

**2021 HOUSE APPROPRIATIONS**

**HB 1009**

**Department 602 - Agriculture Commissioner  
House Bill No. 1009**

**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	78.00	\$11,067,647	\$28,689,324	\$39,756,971
2019-21 Legislative Appropriations <sup>1</sup>	78.00	10,910,429	30,322,406	41,232,835
Increase (Decrease)	0.00	\$157,218	(\$1,633,082)	(\$1,475,864)

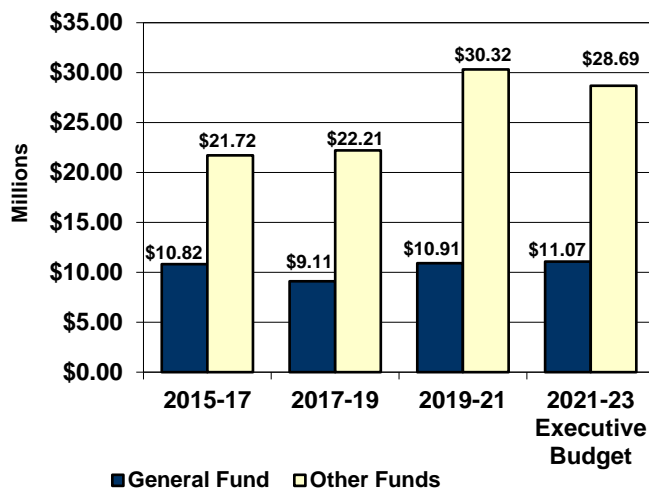
<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional special funds authority of \$250,000 resulting from Emergency Commission action during the 2019-21 biennium.
- Additional federal Coronavirus (COVID-19) funds authority of \$13,556,000 resulting from Emergency Commission action during the 2019-21 biennium.

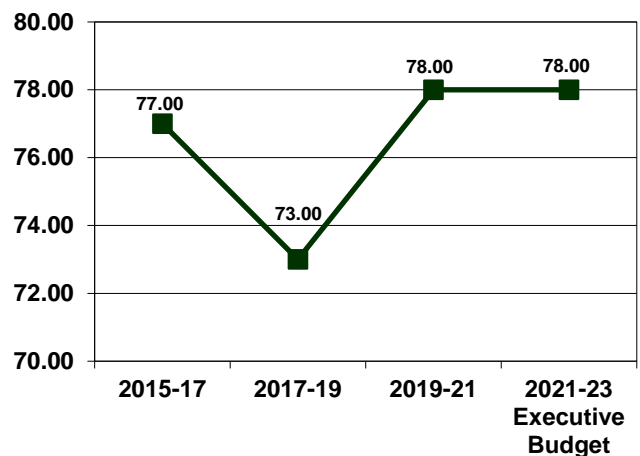
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$10,887,647	\$180,000	\$11,067,647
2019-21 Legislative Appropriations	10,700,429	210,000	10,910,429
Increase (Decrease)	\$187,218	(\$30,000)	\$157,218

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$11,067,647	\$28,689,324	\$39,756,971
2021-23 Base Level	10,700,429	28,322,406	39,022,835
Increase (Decrease)	\$367,218	\$366,918	\$734,136

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$335,622 is for salary increases, \$3,749 is for health insurance increases, and \$68,599 is for retirement contribution increases	\$233,502	\$174,468	\$407,970
2. Unfunds 1 FTE Pride of Dakota administrative assistant I position	(\$152,521)	\$0	(\$152,521)
3. Adds funding for the state agency Capitol grounds rent proposal	\$166,440	\$0	\$166,440

4. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget	\$850,000	\$0	\$850,000
5. Reduces funding from the environmental impact mitigation fund for mitigation of environmental impact grants to provide a total of \$4,900,000	\$0	(\$100,000)	(\$100,000)
6. Removes funding for wine and research promotion grants (\$80,000), apiary grants (\$75,000), and waterbank grants (\$300,000)	(\$155,000)	(\$300,000)	(\$455,000)
7. Reduces funding for the Board of Animal Health to provide a total of \$787,718, of which \$200,565 is from the general fund, \$533,745 is from federal funds, and \$53,408 is from the agriculture department operating fund	(\$78,000)	\$0	(\$78,000)
8. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund to provide a total of \$1,457,400 for the Wildlife Services program, of which \$125,000 is from the agriculture department operating fund, \$500,000 is from the game and fish fund, and \$832,400 is from the environment and rangeland protection fund	(\$398,600)	\$398,600	\$0
9. Adds <b>one-time funding</b> to replace the meat inspection, dairy inspection, and mediation program databases	\$180,000	\$0	\$180,000

**Other Sections Recommended to be Added in the Executive Budget  
(As Detailed in the Attached Appendix)**

**Environment and rangeland protection fund transfer** - Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.

**Environment and rangeland protection fund** - Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.

**Game and Fish Department operating fund** - Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.

**State Water Commission transfer** - Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.

**Waterbank program** - Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

**Pipeline restoration and reclamation** - Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

**Agriculture Commissioner salary** - Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.

**North Dakota Trade Office** - Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

**Continuing Appropriations**

**Bioscience innovation grant fund** - North Dakota Century Code Section 4.1-01-20.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis 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.

**Federal environmental law impact review fund** - Section 4.1-01-21 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis 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.

**Environmental impact mitigation fund** - Section 4.1-01-21.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis for distribution to landowners for the mitigation of agricultural land impacted by assessed adverse direct environmental impacts of a proposed site, corridor, route, or facility.

**Honey promotion fund** - Chapter 4.1-08 - Commodity checkoff for market development of honey.

**Turkey fund** - Chapter 4.1-12 - Commodity checkoff for market development of turkeys and turkey products.

**Industrial hemp** - Section 4.1-18-02 - Provides for the Agriculture Commissioner to assess a fee of \$150 plus \$25 per acre 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 to the Department of Agriculture on a continuing basis.

**Minor use pesticide fund** - Section 4.1-39-08 - For studies, investigations, and evaluations regarding registration and use of pesticides.

**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 to the Agriculture Commissioner on a continuing basis.

**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 fund and interest earned are appropriated to the Agriculture Commissioner on a continuing basis.

### **Significant Audit Findings**

The operational audit for the Department of Agriculture conducted by the State Auditor's office for the period ending June 30, 2019, concluded the Agriculture Commissioner exceeded general fund appropriation limits by \$25,529 related to the waterbank program during the 2017-19 biennium.

Section 8 of House Bill No. 1009 (2017) provided the salaries and wages line item in Section 1 of the bill included \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program. During the 2017-19 biennium, the Agriculture Commissioner spent \$40,942 of the \$50,000 for salaries and wages, of which \$15,413 was spent on the waterbank program and \$25,529 was spent on other department salaries. The remaining \$9,058 was canceled and retained in the general fund at the end of the 2017-19 biennium.

The State Auditor's report states the \$50,000 appropriated from the general fund to the Agriculture Commissioner was available only for matching funds for salaries related to the waterbank program. The report states \$34,587 should have been canceled and returned to the general fund at the end of the 2017-19 biennium instead of \$9,058 and that the Agriculture Commissioner overspent the authority provided by \$25,529.

### **Major Related Legislation**

**House Bill No. 1026** - This bill combines state warehouse and facility-based grain buyer licenses and creates a new grain processor and broker license.

**House Bill No. 1115** - This bill transfers responsibilities related to zoning of animal feeding operations and regulation of odors from agricultural operations and animal feeding operations from the Department of Environmental Quality to the Agriculture Commissioner.

**House Bill No. 1158** - This bill requires the Agriculture Commissioner to deposit 50 percent of funding paid to mitigate the adverse environmental impacts of a proposed site, corridor, route, or facility into the environmental impact mitigation fund and the remaining 50 percent in the federal environmental law impact review fund, rather than depositing 100 percent of available funding into the environmental impact mitigation fund.

**Senate Bill No. 2171** - This bill transfers the International Business and Trade Office, also known as the North Dakota Trade Office, from the Department of Commerce to the Agriculture Commissioner and appropriates \$1,600,000 to the Agriculture Commissioner.

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>				
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)
Salary increase		192,094	143,528	335,622
Health insurance increase		2,146	1,603	3,749
Retirement contribution increase		39,262	29,337	68,599
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)
Adds funding for Microsoft Office 365 license expenses		7,322	1,491	8,813
Adjusts funding for operating expenses		(57,759)	88,566	30,807
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000
Adds federal funding for operating expenses and grants			78,000	78,000
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000
Adds funding for noxious weeds grants			50,000	50,000
Reduces funding for mitigation of environmental impact grants			(100,000)	(100,000)
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)
Reduces funding for the Board of Animal Health		(78,000)		(78,000)
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0
Total ongoing funding changes	0.00	\$187,218	\$366,918	\$554,136
<b>One-time funding items</b>				
Adds funding to replace various program databases		\$180,000		\$180,000
Total one-time funding changes	0.00	\$180,000	\$0	\$180,000
<b>Total Changes to Base Level Funding</b>	0.00	\$367,218	\$366,918	\$734,136
<b>2021-23 Total Funding</b>	78.00	\$11,067,647	\$28,689,324	\$39,756,971
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.7%	1.3%	1.4%
<i>Total changes as a percentage of base level</i>	0.0%	3.4%	1.3%	1.9%

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<b>Executive Budget Recommendation</b>
Environment and rangeland protection fund transfer	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.
Environment and rangeland protection fund	Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
State Water Commission transfer	Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**Executive Budget Recommendation**

Waterbank program

Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Pipeline restoration and reclamation

Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Agriculture Commissioner salary

Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.

North Dakota Trade Office

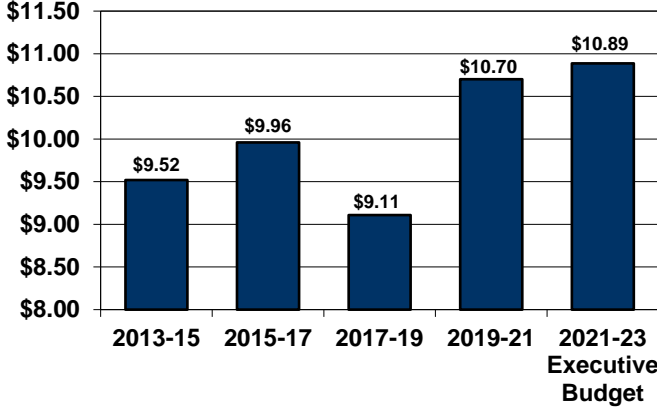
Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

Department 602 - Agriculture Commissioner

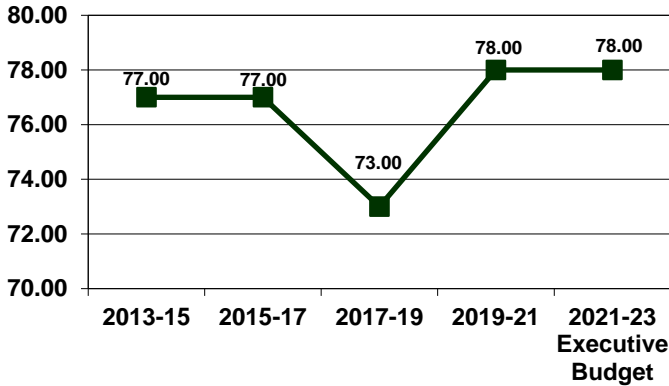
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$9,519,217	\$9,961,137	\$9,109,101	\$10,700,429	\$10,887,647
Increase (decrease) from previous biennium	N/A	\$441,920	(\$852,036)	\$1,591,328	\$187,218
Percentage increase (decrease) from previous biennium	N/A	4.6%	(8.6%)	17.5%	1.7%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	4.6%	(4.3%)	12.4%	14.4%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

**2015-17 Biennium**

- 1. Added funding for monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues \$82,297
- 2. Added funding for Information Technology Department desktop support services \$352,912

**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 the Agriculture Products Utilization Commission (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 (Executive Budget Recommendation)**

- 1. Unfunds 1 FTE Pride of Dakota administrative assistant I position (\$152,521)
- 2. Adds funding for the state agency Capitol grounds rent proposal \$166,440
- 3. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget \$850,000
- 4. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund (\$398,600)

**GOVERNOR'S RECOMMENDATION FOR THE  
AGRICULTURE COMMISSIONER AS SUBMITTED  
BY THE OFFICE OF MANAGEMENT AND BUDGET**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$14,232,746	\$ 3,076	\$14,235,822
Operating Expenses	6,592,780	1,156,060	7,748,840
Capital Assets	15,000	0	15,000
Grants	13,823,774	(347,000)	13,476,774
Ag Products Utilization Program	1,760,417	0	1,760,417
Board of Animal Health	865,718	(78,000)	787,718
Wildlife Services	1,457,400	0	1,457,400
Pipeline Reclamation	200,000	0	200,000
Crop Harmonization Board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total All Funds	\$39,022,835	\$ 734,136	\$39,756,971
Less Estimated Income	<u>28,322,406</u>	<u>366,918</u>	<u>28,689,324</u>
Total General Fund	\$10,700,429	\$ 367,218	\$11,067,647
Full-Time Equivalent Positions	78.00	0.00	78.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY- EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Master Customer Database	\$ 110,000	\$ 0
Agricultural Products Utilization Commission	2,000,000	0
Mediation Service Database Replacement	0	90,000
Meat Inspection and Dairy Database Replacement	<u>0</u>	<u>90,000</u>
Total All Funds	\$2,110,000	\$180,000
Total Special Funds	<u>2,000,000</u>	<u>0</u>
Total General Fund	\$ 110,000	\$180,000

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND – MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021 and ending June 30, 2023.



**SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

The estimated income line item in section 1 of this Act includes the sum of \$7,046,124, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$624,136, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 6. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 7. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 8. ESTIMATED INCOME – PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. AMENDMENT.** Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

**4-01-21. Salary of agriculture commissioner.** The annual salary of the agriculture commissioner is ~~one hundred sixteen thousand eight hundred thirty-six dollars through June 30, 2020~~ one hundred twenty-two thousand one hundred fifty-two dollars through June 30, 2022, and one hundred nineteen thousand seven hundred fifty-seven one hundred twenty-four thousand five hundred ninety-five dollars thereafter.

**SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The operating line item and the general fund appropriation in section 1 of this Act include \$850,000 of funding relating to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2021 and ending June 30, 2023. 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.

# 2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

HB 1009  
1/15/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 8:40 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

## Discussion Topics:

- North Dakota Department of Agriculture overview
- Seeds from China
- Processing plants and butchering processes
- Agriculture Commissioner's request

**Doug Goehring, Agriculture Commissioner (8:42 a.m.)** testified in favor. Testimony #880, #1522, and #1569.

**Chairman David Monson** adjourned the meeting at 11:20 a.m.

*Klarissa Pudwill, Committee Clerk*

# North Dakota Department of Agriculture



HB 1009

HOUSE APPROPRIATIONS

EDUCATION AND ENVIRONMENT DIVISION

REPRESENTATIVE DAVID MONSON, CHAIRMAN

FRIDAY, JANUARY 15, 2021

Doug Goehring  
Agriculture Commissioner

# Table of Contents

---

	<u>Page</u>
Purpose/Mission/Vision/Core Values Statement	3
Statutory Authority & Major Statutory Responsibilities	4
Organizational Chart	5
Administrative Services Division	6
Plant Industries Division	7
Livestock Industries Division	8
Grain & Livestock Licensing Division	9
Animal Health Division	10
Pesticide & Fertilizer Division	11
Business, Marketing & Information Division	12
2019-2021 Adjusted Base Budget Summary	14
Highlights & Accomplishments	15
Executive Budget Optional Requests	19
HB 1009 Version Comparison	23
CARES Act Funding	24
2019-2021 One-time Funding Reports	25
General Fund Collections	26
Special Fund Collections	27
Audit Report of Biennium Ended June 30, 2019	28
Request for Century Code Amendment	29
Other Related Bills	30
Summary	31

# Purpose

---

“Government is instituted for the protection, security, and benefit of the people, and they have a right to alter or reform the same whenever public good may require.”

North Dakota Constitution, Article 1, Section 2

# Mission

---

Serve, advocate, protect and promote agriculture to benefit everyone.

# Vision

---

We support agriculture by embracing diversity, innovation, research and trade.

# Core Values

---

Transparency, Respect, Integrity, Consistency

# Statutory Authority

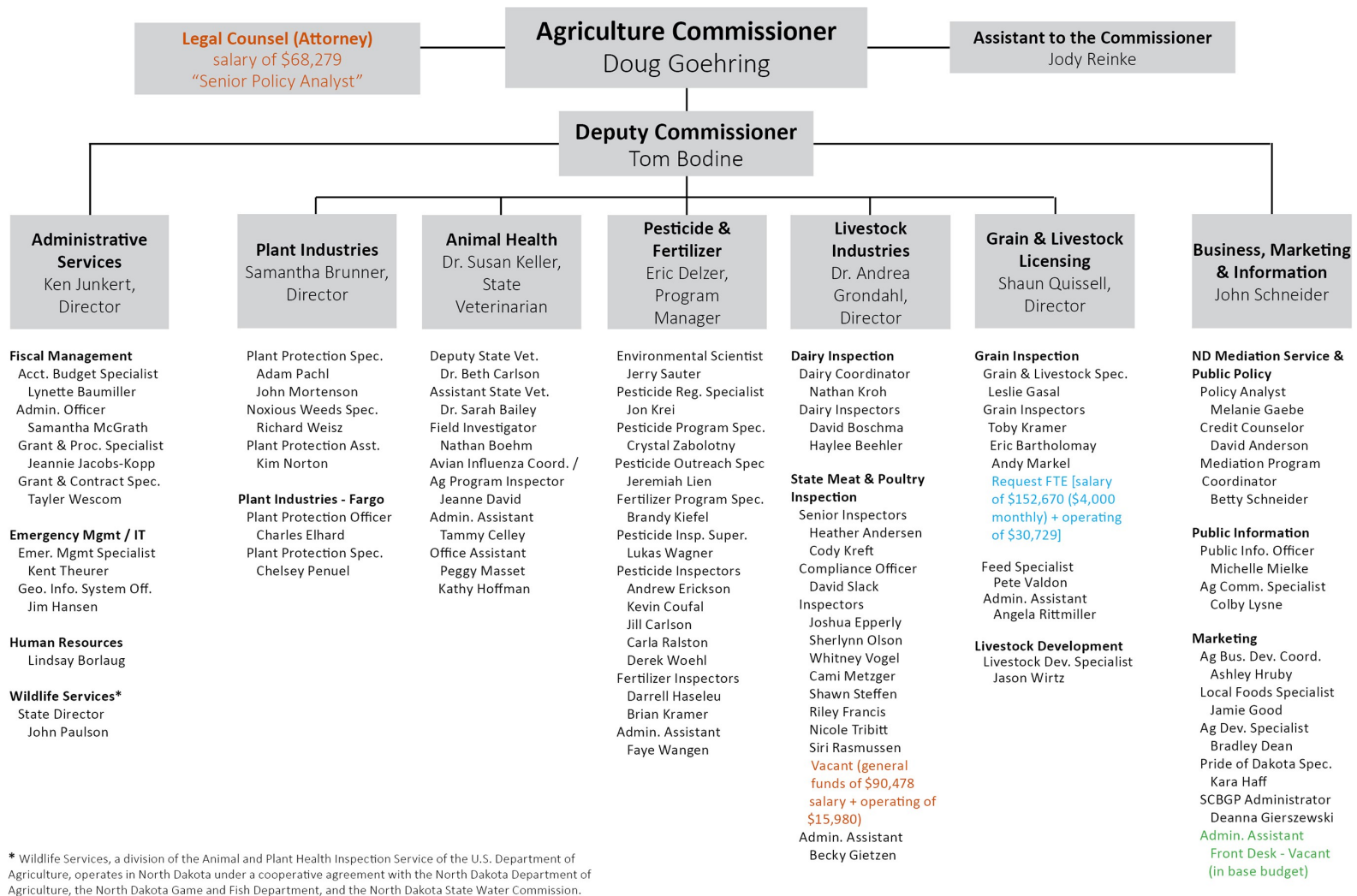
---

North Dakota Century Code Chapters 4.1-01, 4.1-01.1, 4.1-02, 4.1-03, 4.1-04, 4.1-05, 4.1-06, 4.1-07, 4.1-08, 4.1-09, 4.1-10, 4.1-11, 4.1-12, 4.1-13, 4.1-14, 4.1-15, 4.1-16, 4.1-17, 4.1-18.1, 4.1-19, 4.1-20, 4.1-22, 4.1-23, 4.1-25, 4.1-26, 4.1-27, 4.1-28, 4.1-30, 4.1-31, 4.1-32, 4.1-33, 4.1-34, 4.1-35, 4.1-36, 4.1-37, 4.1-38, 4.1-39, 4.1-40, 4.1-41, 4.1-43, 4.1-44, 4.1-45, 4.1-47, 4.1-48, 4.1-52, 4.1-53, 4.1-54, 4.1-55, 4.1-56, 4.1-57, 4.1-72, 4.1-73, 4.1-74, 4.1-75, 4.1-83, 4.1-88, 6-09.10, 36-14, 36-14.1, 36-15, 36-21.1, 36-25, 36-26, 60-01, 60-02, 60-02.1, 60-04, 60-05, 60-06, 60-10, and 61-31.

## Major Statutory Responsibilities

---

The agriculture commissioner is statutorily responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, livestock sales, dairy production, noxious weed control, plant export certification, and beekeeping. The commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds, and veterinary medicines; the administration of fair and timely mediation services to agriculture producers, creditors, and energy related issues; the collection and elimination of unusable pesticides; the promotion and marketing of North Dakota products; and the administration of a state meat inspection program. The responsibilities have expanded to include a leadership role in the formation of policies effecting the state's agricultural industries; the advocacy of the needs and concerns of farmers and ranchers on state and national levels; and the distribution of information concerning agricultural issues to the governor, legislature, and the general public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock of the state.



\* Wildlife Services, a division of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, operates in North Dakota under a cooperative agreement with the North Dakota Department of Agriculture, the North Dakota Game and Fish Department, and the North Dakota State Water Commission.

# Kenneth Junkert, Director

## Administrative Services Division

Administrative Services includes fiscal management, risk and emergency response, human resources, and information technology. The division also oversees the cooperative agreement and funding for the USDA Wildlife Services Program.

### Fiscal Management

- Oversees the development and tracking of the department's budget.
- Processes payroll.
- Pays all bills and deposits all revenues.
- Reviews and approves contracts and grants.
- Ensures compliance with state and federal laws relating to the department's finances; including expenditure tracking and filing of required reports to federal agencies.
- Responsible for procurement of goods and services for the department.

### Risk Management & Emergency Response

- Plan, implement and evaluate strategic emergency management plans.
- Develop and conduct training and education on risk management, loss control and general safety issues.
- Coordinate with Department of Emergency Services.

### Human Resources

- Responsible for human resource activities, including recruitment and training.
- Responds to public information requests.

### Information Technology

- Maintains desktop support contract with ITD.
- Maintains all desktop and wireless phones.
- Maintains department websites, email and intranet.
- Conducts GIS mapping and works with local government agencies to provide GIS mapping technology and expertise.

	<b>Adjusted Base Level</b>
Salaries	\$2,638,981
Operating	1,027,794
Capital Assets	15,000
Grants	300,000
Pipeline Reclamation	200,000
Wildlife Services	1,457,400
<b>Total</b>	<b>\$5,639,175</b>
General	\$3,310,048
Federal	296,557
Special	2,032,570
<b>Total</b>	<b>\$5,639,175</b>
FTEs	11

### Wildlife Services

- Reduces wildlife depredation and damage to property (conducted by USDA Wildlife Services in cooperation with NDDA, State Water Commission and ND Game and Fish Department).

### Pipeline and Wind Energy Restoration and Reclamation Programs

- Connects landowners and tenants experiencing pipeline and wind energy reclamation issues with an ombudsman to help reach reasonable resolutions.
- Provides technical education, support and outreach on pipeline and wind energy related matters.
- Facilitating and promoting fairness on site when resolving reclamation and restoration issues, concerns and disputes.



# Samantha Brunner, Director

## Plant Industries Division

Plant Industries includes the noxious weeds, plant protection, hemp, and apiary programs.

### Noxious Weeds

- Distributes state and federal funds for noxious weed control to weed boards.
- Manages federal funds for noxious and invasive weeds.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents.
- Assists county and city weed boards in field days and weed management.
- Assists the general public with weed identification and control.
- Trains and assists weed boards with GPS/GIS mapping technology.
- Administers the Weed Seed Free Forage program.

