

**DEPARTMENT 602 - AGRICULTURE COMMISSIONER
2027-29 BASE-LEVEL BUDGET**

Base Budget - Summary

	<u>Base Level</u>
Salaries and wages	\$17,976,536
New and vacant FTE pool	754,477
Operating expenses	8,014,256
Capital assets	11,100
Grants	13,295,269
Agricultural Products Utilization Commission (APUC)	2,110,417
North Dakota Trade Office	1,600,000
State Board of Animal Health	857,361
Wildlife services	1,807,400
Pipeline and royalty oversight programs	500,000
Crop Harmonization Board	75,000
Farm Management Program	<u>1,900,000</u>
Total all funds	\$48,901,816
Less other funds	<u>30,772,340</u>
Total General Fund	\$18,129,476
FTE positions	81.00

Selected Base Budget Information

	General Fund	Other Funds	Total
1. Includes funding for salaries and wages of 81 FTE positions, including temporary salaries of \$345,969	\$10,447,047	\$7,529,489	\$17,976,536
2. Includes a portion of the funding removed from the salaries and wages line item for estimated savings from new and vacant FTE positions. This line item includes \$166,831 related to a new FTE plant protection position and \$587,646 related to vacant positions. Funding may be transferred from this line if needed for filling new positions or if savings from vacant positions is less than estimated.	\$426,388	\$328,089	\$754,477
3. Includes funding for operating expenses, primarily related to operating fees and services, travel, information technology data processing, and rent expenses	\$2,732,233	\$5,282,023	\$8,014,256
4. Includes funding from the Agriculture Commissioner Operating Fund for capital assets	\$0	\$11,100	\$11,100
5. Includes funding from the General Fund for grape and wine (\$80,000) and apiary (\$75,000) grants; federal funds for the Specialty Crop Block Grant Program (\$9,850,000) to enhance the competitiveness of specialty crops; and federal funds for the Livestock Pollution Prevention Program (\$1,000,000) to provide a cost-share for livestock operations for waste containment and water management projects. Funding is also included for noxious weed grants totaling \$2,022,869 (\$202,000 from federal funds and \$1,820,869 from the Environment and Rangeland Protection (ERP) Fund) to support county and city weed boards and provide a cost-share for integrated weed management programs.	\$155,000	\$13,140,269	\$13,295,269
6. Includes funding for 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. During the 2023-25 biennium, \$2,374,479 was transferred to the APUC Fund.	\$0	\$2,110,417	\$2,110,417
7. 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
8. Includes funding for the State Board of Animal Health, of which \$533,745 is from federal funds and \$53,408 is from the Agriculture Commissioner Operating Fund	\$270,208	\$587,153	\$857,361
9. Includes funding for the Wildlife Services Program, including \$500,000 from the Game and Fish Fund, \$583,800 from the ERP Fund, and	\$598,600	\$1,208,800	\$1,807,400

\$125,000 from Department of Water Resources 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 (USDA).

10. Includes funding from the Abandoned Oil and Gas Well Plugging and Site Reclamation Fund for the Postproduction Royalty Oversight Program and the Pipeline Restoration and Reclamation Oversight Program. The Postproduction Royalty Oversight Program connects royalty owners and well operators with an ombudsman to resolve mineral royalty payment disputes. The Pipeline Restoration and Reclamation Oversight Program connects landowners and pipeline companies with an independent ombudsman to resolve reclamation disputes.	\$0	\$500,000	\$500,000
11. 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
12. Includes funding for the Farm Management Program to provide financial and production recordkeeping education for active agriculture producers. Senate Bill No. 2274 (2025) transferred the administration of the Farm Management Program from the Department of Career and Technical Education to the Agriculture Commissioner.	\$1,900,000	\$0	\$1,900,000

The Department of Agriculture 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 2023-25 biennium, the fund had \$12,000,000 of revenue, including \$6,500,000 transferred from the General Fund and \$5,500,000 transferred from the Strategic Investment and Improvements Fund (SIIF), \$8,187,791 of expenditures, and a fund balance of \$3,812,361 on June 30, 2025. Pursuant to provisions of House Bill No. 1009 (2025), the remaining fund balance of \$3,602,196 was transferred to the General Fund in September 2025.

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 2023-25 biennium, the fund had no revenue, \$648,414 of expenditures, and a fund balance of \$4,395,274 on June 30, 2025.

