Environmental impact mitigation fund - Section 4.1-01-21.1 - Allows the Agriculture Commissioner to distribute money in the fund to landowners for the mitigation of agricultural land impacted by assessed adverse direct environmental impacts of a proposed site, corridor, route, or facility. For the 2021-23 biennium, the fund had no revenue, no expenditures, and a fund balance of \$0 on June 30, 2023.

Agriculture diversification and development fund - Section 4.1-01.1-07 - Provides the Agriculture Commissioner may provide grants from the agriculture diversification and development fund to political subdivisions for road and bridge improvements and

to entities for water, sewerline, electrical, and gas supply improvements necessary to accommodate value-added agriculture businesses. The Bank of North Dakota may provide loans and interest rate buydowns from the fund. For the 2021-23 biennium, the fund had \$1,000,000 of revenue, \$1,279,514 of expenditures, and a fund balance of \$19,764 on June 30, 2023.

Honey promotion fund - Section 4.1-08-05 - Includes assessment funding from honeybee license fees, which the Agriculture Commissioner may use for honeybee research, education programs, marketing development, and North Dakota honey promotional efforts. For the 2021-23 biennium, the fund had \$164,252 of revenue, \$69,850 of expenditures, and a fund balance of \$362,014 on June 30, 2023.

Turkey fund - Section 4.1-12-08 - Includes assessment funding from turkey processors and producers, which the Agriculture Commissioner may use for turkey research, education programs, marketing development, and turkey programs coordinated with the National Turkey Federation. For the 2021-23 biennium, the fund had \$16,872 of revenue, \$13,705 of expenditures, and a fund balance of \$19,286 on June 30, 2023.

Industrial hemp - Section 4.1-18.1-03 - Provides for the Agriculture Commissioner to assess a fee of \$350 to each applicant requesting to grow or process industrial hemp. Fees collected for this purpose are deposited in the Agriculture Commissioner operating fund and appropriated on a continuing basis to the Department of Agriculture. For the 2021-23 biennium, revenue deposited in the Agriculture Commissioner's operating fund pursuant to this section was \$26,416 and expenditures totaled \$56,927.

Minor use pesticide fund - Section 4.1-39-08 - For studies, investigations, and evaluations regarding registration and use of pesticides. For the 2021-23 biennium, the fund had \$325,000 transferred from the environment and rangeland protection fund of revenue, \$197,834 of expenditures, and a fund balance of \$268,463 on June 30, 2023.

Domestic animals and nontraditional livestock - Section 36-01-33 - Requires the Agriculture Commissioner to collect fees for the actual direct cost of providing brucellosis tags, identification tags, and health books distributed by the Board of Animal Health for the protection and health of domestic animals and nontraditional livestock. For the 2021-23 biennium, revenue deposited in the Agriculture Commissioner's operating fund pursuant to this section was \$10,797 and expenditures totaled \$15,172.

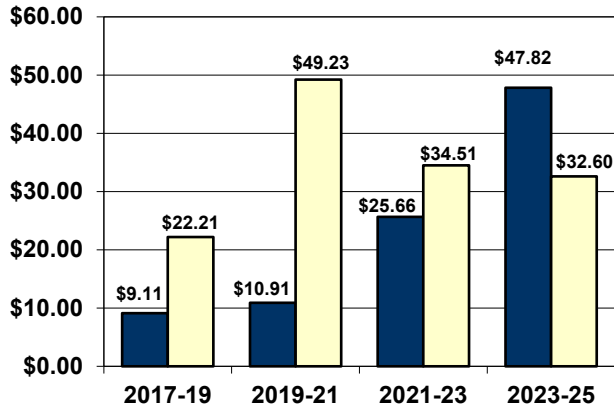
Equine processing fund - Section 36-21-19 - Provides for the Agriculture Commissioner to assess a fee of \$5 for equine processing facility assessments. The first \$50,000 of fees collected is deposited in the general fund and any additional amounts are deposited in the equine processing fund. All funds in the equine processing fund are appropriated on a continuing basis to the Agriculture Commissioner. For the 2021-23 biennium, the fund had no revenue, no expenditures, and a fund balance of \$0 on June 30, 2023.