### Plant Protection

- Surveys for exotic pests such as moths, nematodes, emerald ash borer, and other wood borers that threaten North Dakota agriculture, forestry and horticulture.
- Surveys for pests, various diseases, insects and nematodes including: Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, potato cyst nematodes to enable export of agricultural products.
- Licenses and inspects nursery dealers and growers.
- Provides export certification/ phytosanitary services for export of agricultural products.
- Reviews biotechnology permits.
- Conducts plant pest outreach.

### Hemp Program

- Licenses and inspects all hemp growers and processors.
- Inspects and samples hemp fields to ensure compliance with state and federal law.

	Adjusted Base Level
Salaries	\$1,193,347
Operating	866,512
Grants	1,450,274
<b>Total</b>	<b>\$3,510,133</b>
General	\$782,484
Federal	670,999
Special	2,056,650
<b>Total</b>	<b>\$3,510,133</b>
FTEs	7.4

### Apiary

- Licenses beekeepers.
- Registers and maps apiary locations.
- Inspects bees and issues health certificates for migratory movement.
- Investigates and responds to bee complaints.
- Visits apiaries and ensures compliance with the bee law.
- Administers the Honey Fund.
- Oversees the pollinator plan to enhance communication and emphasize best management practices for stakeholders.
- Conducts health inspections and assays with the National Agriculture Genotyping Center.
- Inspects bee shipments to California.

Dr. Andrea Grondahl, Director

# Livestock Industries Division

Livestock Industries includes dairy/poultry, state meat and poultry inspection.

### Dairy/Poultry

- Inspects dairy farms for equipment, facilities, sanitation, water purity and proper drug usage and storage.
- Inspects dairy processing plants and milk transfer stations for equipment, facilities, and sanitation.
- Samples dairy products.
- Monitors financial conditions of milk buyers.
- Conducts Grade A survey work.
- Inspects manufacturing grade plants and transfer stations under agreement with USDA.
- Inspects distribution facilities, milk bulk trucks and samplers/haulers.
- Inspects licensed commercial egg producers.
- Licenses and sets bonds for hatcheries.

### State Meat & Poultry Inspection

- Trains, certifies and inspects meat processing facilities.
- Inspects custom-exempt processing plants.
- Inspects retail outlets for country-of-origin labeling.
- Enforces meat and poultry processing regulations.
- Grades livestock carcasses at official state and/or federal establishments.
- Provides consultation and education to the meat and poultry industry.
- Ensures proper label use by the industry.

	Adjusted Base Level
Salaries	\$2,668,988
Operating	1,370,214
<b>Total</b>	<b>\$4,039,202</b>
General	\$2,025,546
Federal	2,003,656
Special	10,000
<b>Total</b>	<b>\$4,039,202</b>
FTEs	17

# Grain & Livestock Licensing Division

Grain and Livestock Licensing includes the grain inspection and feed programs.

## Grain Inspection

- Oversees licensing and bonding of all grain warehouses, facility-based grain buyers, and roving grain buyers.
- Administers the Credit-Sale Contract Indemnity Fund.
- Monitors financial condition of all warehouses and grain buyers.

## Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets.
- Contracts market reporters at sales barns to collect market data for the USDA.

## Livestock Pollution Prevention

- Cost-share funding assistance for livestock producers to install manure containment systems.
- Advises producers on nutrient management, project planning, regulations and manure containment.
- Conducts age and source verification.
- Reviews livestock zoning.

## Feed

- Registers all pet food sold in the state.
- Maintains a label file of commercial feeds sold in the state.
- Licenses commercial feed manufactures and retailers.
- Samples feed products to ensure that nutritional content matches the label claims.
- Inspects medicated feed plants.

	<b>Adjusted Base Level</b>
Salaries	\$1,364,133
Operating	296,493
Grants	1,050,000
<b>Total</b>	<b>\$2,710,626</b>
General	\$1,088,354
Federal	1,235,020
Special	387,252
<b>Total</b>	<b>\$2,710,626</b>
FTEs	8

- Verifies manufacturer and producer compliance with federal requirements to prevent bovine spongiform encephalopathy (BSE).
- Provides producer outreach for the Veterinarian Feed Directive.

# Dr. Susan Keller, State Veterinarian

## Animal Health Division

The Animal Health Division protects the health of domestic animals and non-traditional livestock, and administers all rules and orders of the State Board of Animal Health (BOAH).

- Monitors and regulates animal imports and exports.
- Traces animal movements as part of disease investigations.
- Issues and maintains records of official USDA tags and official state certificates of veterinary inspection.
- Conducts a Johne's disease control program.
- Conducts the National Scrapie Eradication program.
- Conduct investigations on suspected cases of transboundary/foreign animal diseases, tuberculosis, brucellosis, emerging diseases and other investigations.
- Responds to inhumane treatment complaints.
- Coordinates pet sheltering during disasters.
- Conducts tuberculosis, brucellosis and other disease investigations.
- Reviews testing information and grants status for tuberculosis-accredited herds, brucellosis certified herds and brucella ovis-free flocks.
- Administers non-traditional livestock and farmed elk regulations.
- Issues permits to possess, propagate or domesticate live protected birds or animal species for North Dakota Game and Fish Department.
- Provides chronic wasting disease testing training and oversight
- Oversees feral swine investigations.
- Conducts risk assessments prior to issuing permits for importation of farmed cervids.
- Works with ND Department of Health on zoonotic and anthrozoönotic disease issues.
- Provides oversight on proper carcass disposal.
- Inspects auction markets and approves veterinarians to provide auction market services.
- Monitors for novel swine enteric coronavirus diseases, such as porcine epidemic diarrhea virus.

	Adjusted Base Level
Salaries	\$1,609,349
BOAH	865,718
<b>Total</b>	<b>\$2,475,067</b>
General	\$1,513,499
Federal	685,064
Special	276,504
<b>Total</b>	<b>\$2,475,067</b>
FTEs	7.6

- Provides inspection services at the ND State Fair.
- Registers restricted feedlots.
- Licenses rendering facilities.
- Registers veterinary medicines used in the state.
- Licenses dealers of modified live vaccines sold in state.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Coordinates the National Poultry Improvement Plan in the state.
- Trains and coordinates a Reserve Veterinary Corps to assist in emergency situations and assist with disease investigations.
- Participates in animal emergency preparedness and response on state, regional and national levels.
- Communicates with other state and federal animal health officials regionally and nationally to guide national animal health policy.
- Monitors and reports diseases on state and national levels.
- Provides education and outreach for practicing veterinarians and the livestock industry.
- Maintains the state's animal health/disease related traceability database (USAHERDS).

# Eric Delzer, Director

## Pesticide & Fertilizer Division

The Pesticide and Fertilizer Division oversees and regulates pesticides, fertilizers and anhydrous ammonia to protect human health and the environment.

### Pesticides

- Conducts inspections of pesticide dealers, users and repackaging facilities to ensure compliance with state and federal laws.
- Provides outreach to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency and special local needs exemption requests to ensure ND producers have access to necessary pest management tools i.e. Section 18 and 24(c) requests.
- Registers all pesticides including herbicides, fungicides, rodenticides, insecticides, avicides and disinfectants that are sold in ND and approves product labeling.
- Conducts Project Safe Send; an annual, statewide collection of unusable pesticides.
- Works with EPA on national pesticide regulatory and policy issues.
- Conducts risk assessments, receives public input, and offers data and recommendations to EPA to mitigate risk of pesticides to threatened and endangered species as part of the ND Endangered Species Protection Plan.
- Investigates and responds to pesticide contamination of groundwater and surface water resources.
- Investigates complaints of pesticide misuse and other violations.
- Administers and enforces the federal Worker Protection Standard to protect workers who handle and use pesticides.

	Adjusted Base Level
Salaries	\$2,480,325
Operating	1,636,095
Crop Harmonization Board	75,000
<b>Total</b>	<b>\$4,191,420</b>
General	\$0
Federal	837,402
Special	3,354,018
<b>Total</b>	<b>\$4,191,420</b>
FTEs	15

### Fertilizer and Anhydrous Ammonia

- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licenses anhydrous ammonia storage facilities.
- Conducts inspections of anhydrous ammonia storage facilities and nurse tanks to ensure compliance with federal regulations.
- Administers the Risk Management Program for agricultural anhydrous ammonia facilities and inspects facilities to ensure compliance with federal regulations.
- Provides outreach and compliance assistance to the fertilizer industry and anhydrous ammonia users.
- Audits fertilizer distributors to ensure compliance with fertilizer tonnage reporting.
- Conducts the State Waterbank program.

# John Schneider, Director

## Business, Marketing & Information Division

The Business, Marketing, and Information Division monitors and develops policy and provides education, promotion, and market enhancement to increase sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets.

### Pride of Dakota

- Administers the Pride of Dakota (POD) program, including Holiday Showcases, annual meeting and other events.
- Provides trade show assistance to ND companies.
- Maintains membership of over 500 POD Companies.

### Specialty Crop Block & Organic Grants

- Administers specialty crop grants.
- Administers organic certification reimbursement grants.

### Policy Development

- Researches and analyzes agriculture, energy, water, infrastructure, and trade policy for the agriculture commissioner.

### Public Information

- Writes and edits department publications, including news releases, brochures, and reports.

### North Dakota Mediation Service

- Offers mediation services to resolve differences among creditors, farmers and others.
- Provides financial counseling.
- Offers assistance for beginning farmer loan applications and farm program paperwork.
- Offers mediation to address energy-related issues.
- Offers conflict resolution services to resolve deer depredation disputes.
- Recent Farm Bill authorizes work on lease issues, family farm transitions, farmer/neighbor conflicts, organic certification issues, and other issues.

	<b>Adjusted Base Level</b>
Salaries	\$2,277,623
Operating	1,395,672
Grants	11,023,500
APUC	1,760,417
<b>Total</b>	<b>\$16,457,212</b>
General	\$1,980,498
Federal	6,484,967
Special	7,991,747
<b>Total</b>	<b>\$16,457,212</b>
FTEs	12

### Agriculture in the Classroom

- Helps K-12 teachers integrate agriculture information into science, math, social studies, and language curricula.
- Provides hands-on lessons to help students better understand the relationships between the world's environment, agriculture, and people.
- Publishes the Ag Mag three times a year for third-, fourth- and fifth-graders.
- Underwrites FFA Foundation mini-grants for agriculture-related projects, units, and lessons used by school-age children.

### Livestock Development

- Assists producers and processors in expanding and promoting the state's livestock industry.
- Identifies and assists livestock friendly counties in developing animal agriculture.

### International Trade

- Conducts and participates in international trade events.
- Supports and coordinates with Food Export Midwest Association and North Dakota Trade Office.

# Business, Marketing & Information Division

---

## **Environmental Impact Mitigation**

- Administers the Environmental Impact Mitigation Fund.
- Provides grants and contracts for consultation with environmental scientists or engineers to implement mitigation for impacts of a proposed site, corridor, route, or facility.

## **Bioscience Innovation Grant Program**

- Administers the Bioscience Innovation Grant Fund.
- The Bioscience Innovation Grant Program supports biotechnology innovation and commercialization in areas including crop genetics, biofuels, biomaterials, biosensors, and biotechnology in relation to food, nutrition, animals, human, equipment, medical, and health products and services, medical diagnostics, medical therapeutics, and farm-based pharmaceuticals.

## **Agricultural Products Utilization Commission**

- Administers the Agricultural Products Utilization Fund.
- APUC creates new wealth and employment opportunities through the development of new and expanded uses of agricultural products.