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 2023-25 biennium, the fund had \$2,969,505 of revenue, including \$2,697,476 of environmental impact mitigation payments from energy conversion and transmission facility applicants deposited pursuant to Section 49-22-09.2, \$250,000 transferred from the ERP Fund, and \$22,029 of interest income. The fund had expenditures of \$249,997, and a fund balance of \$2,719,508 on June 30, 2025.

Low-Carbon Fuels Fund - Section 4.1-01-21.2 - Allows the Agriculture Commissioner to distribute low-carbon fuel incentives and provide carbon intensity verification for the construction of new infrastructure or replacement of existing infrastructure for carbon dioxide capture and storage, beneficial use of carbon dioxide, energy efficiency enhancements, or ethanol yield improvements. The Legislative Assembly created this fund in Senate Bill No. 2333 (2025).

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 2023-25 biennium, the fund had \$17,750,150 of revenue, including \$17,500,000 transferred from the General Fund and \$250,150 from interest income, \$5,140,615 of expenditures, and a fund balance of \$12,609,534 on June 30, 2025.

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 2023-25 biennium, the fund had \$180,923 of revenue, \$275,149 of expenditures, and a fund balance of \$267,788 on June 30, 2025.

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 2023-25 biennium, the fund had \$18,508 of revenue, \$22,507 of expenditures, and a fund balance of \$15,287 on June 30, 2025.

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 Agriculture Commissioner. For the 2023-25 biennium, revenue deposited in the Agriculture Commissioner Operating Fund pursuant to this section was \$13,461 and expenditures totaled \$45,097.

Minor Use Pesticide Fund - Section 4.1-39-08 - For studies, investigations, and evaluations regarding registration and use of pesticides. For the 2023-25 biennium, the fund had \$325,000 of revenue, which was transferred from the ERP Fund, \$330,487 of expenditures, and a fund balance of \$262,976 on June 30, 2025.

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 State Board of Animal Health for the protection and health of domestic animals and nontraditional livestock. For the 2023-25 biennium, revenue deposited in the Agriculture Commissioner Operating Fund pursuant to this section was \$9,590 and expenditures totaled \$19,681.

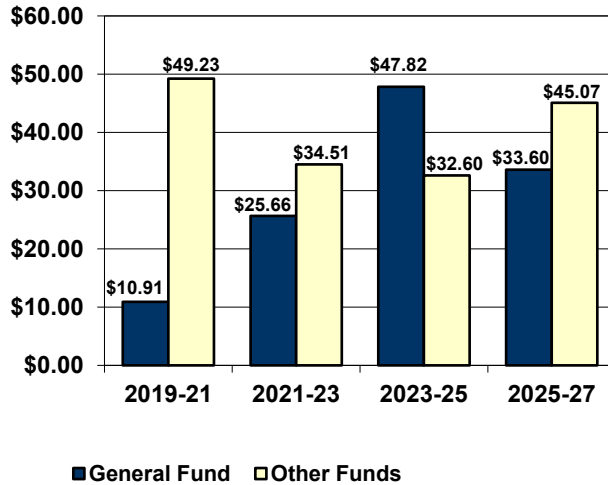
Equine Processing Fund - Section 36-21-19 - Provides for the Agriculture Commissioner to assess a fee of \$5 for equine processing facility assessments. The first \$50,000 of fees collected is deposited in the General Fund and any additional amounts are deposited in the Equine Processing Fund. All funds in the Equine Processing Fund are appropriated on a continuing basis to the Agriculture Commissioner. For the 2023-25 biennium, the fund had no revenue, no expenditures, and a fund balance of \$0 on June 30, 2025.

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 2023-25 biennium, the fund had \$52,938 of revenue primarily transferred from the North Dakota Outdoor Heritage Fund, \$52,435 of expenditures, and a fund balance of \$41,772 on June 30, 2025.

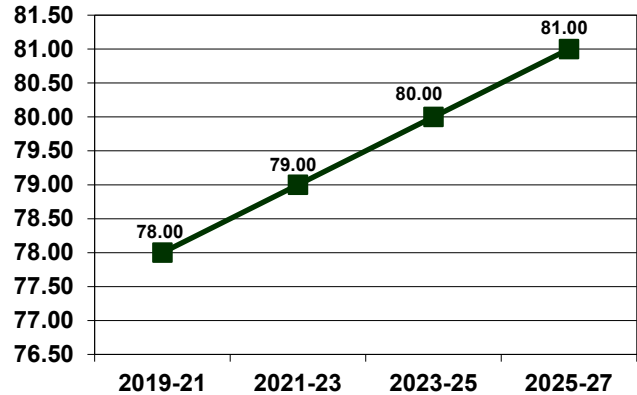
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Ongoing General Fund appropriations	\$9,109,101	\$10,700,429	\$13,459,712	\$14,820,933	\$18,129,476
Increase (decrease) from previous biennium	N/A	\$1,591,328	\$2,759,283	\$1,361,221	\$3,308,543
Percentage increase (decrease) from previous biennium	N/A	17.5%	25.8%	10.1%	22.3%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	17.5%	47.8%	62.7%	99.0%

