

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

	FTE Positions	General Fund	Other Funds	Total
2025-27 legislative appropriation	81.00	\$33,604,476 ¹	\$45,072,340	\$78,676,816
2023-25 legislative appropriation	<u>80.00</u>	<u>47,820,933²</u>	<u>32,604,806</u>	<u>80,425,739</u>
2025-27 appropriation increase (decrease) to 2023-25 appropriation	1.00	(\$14,216,457)	\$12,467,534	(\$1,748,923)

¹This amount includes \$15,475,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$18,129,476.

²This amount includes \$33,000,000 of one-time funding. Excluding this amount, the agency's ongoing General Fund appropriation is \$14,820,933.

Item Description

Full-time equivalent 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 authorization of 80 FTE positions. The Legislative Assembly added 1 FTE plant protection position.

New and vacant FTE pool - The Legislative Assembly transferred \$1,024,862 for estimated savings from new and vacant FTE positions from the salaries and wages line item to the new and vacant FTE pool line item and reduced the amount to \$754,477 for estimated savings from new and vacant FTE positions.

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 Funds
Agricultural Products Utilization Commission (APUC) (Bank of North Dakota profits)		\$3,000,000	\$3,000,000
North Dakota Trade Office	\$400,000		400,000
Grasslands grazing grants (Strategic Investment and Improvements Fund (SIIF))		3,000,000	3,000,000
Food distribution grants for meat and protein (SIIF)		1,500,000	1,500,000
Autonomous technology grant (SIIF)		300,000	300,000
Food distribution facility grant (SIIF) (House Bill No. 1143)		5,000,000	5,000,000

Status/Result

The Agriculture Commissioner filled the FTE plant protection position in September 2025.

Through March 2026, the department had received \$166,831 from the new and vacant FTE pool to fill the FTE plant protection position. Through January 2026, the department had estimated vacant FTE position savings of \$411,383, including \$300,140 of General Fund savings and \$111,243 of other funds savings. The department used \$45,828 for accrued leave payouts, extra salary increases, and extra temporary salaries. The number of vacancies in the agency has ranged from 2 to 8 FTEs with an average monthly vacancy rate of 4.71 FTE positions.

The following is a summary of the status of the Agriculture Commissioner's one-time funding items:

APUC	See the Agricultural Products Utilization Commission section below.
North Dakota Trade Office	See the North Dakota Trade Office section below.
Grasslands grazing grants	See the Grasslands grazing grants section below.
Food distribution grants for meat and protein	Through April 2026, the Agriculture Commissioner spent \$680,455 on the Food Distribution Grant Program. The grant was awarded to the Great Plains Food Bank. The department anticipates spending the entire appropriation during the 2025-27 biennium.
Autonomous technology grant	Through April 2026, the Agriculture Commissioner spent \$18,148 on the grant program to develop autonomous tools to identify palmer amaranth, water hemp, and other amaranth species. The department anticipates spending the entire appropriation during the 2025-27 biennium.

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 Diversification and Development (ADD) Fund (Senate Bill No. 2327)	15,000,000		15,000,000
Total	\$15,475,000	\$14,300,000	\$29,775,000

Food distribution facility grant	Through April 2026, the Agriculture Commissioner spent \$183,499 on the Food Distribution Facility Grant Program. The grant was awarded to the Great Plains Food Bank. Engineering and site preparation work has begun, with construction to begin in summer 2026. The department anticipates spending the entire appropriation during the 2025-27 biennium.
Irrigation expansion study	The Agriculture Commissioner anticipates the study being completed in summer 2026 and expending the entire appropriation during the 2025-27 biennium. The department is required to present the findings and recommendations of the study to the interim Agriculture and Water Management Committee before July 1, 2026.
County Fair Resiliency Grant Program	Through April 2026, the Agriculture Commissioner spent \$198,655 on the grant program. Funding was granted to 23 county fair associations for the planning, design, and construction of infrastructure projects. The department anticipates spending the entire appropriation during the 2025-27 biennium.
Agriculture Diversification and Development Fund	See the Agriculture Diversification and Development Fund section below.

Exemptions - The Legislative Assembly, in Section 17 of House Bill No. 1009, provided exemptions allowing the Agriculture Commissioner to continue unspent appropriation authority into the 2025-27 biennium relating to the following items:

- Specialty Crop Block Grant Program
- Grasslands grazing grants
- Regional Livestock Development and Planning Program

The following is a summary of the status of the Agriculture Commissioner's carryover funding:

Specialty Crop Block Grant Program	The Agriculture Commissioner continued \$124,482 of federal funds into the 2025-27 biennium. Through March 2026, the agency spent \$39,957. The agency does not anticipate further expenditures or requesting carryover authority for remaining unspent funds.
Grasslands grazing grants	See the Grasslands grazing grants section below.
Regional Livestock Development and Planning Program	The Agriculture Commissioner continued \$543,750 from the Environment and Rangeland Protection Fund into the 2025-27 biennium. Through March 2026, the agency spent \$142,500 and anticipates spending an additional \$310,500 during the 2025-27 biennium. The timing of grants may result in a request to the Legislative Assembly to continue the funding into the 2027-29 biennium.