# **2019-2021 Adjusted Base Budget Summary**

---

## **2019-2021 Adjusted Base Budget Summary**

General Funds	\$10,700,429	28%
Federal Funds	12,213,665	31%
Special Funds	16,108,741	41%
<b>Total</b>	<b>\$39,022,835</b>	
FTEs		78

## **2019-2021 Adjusted Base Budget By Line Item**

Salary & Wages	\$14,232,746
Operating Expenses	6,592,780
Capital Assets	15,000
Grants	8,823,774
Environmental Impact Mitigation	5,000,000
Agricultural Products Utilization Commission	1,760,417
Board of Animal Health	865,718
Wildlife Services	1,457,400
Pipeline Restoration & Reclamation Oversight Program	200,000
Crop Harmonization Board	75,000
<b>Total</b>	<b>\$39,022,835</b>



# Highlights & Accomplishments

---

## Administrative Services

- Processed 116 Emergency Feed Transportation payments totaling \$250,000 (March 2020).
- Processed more than 500 contracts. Of that number, 172 grant contracts are related to the CARES Act.
- Pipeline Restoration and Reclamation Program
  - ◆ 82 total pipeline reclamation cases
  - ◆ 17 active
  - ◆ 17 monitoring
  - ◆ 44 closed
  - ◆ 4 Not assigned due to type of line or date of pipeline construction
- Streamlined user interface for LARS (Grain Inspection Licensing) including automatic reminders for users and online reporting for items that were required to be mailed previously. We added this system to existing NDDA payment Gateway with JPM, consolidating our electronic payment gateways to two.
- Added livestock licensing to LARS to allow for future online application, payments and processing to allow licensees to see the status, and make application easier, as well as speeding up the review process for staff to approve or request additional information.
- Transitioned staff to Teams in order to consolidate some functions that were completed under other software or processes and lays the groundwork for future changes in file storage.
- Transitioned VPN with NDIT to Global Protect to allow more dependable VPN connections, especially with video and voice to allow staff to serve the state from their offices, or other temporary locations.
- Assisted with implementation of USAHERDS including transition of a number of legacy data sources, and increased capability to process electronic health certificates for faster disease traceability.
- Assisted with transition of the server from legacy hardware for OLE (Plant Industries/Marketing) including a new build of the local foods map. This build will provide a number of consumer based features and allow producers to maintain their product info.
- Worked closely with DES, DEQ and DMR on Hazconnect to coordinate accurate and timely notification for items that impact areas in the agriculture industry and Department.
- Worked with NDIT to test AutoPilot deployment of laptops to office staff including both laptops and phones via Intune.

## Plant Industries

- Maintained inspections in nursery and export certification including a record 400 acres of seed field inspections for export and 1,000 acres of nursery stock.
- Issued a record 4,646 federal phytosanitary certificates for export.
- State of Origin certificates for cereal grains to Canada has increased 329 percent over the last two years.
- Collected and removed from commerce over 200 packages of seeds sent unsolicited to citizens from China.
- Investigated and removed from commerce potentially *Ralstonia solanacearum* race 3 biovar 2 infested geraniums from greenhouses.
- Conducted 11 plant pest surveys with very little interruptions from COVID-19.
- California pre-inspections and certified 77,804 colonies—a record number.
- Submitted a State Hemp Plan and continued communication with USDA on the concerns with their hemp rules.

## Highlights & Accomplishments (2)

---

- Released a new leafy spurge beetle that is more suitable for areas that the other biocontrol agents don't establish in (*Spurgia capitigena*).
- Continue to work with and release Canada thistle rust fungus to determine its viability in the state.
- Continue monitoring for Palmer Amaranth and offering assistance for landowners who received noxious weed seeds in animal feed.
- Apiary colony registrations are up to 691,665 colonies with 300 beekeepers.
- Inspected 325 apiaries for health certification and an additional 271 for compliance with state law.
- Hemp grower licenses increased by 25 percent and processor licenses increased from 9 in 2019 to 20 in 2020.

### **Livestock Industries**

- Fielded many phone calls/emails from individuals wanting information on starting new slaughter/processing establishments.
- Assisted many individuals starting new slaughter/processing establishments. Expect to have three new official state slaughter establishment within the next two months (Berthold, Carrington and Devils Lake), another new official slaughter establishment by the end of 2021 (Bowman); and, one new official processing plant within the next two months (Fargo). Also have been assisting K 2 new establishments planning to be official federal slaughter establishments (Mott and New Salem).
- Transitioning to electronic reporting to Federal State Audit Branch.
- Purchase of Bismarck Dairy plant – Prairie Farms – has been operating very successfully.
- Several new egg dealers for a total of 27.

### **Grain & Livestock Licensing**

- Transfer of Grain inspection program from PSC.
  - ◆ Inspected all licensed state warehouses in first year of transfer.
  - ◆ Inspected all roving grain buyers.
- LP3 two full containment systems with another two to be complete summer of 2021.
- Livestock licensing will be fully transferred to electronic licensing.
- Reviewed 4,029 commercial feed labels and 12,096 pet food labels.

### **Animal Health**

- The AHD and the BOAH have managed to control, suppress and avoid all major foreign animal or trans-boundary diseases. Done by enforcing the regulations as part of our daily duties, sending many warning letters and making many phone calls to educate those involved in interstate movement of animals.
- Request to move various types of animals into ND included a Gila Monster this year (look it up – somehow very appropriate for 2020). Those diseases include, but are not limited to, SARS-CoV-2. A few respiratory cases in cats were followed up on, but all were found to be ill with other more common causes of respiratory illnesses in cats.

## Highlights & Accomplishments (3)

---

- Numerous Health Certificates (around 7,890 out of state incoming HCs and around 12,300 ND outgoing HCs) were reviewed and those health certificates represent approximately 162,170 animals coming into ND and 1,271,530 animals leaving) based on a past year's hard copy accumulated information. Next year the numbers will be more accurate and current.
- The real highlight of 2020 was learning that due to a human pandemic we would have to learn how to work remotely. We were asked what we needed to work functionally if remote working had to become the norm during any crisis.
- Purchased USAHERDS - which was supported and approved of as part of the Commissioner's request of emergency needs which were covered under the CARES Act funds.
- Went live with USAHERDS on December 7 and held the last quarterly Board meeting on December 9, 2020.

### **Pesticide & Fertilizer**

- Despite the circumstances of the pandemic, and having to work remotely for several months, this division still achieved all goals and had no lapse in services to the public. Many companies the Department works with (especially out state companies) were also shut down or working under restrictions so it was challenging to reach them, but staff members were reachable and responsive in processing requests.
- During the pandemic, the Department was still able to honor all federal commitments and still performed almost double the amount of inspections required in the federal cooperative agreement. While working remotely the Department was still able to successfully renew all fertilizer licenses and registrations that expired June 30<sup>th</sup>. The Department completed all required anhydrous ammonia inspections as well as assisted in getting several new facilities up and running. One major hurdle was addressing the pesticide certifications that were expiring on April 1, as well as certifying new commercial applicators during the shutdown. The Department was able to obtain a venue that we could socially distance people properly and were able to have staff present to proctor certification exams. We were also able to renew all the commercial certifications by the expiration date as well as certify all the new commercial applicators before springs work began. The Department also spent a lot of time visiting vulnerable population centers that like daycares, hospitals, nursing homes and schools where disinfectants and other general use pesticides are being used to provide outreach on safe use and storage, and potential health dangers to exposure. The Department also was able to renew our grant and have federal funding through FY 23. Despite spending all our budgeted funds for project safe send last year, the Department was still able to find enough funding to operate the program this year.

# Highlights & Accomplishments (4)

---

## **Business, Marketing & Information**

- Updated Specialty Crop Block Grant marketing materials including brochures and our website.
  - ◆ USDA selected ND SCBGP project as a feature project - Automatic sensor-controlled drip irrigation under mulches for tomato and watermelon productions.
- Issued \$3,500,000 of grants to 14 federal meat plants – CARES Act.
- Hosted two in-person farmers market events at a new State Capitol location.
- Issued guidance for ND Farmers Markets to continue commerce for consumers and producers during the pandemic.
- Awarded \$65,000 to four orchard grant projects and \$65,000 to five high tunnel grant projects.
- Held all APUC board meetings in-person..
- Received Attorney General opinions for township zoning boards that align with Department review of their zoning ordinances.
- Awarded \$500,000 to seven projects in Bioscience Innovation Grant funds.
- Awarded \$80,000 to three projects in Grape & Wine Grants.
- North Dakota Mediation Service assisted with successful outcomes in two high-profile cases referred by Senator Cramer’s Office.
- The Department is being recognized with an award for most increased participation in the Wellness Program.
- Implemented new POD Rules, effective July 1, 2020.
- Successfully held four in-person showcases, making many adjustments to follow COVID-19 guidance.
- Ag in the classroom was awarded a SCBG to provide educational resources on specialty crops to classrooms and made the transition to all digital Ag Mags to ensure that all students continue to have access to the resource regardless of classroom location.
- Drafted policy letters or comments on over 20 federal issues.
- Developed a chickpea video.
- Assisted with state Joint Information Center during beginning of COVID crisis.
- Assisted with ND Agriculture magazine planning.
- Developed the Agricultural Products Utilization Commission Annual Report.
- Member of Blue Book Committee and currently working on Blue Book chapter highlighting the apiary industry.
- Applied for a two-year grant/project with Agriculture in the Classroom for more specialty crop projects for students.
- Worked to organize the National Association of State Departments of Agriculture annual meeting in Medora and then worked to ensure a virtual event went off seamlessly.

# Executive Budget Optional Requests

---

## **Priority 1 – Restore FTE and Funding: Administrative Assistance**

This requests one FTE and funding for a front desk and Pride of Dakota program administrative assistant. The front desk position is NDDA's first public contact, answering all phone calls and directing general public questions and requests to the proper department resources. The position also provides valuable assistance to Pride of Dakota. The program membership is more than 525 companies and continues to grow. The position provides support with managing the program member database, nine major showcase events each year and general assistance to the membership.

**Total request: \$163,079 (General Funds):**

**Executive Recommendation: FTE restored, no funding.**

## **Priority 2 – Restore Funding: Apiary Research Grants**

This requests funding for the apiary research grant program. North Dakota is the number one honey producing state in the nation and each summer is the home to over 670,000 honey bee colonies. Honey bee populations have been under a lot of pressure over the past 10 years. Research is crucial to mitigating losses and is vital to trying to develop solutions to the problems the industry faces such as Varroa mites, poor nutrition, viruses, and diseases.

**Total request: \$75,000 (General Funds):**

**Executive Recommendation: Not included.**

## **Priority 3 – Restore Funding: Grape and Wine Grants**

This requests funding for the grape and wine grant program. The greatest difficulty facing new and existing wineries in North Dakota is a reliable supply of domestically-produced grapes suitable for quality wines. The grape and wine grants allow for continued research and evaluation of new cold-hardy selections for wine potential and commercial release in ND. The grants address research, production, management, and promotion issues that threaten the sustainability and growth of the grape and wine industry.

**Total request: \$80,000 (General Funds):**

**Executive Recommendation: Not included.**

# Optional Requests Comparison to Executive Budget (2)

---

## Priority 4 – Restore Funding: Johne’s Disease Control

This requests funding for the Johne’s disease control program. This program has been instrumental in identifying and reducing the incidence of Johne’s disease in the state. The funds encourage and enable cattle producers to test when a problem is suspected and where the cost might otherwise be prohibitive. This program is helping producers understand the disease and learn how to manage and test animals so that disease prevalence can be dramatically reduced.

**Total request: \$68,000 (General Funds)**

**Executive Recommendation: Not included.**

## Priority 5 – Employee Compensation

NDDA’s salary compa ratio continues to fall below other agencies and creates a significant challenge to recruit and retain qualified and experienced employees. The Legislature continues to express confidence in NDDA by adding programs because we are efficient and effective operators. This request provides an employee equity raise on July 1, 2021.

**Total request: \$702,500 (\$369,866 General Funds, \$174,150 Special Funds, & \$158,484 Federal Funds)**

**Executive Recommendation: Not included.**

## Priority 6 – Staff Attorney

This requests funding to reclassify a current policy FTE to a staff attorney FTE. This reclassified position will assist the commissioner on national, state, and local laws, rules, policy, and regulation impacting the agriculture industry and all other programs under the commissioner’s portfolio. This position will aid the commissioner in providing legal review and recommendations for all regulatory divisions including Animal Health, Pesticide and Fertilizer, Grain, Feed, and Livestock, Meat and Dairy Inspection, and Plant Industries. The attorney will also assist with reviewing livestock zoning ordinances and providing support for the Federal Environmental Law Impact Review Committee, as well as reviewing all contracts, agreements, and grants.

**Total request: \$68,279 (General Funds)**

**Executive Recommendation: Not included.**

## Priority 7 – Grain Insolvency Legal Services

This requests funding for grain inspection insolvency legal services. This program must use outside legal resources to litigate insolvencies and bankruptcies. Funding is essential to protect bonded assets, accounts receivable, and asset recovery from failed grain dealers.