Major Increases (Decreases) in Ongoing General Fund Appropriations

2019-21 Biennium

- 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
- Added funding to transfer the Grain Warehouse License and Inspection Program from the Public Service Commission \$853,499

2021-23 Biennium

- Added funding to address employee salary compression concerns \$369,866
- Added 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses \$183,399
- 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
- Added funding to reclassify a program coordinator position to an attorney position \$68,279
- Transferred the North Dakota Trade Office Program from the Department of Commerce to the Agriculture Commissioner \$1,600,000

2023-25 Biennium

- Added an FTE marketing specialist position, of which \$214,930 is for salaries and wages and \$101,300 is for operating expenses \$316,230
- Added funding for a new Capitol space rent model \$198,136
- Added funding for aerial contract services for the Wildlife Services Program to provide a total of \$1,657,400 for the program \$200,000

2025-27 Biennium

- Reduced funding for temporary salaries, travel, and other operating expenses (\$501,521)
- Added funding for state fleet rate increases \$500,000

3. 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

One-Time General Fund Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
One-time General Fund appropriations	\$0	\$210,000	\$10,500,000	\$33,000,000	\$15,475,000

Major One-Time General Fund Appropriations

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

2025-27 Biennium

- 1. North Dakota Trade Office \$400,000
- 2. Irrigation expansion study \$75,000
- 3. Agriculture Infrastructure Grant Program \$15,000,000

Other Funds

Major sources of special funds include:

- **ERP Fund** - Used to fund programs related to environmental protection and rangeland improvement, including noxious weed control; ground water testing, analysis, protection, and improvement; analysis of food products for residues of pesticides and other materials; and analysis and disposal of unusable pesticides and pesticide containers, pursuant to Section 4.1-39-07. Revenue deposited in the fund is derived from registration, inspection, and tonnage fees for pesticides, fertilizers, and commercial feed.
- **Agricultural Products Utilization Fund** - The fund used to defray the expenses of APUC. Funding is derived from 5 percent of profits from the Mill and Elevator, which is transferred to the APUC Fund. Funding supports grant programs for agricultural research, development, processing, technology, and marketing.
- **Agriculture Commissioner Operating Fund** - The operating fund for the Agriculture Commissioner, pursuant to Section 4.1-01-08. Revenue in the fund is primarily derived from transfers and license and registration fees. Funding has been appropriated for salaries and wages, operating expenses, and grant programs.

Major sources of federal funds include:

- **Specialty Crop Block Grant** - Funding provided by the USDA Agricultural Marketing Service to enhance the competitiveness of specialty crops, including fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops. The grant program funds research, promotion, marketing, and education efforts.
- **Livestock Pollution Prevention Program** - Funding provided by the USDA Natural Resources Conservation Service to provide a cost-share to livestock producers for the prevention of surface and ground water contamination. Funding is used to support the installation of full or partial waste containment systems, including excavation, clean water diversion, and winter grazing systems. The program provides up to 60 percent of eligible expenses.
- **Meat and Poultry Inspection Program** - Funding provided by the USDA Food Safety and Inspection Service to maintain a State Meat and Poultry Inspection Program at least equal to those imposed by federal law, pursuant to Section 4.1-31-18. Federal funds provide for 50 percent of total program costs. Funding supports salaries and operating expenses for inspectors and staff.
- **Pesticide Performance Partnership Grants** - Funding provided by the United States Environmental Protection Agency to support the regulation of the distribution, storage, and application of pesticides, as well as the registration of product prior to sale, pursuant to Chapters 4.1-33, 4.1-34, and 4.1-35. The funding supports inspection and enforcement activities.