Agricultural Products Utilization Commission - The 2019 Legislative Assembly transferred the APUC Program from the Department of Commerce to the Agriculture Commissioner.

In House Bill No. 2009, the 2025 Legislative Assembly appropriated \$5,110,417 for APUC, of which \$3,000,000 is one-time funding from Bank of North Dakota profits and \$2,110,417 is ongoing funding from the APUC Fund derived from 5 percent of Mill and Elevator profits. The Agriculture

The Bank of North Dakota profits were transferred in August 2025. Through March 2026, the Agriculture Commissioner spent \$1,007,334 and funding obligations total \$2,416,536 for 38 projects. The agency anticipates spending the entire appropriation during the 2025-27 biennium.

Commissioner is also authorized 1 FTE APUC position funded from the General Fund.

North Dakota Trade Office - The 2021 Legislative Assembly transferred the North Dakota Trade Office Program from the Department of Commerce to the Agriculture Commissioner.

In House Bill No. 1009, the Legislative Assembly appropriated \$1.6 million of ongoing funding from the General Fund to the Agriculture Commissioner for the North Dakota Trade Office Program for the 2025-27 biennium, the same amount as the 2023-25 biennium. The Legislative Assembly also appropriated \$400,000 of one-time funding from the General Fund for the North Dakota Trade Office, a decrease of \$100,000 compared to the 2023-25 biennium.

Grasslands grazing grants - The Legislative Assembly, in Section 9 of House Bill No. 1009 (2021), provided one-time funding of \$5 million from SIIF to provide 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 \$1 of matching funds from nonstate sources for every \$4 of grant funding.

In Section 21 of Senate Bill No. 2009 (2023), the Legislative Assembly provided an exemption to the Agriculture Commissioner to continue unspent 2021-23 biennium funding for the grasslands grazing grants into the 2023-25 biennium. In Section 11 of Senate Bill No. 2009, the Legislative Assembly appropriated an additional \$1 million from SIIF for grassland grazing grants for the 2023-25 biennium.

The Legislative Assembly, in House Bill No. 1009 (2025), provided an exemption to the Agriculture Commissioner to continue unspent grasslands grazing grants authority into the 2025-27 biennium and provided an additional \$3 million from SIIF for grasslands grazing grants.

Agriculture Diversification and Development Fund - House Bill No. 1276 (2023) transferred \$25 million from the General Fund to the ADD Fund for the 2023-25 biennium, and Senate Bill No. 2327 (2025) transferred an additional \$15 million for the 2025-27 biennium.

	Agriculture Grant Program	Agriculture Infrastructure Grants to Political Subdivisions	Bank of North Dakota Loans and Interest Rate Buydowns	Total
2023-25 Transfer	\$7,500,000	\$10,000,000	\$7,500,000	\$25,000,000
2025-27 Transfer	10,000,000	0	5,000,000	15,000,000
Total	\$17,500,000	\$10,000,000	\$12,500,000	\$40,000,000

The Agriculture Commissioner has continuing appropriation authority to spend money in the ADD Fund.

Through March 2026, the Agriculture Commissioner spent \$1,391,308 on the North Dakota Trade Office and anticipates spending the entire appropriation during the 2025-27 biennium. The Agriculture Commissioner has worked with the North Dakota Trade Office on international trade missions, international trade shows, and a reverse trade mission.

Of the \$5,000,000 authorized in House Bill No. 1009 (2021), \$1,839,486 was unspent and continued into the 2023-25 biennium. The \$1,000,000 appropriated from SIIF was transferred in August 2023. Of the \$2,839,486 available for the 2023-25 biennium, \$1,250,974 was unspent and continued into the 2025-27 biennium.

Through March 2026, the Agriculture Commissioner spent \$1,995,878 of the \$4,250,974 of funding available during the 2025-27 biennium. The agency anticipates fully expending the carryover authority during the 2025-27 biennium and requesting to continue unspent 2025-27 biennium funding into the 2027-29 biennium.

The Bank of North Dakota administers loans and interest rate buydowns from the ADD Fund pursuant to policies developed in consultation with the ADD Committee. A total of \$12,500,000 was designated for loans and interest rate buydowns during the 2023-25 and 2025-27 bienniums. During the 2023-25 biennium, \$4,745,517 was spent on interest rate buydowns and, through March 2026, \$612,310 has been spent on interest rate buydowns during the 2025-27 biennium.

The following schedules show ADD Fund obligations and expenditures for the Agriculture Grant Program and agriculture infrastructure grants to political subdivisions through March 2026:

Obligations through March 2026			
	Agriculture Grant Program	Agriculture Infrastructure Grants to Political Subdivisions	Total
Available	\$17,500,000	\$10,000,000	\$27,500,000
Obligated	6,646,351	8,704,872 ¹	15,351,223
Unobligated	\$10,853,649	\$1,295,128	\$12,148,777

¹This amount includes grant awards obligated in April 2026 totaling \$3,193,405.