**Total request: \$230,000 (General Funds)**

**Executive Recommendation: Not included.**

# Optional Requests Comparison to Executive Budget (3)

---

## Priority 8 – Meat Inspector

This requests general funds (state match) for a meat inspector. The State Meat and Poultry Inspection Program is required to adhere to USDA standards including daily inspections at official establishments. Presently, SMPIP staff are fully scheduled and we are unable to provide state inspection service to additional official establishments and/or additional days/hours to existing establishments. The demand for state inspection service is currently high due to individuals wanting to start new meat processing businesses or existing processors wanting to expand into the wholesale market. The demand is particularly high now due to meat shortages experienced during the COVID-19 pandemic. Locations of processors currently requesting initial or addition state inspection service include Devils Lake, Carrington, Moffit, Berthold, and Bowman.

**Total request: \$106,458 (General Funds)**

**Executive Recommendation: Not included.**

## Priority 9 – Grain Inspector FTE

This requests one FTE and funding for a grain inspector. The presence of the NDDA grain inspection program has been cited by our industry as the number one thing we can do to prevent problems with fraudulent activity and bad actors. This position would create a more robust inspection program, allowing for semi-annual inspections, both forensic and onsite. It would help to identify watchlists, new licensee detection, financial capacities of licensees; it would provide valuable support to assist and educate on compliance of regulatory matters in the field. The position would create logistical solutions to long travel times and overnight road expenses. Net effect of the position creates efficiencies to lower insolvencies, costs associated thereof and less potential loss to our farmers who rely on the NDDA to provide a fair business environment.

**Total request: \$183,399 (General Funds)**

**Executive Recommendation: Not included.**

## Priority 10 – ND Mediation Service State Match

This requests funding for state match and nonallowable expenses. NDMS' primary purpose is to help financially distressed farmers and ranchers by aiding in credit and financial matters and resolving disputes. The goal of the NDMS credit counseling program is to provide clients with a clear picture of the state of their operation, provide them with possible options to address their situation, and prepare them for mediation when necessary.

**Total request: \$120,000 (General Funds)**

**Executive Recommendation: Not included.**

# Optional Requests Comparison to Executive Budget (4)

---

## **Priority 11 – Combined Information Technology Request (Total: \$285,000 General Funds)**

### **Funding for Centralized Invoice Processing Information Technology**

This requests funding of \$80,000 for technology to improve the paper accounts payable and receivable processing system currently in place. This technology will provide a single tracking system for all invoices sent and received to aid in overcoming inefficiencies to more quickly and accurately receive, pay, and track invoices within the entire department. It also allows for invoice receivables to be paid using our current e-commerce

**Executive Recommendation:** **Not included.**

### **Funding for ND Mediation Service Information Technology**

This requests funding of \$90,000 to replace an outdated Access database that was developed and maintained by Vision Technology, which has since closed. A modern, integrated database will help improve efficiency and time productivity for the client base. The new database will allow for new function features allowing for rapid analytic reporting and tracking of mediation service information. The new system will allow for integration within the agency.

**Executive Recommendation:** **Included.**

### **Funding for Meat Inspection and Dairy Information Technology**

This requests funding of \$90,000 for new software that will replace the outdated Access databases. These databases were developed and maintained by Vision Technology, which has since closed. The new database will allow for new function features allowing for rapid analytic reporting and tracking for these programs.

**Executive Recommendation:** **Included.**

### **Funding for Pesticide Program Information Technology Exploration**

This requests funding of \$25,000 for contractual services with North Dakota Information Technology to assess our current database systems. The database systems we currently utilize through an outside vendor are getting outdated and do not allow for ecommerce transactions through the Department ecommerce portal. This enhancement would help us determine whether it would be more cost effective to upgrade our current systems or if there are other options available that would better meet our needs and offer a better customer experience to the public.

**Executive Recommendation:** **Not included.**

## **Priority 12 – Reserve Corps Veterinarians Information Technology**

This requests funding for three laptops under desktop support to be included in go-pack kits for Reserve Corps Veterinarians to rapidly deploy personnel and assets to investigate and respond to weather-related events such as flooding, foreign animal disease threats, and animal health investigations.

**Total request: \$14,910 (General Funds)**

**Executive Recommendation:** **Not included.**



# HB 1009 Version Comparison

## House Bill No. 1009 Agriculture Commissioner

	Base Level	Governor's	Appropriation
<b>Salary and wages</b>			
19-21 Salaries Master Budget Authority	\$ 14,232,746		\$ 14,232,746
Agency Submitted (includes 1 FTE Cut)	\$ -	\$ 13,827,852	\$ -
Governor's 21-23 Pay Plan Increase	\$ -	\$ 407,970	\$ -
<b>HB 1009 Section 1 Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 14,235,822</b>	<b>\$ 14,232,746</b>
<b>Operating Expenses</b>			
19-21 Operating Master Budget Authority	\$ 7,055,851	\$ 7,055,851	\$ 7,055,851
Remove Litigation Pool	\$ (92,071)	\$ (92,071)	\$ (92,071)
Remove CARES Act IT	\$ (261,000)	\$ (261,000)	\$ (261,000)
Remove One-time Master Customer Database	\$ (110,000)	\$ (110,000)	\$ (110,000)
Governor's Add Trade Office Operating	\$ -	\$ 850,000	\$ -
Governor's Add IT Database Replacement	\$ -	\$ 180,000	\$ -
Governor's Add IT License	\$ -	\$ 8,813	\$ -
Governor's Add Facility Rent	\$ -	\$ 166,440	\$ -
Budget Guidelines Multiple Division Operating Cuts	\$ -	\$ (49,193)	\$ -
<b>HB 1009 Operating Expenses Section 1</b>	<b>\$ 6,592,780</b>	<b>\$ 7,748,840</b>	<b>\$ 6,592,780</b>
<b>HB 1009 Capital Assets Section 1</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b>			
19-21 Grants Master Budget Authority	\$ 27,273,774	\$ 27,273,774	\$ 27,273,774
Remove Emergency Feed Transport	\$ (250,000)	\$ (250,000)	\$ (250,000)
Remove CARES Act Grants	\$ (13,200,000)	\$ (13,200,000)	\$ (13,200,000)
New Line Item Added Remove Environmental Impact	\$ (5,000,000)	\$ (5,000,000)	\$ (5,000,000)
Budget Guidelines Remove Apiary Research Grants	\$ -	\$ (75,000)	\$ -
Budget Guidelines Remove Grape & Wine Grants	\$ -	\$ (80,000)	\$ -
Budget Guidelines Remove Waterbank Grants	\$ -	\$ (300,000)	\$ -
Noxious Weeds Grants	\$ -	\$ 50,000	\$ -
Specialty Crop Block Grants	\$ -	\$ 158,000	\$ -
<b>HB 1009 Grants Section 1</b>	<b>\$ 8,823,774</b>	<b>\$ 8,576,774</b>	<b>\$ 8,823,774</b>
<b>Environmental Impact Mitigation</b>			
<b>19-21 Master Authority (Not a line item)</b>	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Budge Guidelines Special Fund Reduction	\$ -	\$ (100,000)	\$ -
<b>HB 1009 Environmental Impact Mitigation Section 1</b>	<b>\$ 5,000,000</b>	<b>\$ 4,900,000</b>	<b>\$ 5,000,000</b>
<b>Ag Products Utilization Commission</b>			
19-21 Master Budget Authority	\$ 3,760,417	\$ 3,760,417	\$ 3,760,417
Remove One-time Funding	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)
<b>HB 1009 Ag Products Utilization Commission Section 1</b>	<b>\$ 1,760,417</b>	<b>\$ 1,760,417</b>	<b>\$ 1,760,417</b>
<b>Board of Animal Health</b>			
19-21 Master Budget Authority	\$ 962,118	\$ 962,118	\$ 962,118
Removes CARES Act IT	\$ (95,000)	\$ (95,000)	\$ (95,000)
Remove Animal Loss Indemnity	\$ (1,400)	\$ (1,400)	\$ (1,400)
Budget Guidelines Remove Johnes Funding	\$ -	\$ (68,000)	\$ -
Budget Guidelines General Line Item Cut	\$ -	\$ (10,000)	\$ -
<b>HB 1009 Board of Animal Health Section 1</b>	<b>\$ 865,718</b>	<b>\$ 787,718</b>	<b>\$ 865,718</b>
<b>HB 1009 Wildlife Services Section 1</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>HB 1009 Pipeline Restoration and Reclamation Section 1</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>HB 1009 Crop Harmonization Board Section 1</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>HB 1009 Total All Funds Section 1</b>	<b>\$ 39,022,835</b>	<b>\$ 39,756,971</b>	<b>\$ 39,022,835</b>
<b>HB 1009 Less Estimated Income Section 1</b>	<b>\$ 28,322,406</b>	<b>\$ 28,689,324</b>	<b>\$ 28,322,406</b>
<b>HB 1009 Total General Fund Section 1</b>	<b>\$ 10,700,429</b>	<b>\$ 11,067,647</b>	<b>\$ 10,700,429</b>
<b>HB 1009 Full-time Equivalent Positions Section 1</b>	<b>78</b>	<b>78</b>	<b>78</b>
Department submitted 1 FTE cut		77	
Governor's Recommendation Restore 1 FTE No Funding		78	

# CARES Act Funding

---

## **Meat Processor Cost Share Program: \$6,200,000**

This cost share program was implemented to address increased demand for retail meat products and slaughter of livestock. Meat processing plants have been significantly impacted by the pandemic due to increased consumer demand for retail meat products. This cost share program provides meat processing plants increased capability to meet the growing demand for meat. Funded 76 plants.

## **Charitable Food Organizations Grant Program: \$2,000,000**

This program offers grants to help charitable food organizations and small grocers make necessary investments in tools to extend the shelf life of perishable foods. Charitable food organizations include any organization that provides food and/or services, including food pantries, soup kitchens, senior citizen centers, food distribution centers and hubs, churches, and donation centers. Small grocers include any grocer located in a community of 750 or less. Funded 83 organizations.

## **Bioscience Grant Program: \$5,000,000**

This programs provides grants to support biotechnology innovation and commercialization, promote the creation of bioscience jobs in the state, and promote bioscience research and development in the area of coronavirus research. Grant recipients are companies expressing the ability to partner, assist, and develop techniques to benefit coronavirus research, virus screening technologies, antibody therapies, immunotherapies, and sanitation technologies. Funded 8 companies.

## **Information Technology Projects to Improve Efficiencies and Overcome Challenges from Covid-19 Impacts: \$356,000**

**Grain Inspection Program Database Enhancement:** This enhancement allowed for the electronic collection of credit sale indemnity fund, monthly grain reporting, and allowed producers access to license information.

**Livestock Auction Markets and Dealers Program Development:** This funding replaced a paper based process with an electronic process for licensing and provided producers access to license information.

**Local Foods Map:** This funding created a producer updatable map that provides the public access to information regarding categories of locally produced food.

**USAHERDS Computer Database:** USAHERDS is a computerized database to gather and organize animal health data needed to prevent, detect, contain, and eradicate outbreaks of dangerous diseases in animals. The purchase of USAHERDS will allow monitoring and containment of animal diseases quickly and effectively, protecting our food supply, and local economies.

**Total CARES Act federal fund authority: \$13,556,000**

**Total expended grant line: \$12,897,491 (as of December 2020)**

**Total expended operating: \$131,033**

**NOTE: Requesting \$150,000 of CARES Act federal fund authority (operating line) to complete IT work.**

# 2019-2021 One-time Funding Reports: APUC & Master Customer Database

---

## APUC

### Financials as of December 31, 2020:

#### APUC Revenue:

APUC Fund balance: July 2019	\$1,504,691.71
Bank of ND	2,000,000.00
ND Mill & Elevator	570,930.59
APUC Fund Interest	7,692.62
Motor Fuel Tax	1,029.99
<b>Total Revenue</b>	<b>\$4,094,991.91</b>

#### Expenditures:

Operating Expenditures	\$29,012.67
Allocated Grant Expenditures	2,334,445.92
<b>Remaining Fund Balance</b>	<b>\$1,731,530.32</b>

In total APUC funded 44 projects at \$1,919,300.50 through December 2020.