Other Funds Appropriations

	2017-19	2019-21	2021-23	2023-25	2025-27
Other funds appropriations	\$22,207,676	\$49,229,956	\$34,510,775	\$32,604,806	\$45,072,340
Increase (decrease) from previous biennium	N/A	\$27,022,280	(\$14,719,181)	(\$1,905,969)	\$12,467,534
Percentage increase (decrease) from previous biennium	N/A	121.7%	(29.9%)	(5.5%)	38.2%
Cumulative percentage increase (decrease) from 2017-19 biennium	N/A	121.7%	55.4%	46.8%	103.0%

Major Increases (Decreases) in Other Funds Appropriations

2019-21 Biennium

Ongoing

- 1. Added funding for temporary salaries \$159,852
- 2. 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 \$1,760,417

One-time

- 1. APUC (Bank of North Dakota profits) \$2,000,000
- 2. Mitigation of environmental impacts (Environmental Impact Mitigation Fund) \$5,000,000
- 3. Meat Processor Cost-Share Program (federal Coronavirus Relief Fund) \$6,199,979
- 4. COVID-19 Research Grant Program for North Dakota research companies (Coronavirus Relief Fund) \$4,990,802
- 5. Perishable Food Storage Grant Program (Coronavirus Relief Fund) \$2,000,000
- 6. Specialty crop block grants (federal COVID-19 funds) \$5,000,000
- 7. Stress assistance programs for agriculture producers (COVID-19 funds) \$500,000

2021-23 Biennium

Ongoing

- 1. Added funding to address employee salary compression concerns \$332,634
- 2. Added federal funding for the Specialty Crop Block Grant Program \$158,000
- 3. Removed federal funding relating to the Environmental Impact Mitigation Fund. The Agriculture Commissioner has an existing continuing appropriation from the fund to provide grants to political subdivisions for the mitigation of environmental impacts. (\$5,000,000)

One-time

- 1. Soil Health Cover Crop Grant Program (\$300,000 from Bank of North Dakota profits and \$400,000 from federal and special funds) \$700,000
- 2. Grasslands grazing grants (SIIF) \$5,000,000
- 3. APUC Program (Bank of North Dakota profits) \$2,700,000
- 4. Intermodal Facility Construction Grant Program (federal State Fiscal Recovery Fund) \$2,000,000

2023-25 Biennium

Ongoing

- 1. Reduced funding for travel, operating fees and services, and other operating expenses, including a reduction of \$563,265 from federal funds and \$96,586 from special funds (\$659,851)
- 2. Added funding from the Abandoned Oil And Gas Well Plugging and Site Reclamation Fund for a Postproduction Royalty Oversight Program. The program was established in Senate Bill No. 2194 (2023), which allows the Agriculture Commissioner to contract for an ombudsman to assist individuals and companies with mineral royalty payment issues. \$500,000
- 3. Added federal funding for the Local Food Purchase Assistance Program for local underserved producers, including \$110,000 for operating expenses and \$868,000 for grants \$978,000
- 4. Added federal funding for the Specialty Crop Block Grant Program \$1,055,500
- 5. Increased funding from the Agricultural Products Utilization Fund for the APUC Program to provide ongoing funding of \$2,110,417 from the Agricultural Products Utilization Fund \$350,000

One-time

- 1. APUC Program (Bank of North Dakota profits) \$3,000,000
- 2. Grasslands grazing grants (SIIF) \$1,000,000
- 3. Regional Livestock Development and Planning Grant Program (ERP Fund) \$1,200,000

- | | |
|--|-----------|
| 4. Uncrewed aircraft system, autonomous vehicle, and other autonomous technology grants (\$275,000 from the State Fiscal Recovery Fund for grants and \$12,500 from SIIF for administration) | \$287,500 |
|--|-----------|

2025-27 Biennium

Ongoing

- | | |
|--|-------------|
| 1. Added funding for temporary salaries, travel, and other operating expenses, including an increase of \$806,464 from federal funds and \$39,143 from special funds | \$845,607 |
| 2. Added funding for noxious weeds grants from the ERP Fund | \$366,900 |
| 3. Added federal funding for the Specialty Crop Block Grant Program | \$1,968,500 |

One-time

- | | |
|--|-------------|
| 1. APUC Program (Bank of North Dakota profits) | \$3,000,000 |
| 2. Grasslands grazing grants (SIIF) | \$3,000,000 |
| 3. Autonomous technology grants (SIIF) | \$300,000 |
| 4. Food Distribution Grant Program (SIIF) | \$5,000,000 |
| 5. County agriculture fair association grants (SIIF) | \$1,500,000 |