Expenditures through March 2026			
	Agriculture Grant Program	Agriculture Infrastructure Grants to Political Subdivisions	Total
Available	\$17,500,000	\$10,000,000	\$27,500,000
Expended	4,650,251	2,254,922	6,905,173
Unexpended	\$12,849,749	\$7,745,078	\$20,594,827

Value Added Agriculture Processing Facility Incentive Program - The Legislative Assembly, in House Bill No. 1332 (2025), created the Value Added Agriculture Facility Incentive Program and provided \$30 million from a line of credit from the Bank of North Dakota for deposit in the ADD Fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for the Value Added Agriculture Facility Incentive Program. The line of credit may be accessed through June 30, 2029.

Value Added Milk Processing Facility Incentive Program - The Legislative Assembly, in Senate Bill No. 2342 (2025), created the Value Added Milk Processing Facility Initiative Program and provided \$5 million from a line of credit from the Bank of North Dakota for deposit in the ADD fund. The Agriculture Commissioner, based on a continuing appropriation, may use these funds for a Value Added Milk Processing Facility Incentive Program.

Farm Management Program - The Legislative Assembly, in Senate Bill No. 2274, provided statutory authority for the Agriculture Commissioner to administer the Farm Management Program, previously administered by the Department of Career and Technical Education, and appropriated \$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's budget for the program in Senate Bill No. 2019 (2025).

Pipeline Restoration and Reclamation Oversight Program - The Legislative Assembly provided \$200,000 from the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund to the Agriculture Commissioner for the Pipeline Restoration and Reclamation Program for the 2025-27 biennium,

As of April 2026, the Agriculture Commissioner received one application, but has not awarded any grant funding. The qualifying applicant has begun work on the facility; however, the first eligible payment, equal to 50 percent of the grant award, is contingent upon the facility receiving a certificate of occupancy, which is not expected to occur during the 2025-27 biennium. The remaining portion of the grant award is contingent on the facility reaching 50 percent of production capacity.

As of April 2026, no applications have been received and the line of credit has not been accessed. The Agriculture Commissioner does not anticipate accessing the line of credit during the 2025-27 biennium. The department anticipates requesting to continue the line of credit into the 2027-29 biennium.

Through March 2026, the Agriculture Commissioner spent \$376,231 on the Farm Management Program. The program currently operates at four colleges with nine instructors and 298 farms enrolled in the program.

Through March 2026, the Agriculture Commissioner spent \$12,864. Since the inception of the program in 2015, there have been 87 cases reviewed, of which 72 cases have been closed, the department is monitoring 11 cases, and 4 cases are active. The Agriculture Commissioner estimates \$40,000 to \$50,000 may be

the same as the 2023-25 biennium. This program connects landowners and pipeline companies with independent ombudsmen to resolve reclamation disputes.

Postproduction Royalty Oversight Program - The Legislative Assembly provided \$300,000 from the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund to the Agriculture Commissioner for the Postproduction Royalty Oversight Program for the 2025-27 biennium, a decrease of \$200,000 compared to the 2023-25 biennium. This program connects royalty owners and well operators with independent ombudsmen to resolve mineral royalty payment disputes.

Bioscience Innovation Grant Program - The 2019 Legislative Assembly established a Bioscience Innovation Grant Program and provided a continuing appropriation to the Agriculture Commissioner for the program. The following is a summary of funding transferred to the Bioscience Innovation Grant Fund for bioscience innovation grants:

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

The 2025 Legislative Assembly did not provide funding for the Bioscience Innovation Grant Program, and Section 7 of House Bill No. 1009 provided for the transfer of any balance in the Bioscience Innovation Grant Fund to the General Fund on June 30, 2025.

Transfers - Section 4 of House Bill No. 1009 requires the Department of Water Resources to transfer \$125,000 to the Agriculture Commissioner for the Wildlife Services Program for the 2025-27 biennium, the same as the 2023-25 biennium.

Section 5 of the bill requires the Agriculture Commissioner to transfer \$325,000 from the Environment and Rangeland Protection Fund to the Minor Use Pesticide Fund, the same as the 2023-25 biennium.

Section 6 of the bill requires the Agriculture Commissioner to transfer \$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.

spent on the program during the biennium; however, the amount of funding that will be spent will depend on the cost of the active cases and the number of additional cases are opened during the biennium.

Through March 2026, the Agriculture Commissioner spent \$65,187. Since the inception of the program in 2023, there have been 228 cases reviewed, of which 89 cases have been closed, 11 cases were considered out of scope, 8 cases are on regulatory hold, and 120 cases are active. Most cases relate to nonpayment or difficulty contacting well operators. The Agriculture Commissioner anticipates spending \$200,000 on the program during the 2025-27 biennium.

In September 2025, the Agriculture Commissioner transferred the remaining balance of \$3,602,196 from the Bioscience Innovation Grant Fund to the General Fund.

The transfer from the Department of Water Resources to the Agriculture Commissioner Operating Fund was completed in November 2025. The transfer from the Environment and Rangeland Protection Fund to the Minor Use Pesticide Fund was completed in September 2025. The transfer from the Environment and Rangeland Protection Fund to the Environmental Impact Mitigation Fund was completed in September 2025.