#### Grant Types

Basic & Applied Research	10
Farm Diversification	4
Marketing & Utilization	22
Nature Based Agri Tourism	2
Prototype & Technology	4
Technical Assistance	2
<b>Total</b>	<b>44</b>

## Master Customer Database

- On September 10, 2020, the Department submitted a work request to NDIT .
- On November 5, 2020, the Department met with NDIT software development staff to review two database options. The Department determined a custom application was the appropriate approach for the current IT environment. The NDIT estimate request was approved and issued by NDDA on December 3, 2020.
- The master customer database is currently estimated by NDIT to be completed in April 2021.

**GENERAL FUND COLLECTIONS**  
602 DEPARTMENT OF AGRICULTURE

	<b>Source of Collections</b>	<b>Statutory Authority</b>	<b>2019-2021 Es- timated Col- lections</b>	<b>2021-2023 Es- timated Col- lections</b>	<b>2021-2023 In- crease/ (Decrease)</b>	<b>Division</b>
1	ANHYDROUS AMMONIA LICENSE	NDCC Chapter 4.1-37-04	\$ 1,200	\$ 1,200	\$ -	Pest/Fert
2	AUCTION MARKET	NDCC Chapter 4.1-27-03	\$ 5,800	\$ 5,800	\$ -	Grain License
3	COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	\$ 1,116,500	\$ 1,120,000	\$ 3,500	Grain License
4	CREAMERY-CREAMERY STATE LIC.	NDCC Chapter 4.1-25-02	\$ 11,200	\$ 11,000	\$ (200)	Livestock
5	GRAIN STOREHOUSE LIC.	NDCC Chapter 60-02	\$ 440,500	\$ 440,500	\$ -	Grain License
6	LIVESTOCK DEALERS	NDCC Chapter 4.1-83-04	\$ 12,000	\$ 12,000	\$ -	Grain License
7	LIVESTOCK MEDICINES	NDCC Chapter 4.1-43-02	\$ 61,000	\$ 61,000	\$ -	Animal Health
8	MILK - CREAM TESTERS LIC.	NDCC Chapter 4.1-25-22	\$ 1,500	\$ 1,500	\$ -	Livestock
9	NON-TRADITIONAL LIVESTOCK LIC.	NDCC Chapter 36-01-08.1	\$ 2,700	\$ 2,700	\$ -	Animal Health
10	NURSERY LIC.	NDCC Chapter 4.1-22-06	\$ 22,000	\$ 22,000	\$ -	Plant
11	POULTRY FEES	NDCC Chapter 4.1-19-04	\$ 520	\$ 550	\$ 30	Livestock
12	RENDERING PLANTS	NDCC Chapter 4.1-32-03	\$ -	\$ -	\$ -	Animal Health
13	WOOL DEALERS	NDCC Chapter 4.1-88-04	\$ 20	\$ 20	\$ -	Animal Health
14	FINES-FORFEITURES-ESCHEAT	Multiple	\$ 14,000	\$ 14,000	\$ -	Multiple
15	INSPECTION FEES-NOT CLASS	NDCC Chapter 4.1-23-12	\$ 165,000	\$ 170,000	\$ 5,000	Multiple
	<b>TOTAL</b>		\$ 1,853,940	\$ 1,862,270	\$ 8,330	

**SPECIAL FUND COLLECTIONS**  
602 DEPARTMENT OF AGRICULTURE

	<b>Source of Collections</b>	<b>Statutory Authority</b>	<b>Fund</b>	<b>2019-2021 Es- timated Col- lections</b>	<b>2021-2023 Es- timated Col- lections</b>	<b>2021-2023 Increase/ (Decrease)</b>	<b>Division</b>
1	APIARY LICENSE	NDCC Chapter 4.1-16	308	\$ 200,000	\$ 200,000	\$ -	Plant
2	COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	376	\$ 727,500	\$ 727,500	\$ -	Grain License
3	FERTILIZER REG. & TONNAGE	NDCC Chapter 4.1-40	376	\$ 1,300,000	\$ 1,400,000	\$ 100,000	Pesticide
4	HEALTH CERT/BRUC TAGS	NDCC Chapter 36-01-08	308	\$ 15,000	\$ 15,000	\$ -	Animal Health
5	HEMP LICENSE	NDCC Chapter 4.1-18	308	\$ 25,000	\$ 25,000	\$ -	Plant
6	MEDIATION USER FEES	NDCC Chapter 6-09.10	308	\$ 10,000	\$ 10,000	\$ -	Marketing
7	PESTICIDE REGISTRATION	NDCC Chapter 4.1-34	376	\$ 4,900,000	\$ 5,000,000	\$ 100,000	Pesticide
8	PRIDE OF DAKOTA MEMBERSHIP	NDCC Chapter 4.1-01-08	308	\$ 55,000	\$ 55,000	\$ -	Marketing
9	PRIDE OF DAKOTA SUPPLIES	NDCC Chapter 4.1-01-08	308	\$ 6,000	\$ 6,000	\$ -	Marketing
10	WEED SEED FREE FORAGE FEES	NDCC Chapter 4.1-14-04	376	\$ 40,000	\$ 40,000	\$ -	Plant
11	CONFERENCE REGISTRATION FEES	NDCC Chapter 4.1-01-08	308	\$ 140,000	\$ 500,000	\$ 360,000	Marketing
	<b>TOTAL</b>			<b>\$ 7,418,500</b>	<b>\$ 7,978,500</b>	<b>\$ 560,000</b>	

# Audit Report of Biennium Ended June 30, 2019

## CONCLUSION

The Department of Agriculture appeared to have overspent their appropriation from the general fund by \$25,529.

## Department Response

---

**NDDA does not agree with the audit finding.** NDDA received funding from the Outdoor Heritage Fund in 2015 and worked with the Legislature to add language in our appropriation bill to be in compliance with NDCC 54-17.8-05(2) regarding the use of general funds as match. The intention in the grant application and our budget bill was to have the authority to match “up to” and not encumber \$50,000 of funds. We only requested authority to apply time for match that was directly spent working on this grant. Also, NDDA did not receive any additional general funds to cover this match.

## Requested Action

---

The Department is requesting the following language to amend HB 1009:

SECTION 5. AMENDMENT. Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

# Request for Century Code Amendment

---

The Title 4.0 rewrites were completed during the Sixty-fifth Legislative Assembly of North Dakota (2017) and SB 2026 was part of the rewrites. SB 2026 passed after SB 2236 passed nullifying the amendments made by SB 2326 to Chapter 4-01. SB 2026 repealed Chapter 4-01 and enacted Chapter 4.1-01. Legislative Council informed the Department that due to the timing of the passage of SB 2026, the amendments passed by SB 2236 were not placed into law.

The Department is requesting the following amendment to add back the intent of SB 2236:

## PROPOSED AMENDMENTS

4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.
3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are exempt records as defined under section 44-04-17.1.

### Other Related Bills with Fiscal Impacts to HB 1009

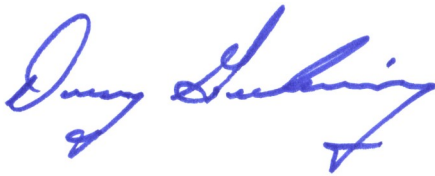
- HB 1026: State warehouse grain and other licenses.
- HB 1045: Industrial hemp fees.
- SB 2171: Commerce Department— transfer of North Dakota Trade Office duties.



## Summary

---

The work of the North Dakota Department of Agriculture is vital to our state's most important industry. This budget presentation was designed to provide transparency and to assist the Legislative Assembly determine spending priorities for the 2021-2023 biennium.



Doug Goehring  
Agriculture Commissioner



# AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

## GRANT REPORT 2019-2020



Agriculture Commissioner  
Doug Goehring



# TABLE OF CONTENTS

Administration .....	5	Invigoils, LLC.....	12
Project Map.....	6	<b>FARM DIVERSIFICATION</b>	
<b>BASIC &amp; APPLIED RESEARCH</b>		Cows and Co Creamery .....	13
Maximizing Honeybee Pollination to Increase Sunflower Oil Yield and Oil Quality .....	7	701 Meats, LLC .....	13
Semi-Mechanization of Early-Season Vineyard Management .....	7	Lakeside Meats Business Opening Plan.....	14
Testing of Two Novel Anti-Microbials On Meat .....	8	Quandt Barn .....	14
Scaling Up Soy-Based Monomers Synthesis for Commercial Acceptance.....	8	<b>MARKETING &amp; UTILIZATION</b>	
Examination of 10 Photoperiod and 2 Autoflower Hemp CBD Cultivars.....	8	Food First Marketing of Probioteins Bars .....	15
A New High Value Market for Plant-Based Products for Health and Anticancer Therapy .....	9	Houweling’s Dakota.....	15
Bio-Based Innovations for Commercialization from Chickpeas.....	9	Tuttle Fresh Artisan Pasta with Local Grown Vegetables and Sauces .....	16
Optimizing Intercropping Practices for the Production, Preservation and Utilization of Silage Feed.....	10	CoJACK Snack and Pack Marketing Kickoff.....	16
The Effects of Feeding Hempseed Cake on Ruminant Fermentation and Site Digestion in Cattle .....	10	Deep Winter Greenhouse Education and Fertilizer Demo Site.....	16
Valorization of Brewers’ Spent Grain Using Simultaneous Co-Fermentation to Enhance Nutritional Value .....	10	Dealer Expansion of Dyna-Flo Pumps.....	16
Evaluation of Small-Scale Vegetable Planting Technologies and Techniques .....	11	Golden Valley Ingredients Market Expansion.....	17
Early Identification of Soybean Cyst Nematode Disease .....	11	Nome Schoolhouse .....	17
GWAS and Transcriptome Analysis .....	12	Marketing for Gideon’s Brewing.....	17
		Feasibility of a Multi-Species Abattoir and Processor in Edgeley, ND .....	17
		Two Track Malting .....	17
		Prairie Products Cold Ethanol Hemp Extract Market and Promotions Project.....	18
		Website Design and Marketing Campaign with Redesign of Manufacturing.....	18
		Three Farm Daughters LLLP .....	18

BisMan Community Food Co-op Marketing Support .....	19
Ringside .....	19
Consumer Ed-Ewe-Cation.....	19
Marketing Implementation.....	20
Marketing Thaw-And-Serve Donuts .....	20
QueBitz - A Livestock Logistics App .....	20
Blue Flint Re-Power Engineering .....	20
Site Design Services .....	21
Development of a North Dakota Beef Slaughter and Processing Facility.....	21
South 40 Beef .....	21
Marketing Plan - Bueche LLC.....	22
Expansion of Hill Top Meats in Hazen .....	22
Minn Dak Market Holiday Promotion.....	22
<b>NATURE-BASED TOURISM</b>	
Hygge Hills Train .....	24
Agritourism Expansion Through Value Added Niche Market Crop Production .....	24
<b>PROTOTYPE &amp; TECHNOLOGY</b>	
VRT Renegade Market Acceleration.....	25
Bacon Yield Improvement Process .....	25
Bacon Yield Improvement Process, Phase III .....	26
Patent-Pending Belting Technology .....	26
Leaf and Bud Stripper (Strip It Good) .....	26

## **TECHNICAL ASSISTANCE**

Improvement Project for Efficiency and Production Increase.....	27
Nutritional Assessment of Hemp Byproducts for Inclusion in Animal Feed .....	27
Water Service to Blue Flint Ethanol .....	28

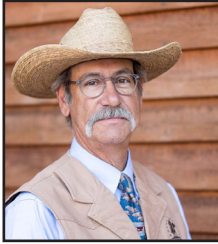
## **SPONSORSHIPS**

ND FFA Foundation, Inc. Sponsorship 2018 .....	29
NASDA Annual Meeting Sponsorship 2020.....	29

<b>FUNDING SOURCES</b> .....	30
------------------------------	----

# ADMINISTRATION

## APUC COMMISSIONERS



DAN KALIL, CHAIRMAN  
Commissioner's Appointee



RACHEL RETTERATH, VICE CHAIR  
Commissioner's Appointee



MATTHEW GLESSNER  
Commissioner's Appointee



KEITH PELTIER  
Commissioner's Appointee



BILL ONGSTAD  
Commissioner's Appointee



DENNIS MING  
Governor's Appointee



DOUG GOEHRING  
Agriculture Commissioner



DEAN BRESCIANI  
NDSU President



KEVIN SONSALLA  
Commerce Designee

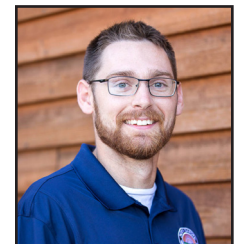
The North Dakota Agricultural Products Utilization Commission (APUC) consists of nine board members. The Agriculture Commissioner appoints five members and the Governor appoints one member.