State waterbank fund - Section 61-31-10 - Authorizes the Agriculture Commissioner to receive funds from any private or public source, including from state agencies for the state waterbank program. The state waterbank program is a water management program which compensates landowners for flooded acres and surrounding areas that benefit wildlife. The state waterbank fund and interest earned are appropriated to the Agriculture Commissioner on a continuing basis. For the 2021-23 biennium, the fund had \$52,496 of revenue primarily transferred from the outdoor heritage fund, \$52,439 of expenditures, and a fund balance of \$41,268 on June 30, 2023.

Historical Appropriations Information

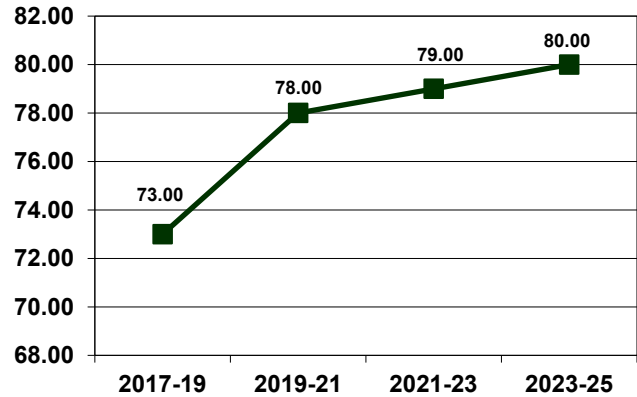
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Ongoing General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
Ongoing general fund appropriations	\$9,961,137	\$9,109,101	\$10,700,429	\$13,459,712	\$14,820,933
Increase (decrease) from previous biennium	N/A	(\$852,036)	\$1,591,328	\$2,759,283	\$1,361,221
Percentage increase (decrease) from previous biennium	N/A	(8.6%)	17.5%	25.8%	10.1%
Cumulative percentage increase (decrease) from 2015-17 biennium	N/A	(8.6%)	7.4%	35.1%	48.8%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

1. Removed 4 FTE positions and related funding (\$600,304)
2. Adjusted funding for information technology operating expenses (\$296,836)

2019-21 Biennium

1. Added funding to transfer APUC from the Department of Commerce to provide total ongoing funding of \$2,000,000, of which \$1,760,417 is from the APUC fund \$239,583
2. Added funding to transfer the grain warehouse license and inspection program from the Public Service Commission \$853,499

2021-23 Biennium

1. Added funding to address employee salary compression concerns \$369,866
2. Added 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses \$183,399
3. Added funding to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses \$106,458
4. Added funding to reclassify a program coordinator position to an attorney position \$68,279
5. Transferred the North Dakota Trade Office program from the Department of Commerce to the Agriculture Commissioner \$1,600,000

2023-25 Biennium

1. Added an FTE marketing specialist position, of which \$214,930 is for salaries and wages and \$101,300 is for operating expenses \$316,230
2. Added funding for a new Capitol space rent model \$198,136

3. Added funding for aerial contract services for the Wildlife Services program to provide a total of \$200,000
 \$1,657,400 for the program

One-Time General Fund Appropriations

	2015-17	2017-19	2019-21	2021-23	2023-25
One-time general fund appropriations	\$861,360	\$0	\$210,000	\$10,500,000	\$33,000,000

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

- 1. Grain insolvency litigation \$100,000
- 2. Master customer database \$110,000

2021-23 Biennium

- 1. Bioscience innovation grant program \$5,500,000
- 2. Federal environmental law impact review costs \$5,000,000

2023-25 Biennium

- 1. Bioscience innovation grant program \$6,500,000
- 2. North Dakota Trade Office \$500,000
- 3. Food distribution grant program \$1,000,000
- 4. Agriculture infrastructure grant program \$25,000,000