The board also includes three statutory members: the North Dakota Agriculture Commissioner, the Director of the Department of Economic Development & Finance, and the President of North Dakota State University, or their designees.

## APUC STAFF



JOHN F. SCHNEIDER  
Business, Marketing  
& Information Division  
Director



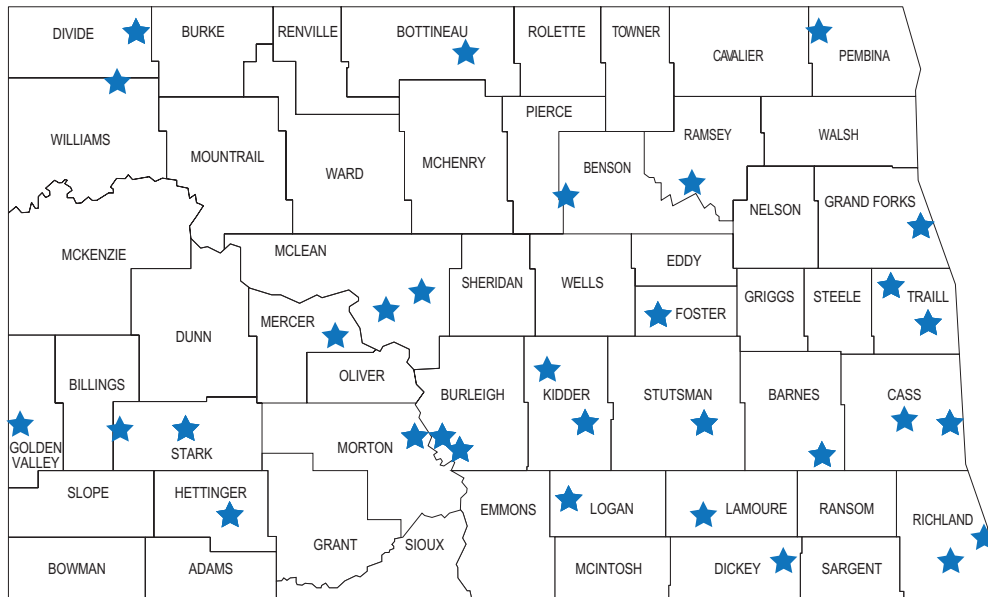
BRADLEY DEAN  
Administration



BETTY SCHNEIDER  
Administration

# PROJECT MAP

Between December 2018 and December 2020, APUC funded 57 projects in 31 North Dakota communities, totaling over \$2.6 million in grants and sponsorships.



APUC is a program within the North Dakota Department of Agriculture.

- Beach - Golden Valley Ingredients
- Beach - Ringside LLC
- Belfield - 701 Meats, LLC
- Bismarck - BisMan Community Food Cooperative
- Bismarck - Black Bison Organics, LLC
- Bismarck - Invigoils LLC
- Bismarck - Gideons Brewing Company Inc.
- Bismarck - NASDA
- Bismarck - North Dakota FFA Foundation
- Bottineau - Dakota College at Bottineau
- Carrington - Healthy Oilseeds
- Carrington - Cows and Co Creamery
- Carrington - NDSU Carrington Research Extension Center
- Casselton - Bueche LLC
- Casselton - Identity Ag Processing LLC
- Casselton - Minn Dak Market
- Devils Lake - Engstrom Bean & Seed
- Devils Lake - Summers Manufacturing Co LLC
- Dickinson - Baker Boy Bake Shop, Inc.
- Edgeley - Tim Moch/Meat Plant
- Esmond - gardendwellers FARM
- Esmond - gardendwellers RANCH
- Fargo - NDSU Dept. of Plant Sciences (4)
- Fargo - NDSU Dept. of Microbiological Sciences
- Fargo - NDSU Dept. of Coatings and Polymeric Materials
- Fargo - Prairie Products LLC
- Fargo - NDSU (2)
- Grand Forks - Three Farm Daughters LLLP
- Grand Forks - Minn-Dak Growers Ltd.
- Grand Forks - UND
- Grand Forks - UND Odegard School of Aerospace Sciences
- Hankinson - Hankinson Renewable Energy LLC
- Hatton - 4 Family Farms Alliance, LLC
- Hazen - J & J Hazen Meats, Inc.
- Hillsboro - Total Ag Industries Inc.
- Jamestown - North Dakota Farmers Union
- Lincoln - Two Track Malting, LLC
- Mandan - Cloverdale Foods Company (2)
- Mott - South 40 Farms LLC
- Napoleon - Bitz 4 Solutions
- Nome - Shepherd Industries
- Noonan - Hygge Hills
- Oakes - Dyna-Flo Pump Co.
- Oakes - Quandt Farm
- Tappen - Rapha Global Corporation
- Turtle Lake - McLean-Sheridan County Rural Water District
- Tuttle - Tuttle Community Development Corporation
- Underwood - Houweling's Tomatoes
- Underwood - Blue Flint Ethanol LLC
- Wahpeton - WCCO Belting Inc.
- Walhalla - Food First LLC
- Wildrose - In the Potter's Hand Inc.

# BASIC & APPLIED RESEARCH



*The UND-Bee Innovative team*

Basic & Applied Research Grants assist in research for processing agricultural products and byproducts in North Dakota. These grants cannot be aimed at business expansion or creation without regard to agricultural products, must not include research that cannot reasonably be expected to result in a marketable product, or cannot have been duplicated by other research efforts.

## **MAXIMIZING HONEYBEE POLLINATION TO INCREASE SUNFLOWER OIL YIELD AND OIL QUALITY**

UND - Odegard School of Aerospace Sciences  
Paul Snyder, Grand Forks

Grant Amount: \$59,113  
Total Budget: \$77,907

Australian technology startup Bee Innovative and the University of North Dakota (UND) are partnering to unlock an entirely new market for agricultural drones in the United States by combining Bee Innovative's extensive experience in tracking honeybees in real time for precision pollination in Australia with UND's global leadership in unmanned aircraft systems (UAS). Agriculture and honey production are important parts of North Dakota's economy, of which UND, as the state's flagship university, is a big driver through research and technology innovation. "As we grapple with global challenges around food

security and doing more with less, any innovation that delivers increased certainty, predictability and outputs for farmers is a welcome innovation." "We're excited to work with UND to leverage their experience in unmanned autonomous vehicles to enhance our current BeeDar capability and make this solution a reality for the local and global agriculture market."

## **SEMI-MECHANIZATION OF EARLY-SEASON VINEYARD MANAGEMENT**

NDSU Department of Plant Sciences  
Harlene Hatterman-Valenti, Fargo

Grant Amount: \$23,550  
Total Budget: \$29,438

Grant funding will be utilized to obtain, evaluate, and disseminate findings regarding the application of mechanized and semi-mechanized tools for new and expanding regional grape



growing operations. Evaluation of traditional and powered grapevine pruners and training tools will enable comparison and isolation of tools that can empower farmer decision making for best use of resources. Demonstrations to farmers will be conducted to disperse knowledge of safe and precise handling of tools, strengthening regional vineyard owners' capacity to manage and train a new, more efficient workforce, capable of maintaining greater acreage with fewer labor hours leading to more fruit production with less expenditures.

### **TESTING OF TWO NOVEL ANTI-MICROBIALS ON MEAT**

NDSU Department of Microbiological Sciences  
Birgit Pruess, Fargo

Grant Amount: \$45,765  
Total Budget: \$57,756

The proposal's main goal is to bring a submitted patent closer to commercialization by testing two novel antimicrobials (AM) on chicken. Previous research has established that both AM reduce live counts of spoilage and pathogenic bacteria when the AM are mixed with ground beef. The proposed research uses the AM as processing aid instead of treatment. The project will inoculate chicken breasts with specific levels of Salmonella or Campylobacter in PBS suspension. Contaminated meat will consecutively be treated with one of the AM by dipping into a water bath containing a 1% solution of the AM. The meat will be stored at 7 degrees C for a maximum of 3 days. Live counts of Salmonella and Campylobacter will be determined on selective agar plates. In addition, the project will determine live counts of several spoilage bacteria that are commonly associated with chicken. The research will broaden the range of applications that our AM are effective in.

### **SCALING UP SOY-BASED MONOMERS SYNTHESIS FOR COMMERCIAL ACCEPTANCE**

NDSU Department of Coatings and Polymeric Materials  
Andriy Voronov, Fargo

Grant Amount: \$56,493  
Total Budget: \$70,616

This project is based on the already obtained and published experimental results that demonstrated strong commercial promise of technology entitled Biobased Acrylic Monomers developed and patented at the Coatings and Polymeric Materials Department of North Dakota State University (NDSU). The goal of this project is to scale up synthesis of soybean oil-based acrylic monomer (SBM) to enable larger products volume and extensive further testing of latexes from SBM at industrial partner facilities. The projects main objective is to demonstrate feasibility of SBM synthetic process to produce monomers in larger volume (10 - 100 gallons). Before scaling up, synthetic reaction parameters and process characteristics need to be optimized in terms of monomer quality and reaction control with a main target of introducing these new materials to the market. The long term goal of this study is to replace petroleum-based monomers in polymer latexes with monomers based on soybean oil, at a price point that is comparable, and with the same equipment and processes, and with identical or better performance of the end product.

### **EXAMINATION OF 10 PHOTOPERIOD AND 2 AUTOFLOWER HEMP CBD CULTIVARS**

Dakota College at Bottineau  
Keith Knudson, Bottineau

Grant Amount: \$37,553  
Total Budget: \$46,941

The grant funds will be used to set up an applied research project to identify and develop varieties

of industrial CBD hemp cultivars that will perform well under North Dakota climate including controlled environmental conditions. The grant fund will be utilized to purchase industrial hemp cultivars, set up experimental plots, providing internships to students for conducting applied research, materials and supplies for conducting experimental trials and extraction of CBD, and hosting field days and workshop for producers to demonstrate good agricultural practices and hemp production in outdoor field as well as an environmentally controlled agricultural environment.

**A NEW HIGH VALUE MARKET FOR PLANT-BASED PRODUCTS FOR HEALTH AND ANTICANCER THERAPY**

NDSU  
Kalpana Katti, Fargo

Grant Amount: \$55,540  
Total Budget: \$80,553

The goal of the proposed research is to develop health target high value crops for North Dakota by evaluating the nutritional and anticancer properties of compounds from the extracts of oregano and related high phenolic crop, targeting effectiveness in treating prostate and breast cancer at the bone sites, which are considered terminal stage for these cancers. The research will combine the expertise of the Katti and Shetty groups to study the efficacy of the extracts from oregano and related high phenolic crops using the bone mimetic cancer testbeds with four cancer cell lines, highly metastatic and low metastatic prostate and breast cancer. Parallel studies will also be conducted to evaluate the effect of the natural extracts on healthy bone cells and bone regeneration. The ultimate goal of this research is to identify new uses and add value for oregano and related high phenolic crop grown in North Dakota, create health targeted high value markets for the products through discovery

and dissemination of the research to business, scientific communities and the public, build partnerships with local farmers, initiate patents and advance spin-off companies for job creation. The proposed research has a strong potential to increase employment in North Dakota, improve the health targeted markets through added value, develop new manufacturing capability in the agriculture sector in the state at the nexus of food, nutrition and medicine.

**BIO-BASED INNOVATIONS FOR COMMERCIALIZATION FROM CHICKPEAS**

NDSU Department of Plant Sciences  
Kalidas Shetty, Fargo

Grant Amount: \$44,902  
Total Budget: \$56,128

To advance bio-based innovation for commercialization of high value ingredients from ND chickpeas to support pulse growers, local food and nutrition industry and to provide NCD-linked health benefits to consumers of ND. To achieve this broad objective, initially we will screen North Dakota grown desi and Kabuli chickpea cultivars with high protein and high human health relevant bioactive content and will further target them as high value nutraceuticals and health ingredients by better defining their NCD-linked health benefits. Additionally, we will advance bio-based innovations such as pre-harvest foliar elicitation strategy with natural bioprocessed elicitors and post-harvest processing strategy to enhance such NCD-linked health benefits in targeted novel health targeted ingredients which will be derived from high value North Dakota chickpea. Furthermore, we will also advance commercialization efforts for high value chickpea-based ingredients by using NDSU driven new spin-off, research kitchen initiative and a potential collaboration with local food, nutrition, and health industries such as Sanford Profile. This proposed APUC grant initiative will

help to develop new health targeted functional ingredients from North Dakota chickpea and other legumes and will provide clear path for potential commercialization efforts for such high value agricultural products. Overall, development of such high value ingredients and advancement of its commercialization will contribute to the growth and long term stability of North Dakota economy.

### **OPTIMIZING INTERCROPPING PRACTICES FOR THE PRODUCTION, PRESERVATION, AND UTILIZATION OF SILAGE FEED**

NDSU Carrington Research Extension Center  
Bryan Neville, Carrington

Grant Amount: \$48,332  
Total Budget: \$60,415

The Carrington Research Extension Center researched three project objectives. 1) Maximize forage productivity of intercropped corn/legumes for the production of silage as livestock feed. 2) Determine the impacts of silage inoculant use on pH, nutrient content, and fermentation characteristics of intercropped corn/legume silages. 3) Compare feeding value of intercropped corn/legume silages to corn silage for backgrounding rations for beef heifers. In 2019, the corn production was much better previous research. It was believed that this would lead to better intercropping performance. However, field pea inclusion had a large negative impact on corn biomass production. The corn plants were shorter for much of the year which had cascade effects. First, the stunted corn did not yield well, but it also created more lanes for sunlight which created a more robust field pea crop. This was further compounded by heavy lodging and most field peas were not harvestable with silage chopping equipment. It is estimated that only 25% of the field pea biomass was harvested. It is possible that the unharvested field pea residue may have offset the loss in

forage production corn. Soybean production had minimal impacts on corn yield, however the corn was too robust in the mix. This resulted in a poor environment for soybeans to contribute much seed production. The best advantage with soybeans was a 5% increase in tons/acre fresh weight at the 145,200 soybean seeding rate compared to corn alone.

### **THE EFFECTS OF FEEDING HEMPSEED CAKE ON RUMINAL FERMENTATION AND SITE DIGESTION IN CATTLE**

NDSU  
Kendall Swanson, Fargo

Grant Amount: \$63,600  
Total Budget: \$79,500

This project is designed to determine the feeding value of hempseed cake in finishing cattle diets. Specifically, in situ and in vitro ruminal digestibility experiments will be used to examine the ruminal protein degradability of hempseed meal as compared to other common protein sources used for cattle finishing diets using in situ and in vitro digestion approaches, 2) influence of hempseed meal supplementation on ruminal fermentation, nitrogen balance, and site of digestion in cattle, and 3) preliminary economic analysis and value discovery of hempseed cake as a protein supplement for cattle fed finishing diet.

### **VALORIZATION OF BREWERS' SPENT GRAIN USING SIMULTANEOUS CO-FERMENTATION TO ENHANCE NUTRITIONAL VALUE**

NDSU Department of Plant Sciences  
Paul Schwarz, Fargo

Grant Amount: \$35,090  
Total Budget: \$43,862.50

The microbial fermentation of brewers' spent grains is an environmentally friendly and

economical operating process, which benefits the sustainability of barley growing in ND. The utilization of brewers' spent grains as livestock feed is limited (with an addition of less than 5% in the total feed) because of the non-digestive fibers and proteins. The current project is designed to use the microbial fermentation to break down the crude fiber and protein of BSG into sugars, peptides, amino acids, fatty acids, and prebiotics conducive to the digestion of livestock. The operating process is to be conducted under the air condition, which prepares for a large-scale implementation in practice. The solid state fermentation does not produce waste water. The process is relatively costless because of the convenient operation, inexpensive microbial strains, and no waste production. In addition, the process saves energy costs because the moisture content of BSG is expected to dramatically decrease with the heat produced during the microbial fermentation. The nutritional value of fermented BSG would be significantly increased, compared to the untreated BSG. The shelf life of fermented BSG would be longer due to the inhibition of spoilage microbes by beneficial fungus and bacteria applied in the fermentation process. The improvement of nutrients of fermented BSG would potentially enlarge the utilization of BSG as feed, which would reimburse the malting barley growers and promote the sustainability of barley growing.

### **EVALUATION OF SMALL-SCALE VEGETABLE PLANTING TECHNOLOGIES AND TECHNIQUES**

NDSU Department of Plant Sciences  
Chiwon Lee, Fargo

Grant Amount: \$17,517  
Total Budget: \$21,896.25

With the increase of small-scale vegetable production in North Dakota, new and veteran producers continually face the daunting task of

optimizing resources, labor and time. Planting and seed starting are the most crucial and time-consuming aspects of vegetable production. The utilization of commercial seeders provides the opportunity for decreased time and money expenditure, while improving accuracy and adaptability in direct sowing of small seeded high value crops. Utilization of a stale seedbed technique provides the benefit of non-chemical weed suppression, while also reducing need for tillage. Multiple commercial seeders developed for small scale farm operations will be evaluated for time-saving capacity and precision while planting high value small-seeded vegetable crops. A stale seed bed technique and conventional tillage will be used to evaluate weed suppression. Hand and vacuum seeders for indoor seed starting and greenhouse operations will be evaluated for cost and time effectiveness. Vegetable seed used in this project will be diverse and of economic importance to North Dakota producers. This project will address problems faced by short season North Dakota vegetable producers, while showcasing new tillage strategies to improve upon cultural practices. Through evaluation of new technologies, this project will identify where labor costs can be streamlined, enabling producers to invest more time and money into other aspects of their operation. Furthermore, findings will be communicated to stakeholders through grower meetings, field days and extension demonstrations.

### **EARLY IDENTIFICATION OF SOYBEAN CYST NEMATODE DISEASE**

University of North Dakota  
Prakash Ranganathan, Grand Forks

Grant Amount: \$62,800  
Total Budget: \$78,500

Soybean Cyst Nematode (SCN) disease is a leading cause of yield loss in North America

soybean farms. It is often difficult to identify the exact symptoms of-SCN. Common below ground symptoms (BGS) include root stunting, discoloration, and fewer nodules in the root. The above ground symptoms (AGS), include less biomass, stunting and early yellowing or browning of leaves. While we understand that SCN Infected soybeans can lose up to 25-30% of their yield before beginning to turn yellow and a number of other diseases also cause yellowing of leaves, the purpose of this study has two fold goals:

Goal 1: To find out whether there are early, subtle signs that SCN infection has occurred before visibly detectable early yellowing by relating large suites of multiple types of remote sensor data to soybean growth conditions.

Goal 2: To find out whether there exists a relationship for early yellowing to SCN disease and mapping exact environmental conditions such as soil moisture and canopy assessment across all seasons. Currently, there is very limited research that integrates both aerial and ground data measurements to map the geo location of this SCN disease that captures variation in plant health, early yellowing and soil health across all seasons, as there is a lack of high fidelity big data in this area. The anticipated outcome of the project will result in a software and remote sensing hardware package that can be used to accurately detect the GPS locations of SCN infested areas in two ND soybean farms.

### **GWAS AND TRANSCRIPTOME ANALYSIS**

Minn-Dak Growers Ltd.

Mala Ganiger, Grand Forks

Grant Amount: \$100,000

Total Budget: \$125,000

The possible outcome of accelerated aging treatments will be to identify the environmental conditions stimulating the darkening of seed coat color in a reasonable time frame. This information

is essential for the phenotypic evaluation of seed coat color browning in buckwheat breeding program and for commercial seed coat color evaluations at MDGL. Indirectly, the optimum storage conditions necessary for retaining the green seed coat color will be revealed. The GWAS study of common buckwheat accessions which will be the first report in relation to the seed coat color of common buckwheat should allow us to identify the gene/s controlling the seed coat color trait in buckwheat. Finally, the mechanism of gene expression at the molecular level with RNA-seq information will provide the comprehensive information of the genes involved in seed coat color development through differential gene expression study. This will help to develop the buckwheat varieties with darker green seed coat color resulting in the increase in acreage for production to meet the customer demand and having higher sales price for. This will create more job opportunities for both buckwheat farmers and buckwheat mill workers improving the overall economy of North Dakota. Moreover, this project will enforce the building and expanding the R&D department of MDGL further creating more job opportunities in buckwheat research field proving it to be more potential for economic growth in different areas such as buckwheat research.

### **INVIGOILS, LLC**

Larry White, Bismarck

Grant Amount: \$49,416

Total Budget: \$108,116

Invigoils will source regional identity preserved oilseed commodities for cold press processing for a commercial market of both human and animal consumption. Oilseeds under consideration are mainly safflower, sunflower, canola, flax and hemp. Additional oilseeds may be crushed for additional markets as the demand may warrant. Toll processing may be used when we have extra capacity.

# FARM DIVERSIFICATION



*Progress on Cows & Co. Creamery*

Farm Diversification Grants give priority to projects dealing with the diversification of a family farm to non-traditional crops, livestock, or on-farm, value-added processing of agricultural commodities. Traditional crops and livestock are generally defined as those that the North Dakota Agricultural Statistics Service maintains statistics on. The project must have the potential to create additional income for the farm unit.

## **COWS AND CO CREAMERY**

Cows and Co. Creamery  
Maartje Murphy, Carrington

Grant Amount: \$148,000  
Total Budget: \$670,000

Cows and Co. Creamery is a micro-creamery located near Carrington, ND. They produce artisan dairy products using milk from their family farm. Currently they are producing Gelato and are looking to develop lines of artisan cheeses with authentic “old-world” production. The vision for the creamery is to have an on-farm location that would serve as a creamery and an agri-destination.

## **701 MEATS, LLC**

701 Meats, LLC  
Roy Krivoruchka, Belfield

Grant Amount: \$97,650  
Total Budget: \$128,650

The project established a meat processing facility in southwest North Dakota. The facility will start out as a custom exempt facility with plans to expand into a state inspected facility. APUC provided funding for the refrigeration system for the meat processing facility. The facility processes North Dakota meat products such as steaks, roasts, burger, sausages, bacon, hams and more. This facility provides local producers with a place to process their animals as well as providing consumers with a place to obtain locally raised meat products.

## LAKESIDE MEATS BUSINESS OPENING PLAN

4 Family Farms Alliance, LLC  
John Jacobson, Hatton

Grant Amount: \$75,000  
Total Budget: \$93,750

An existing meat processing facility has been acquired by 4 Family Farms Alliance, LLC, and the business name will be "Lakeside Meats."

Lakeside Meats intends to provide:

- a) fee-based meat processing services to livestock producers (custom-exempt);
- b) retail and wholesale sales of unprocessed product(s) (state inspected); and
- c) manufacturing/processing of meat products for retail and wholesale sales.

One factor that differentiates Lakeside Meats from its competitors involves the fact that all four owner families are personally in the livestock business, employ best management practices on their respective farms and ranches, provide care for their animals at a level that is unmatched, and remain committed to raising an exceptional product that is safe, affordable, fresh and delicious. Lakeside Meats is located at 307 College Dr S in Devils Lake, ND, in the heart of the business community of Devils Lake.

## QUANDT BARN

Quandt Farm  
Justin & Stephanie Quandt, Oakes

Grant Amount: \$20,500  
Total Budget: \$25,625

This project includes provisions for a 4,800 head finisher swine farm. The facility will consist of one (1) 338.0'x 122.2' finisher barn. The finisher barn will house a total of 4,800 finisher pigs. The barn will be on slatted concrete floors over an 8' deep pit, which will fully contain the manure and waste water to ensure the protection of ground water

and other vital natural resources. All buildings are totally roofed and all extraneous drainage will be drained away from the building and diverted around the site into engineer-designed containment. The hogs will arrive weighing approximately 30 lbs and will be fed using grain from our family farms as well as from other entities. The manure that is collected from the facility will be used to enrich the soil of our fields and those of our neighbors while cutting back on our dependency on chemical fertilizer. This finisher barn will help sustain our family farming operations for future generations. We have been working closely with our engineer to assure adherence to the environmental laws of our state, the health of our animals, and to being good and ethical neighbors.

# MARKETING & UTILIZATION



*Processing equipment at Food First LLC*

Marketing & Utilization Grants provide necessary assistance to the research and marketing needs of the state by developing new uses for agricultural products and by-products, and by seeking efficient systems for processing and marketing these products. These grants are also used to promote efforts that increase productivity, provide added value to agricultural products, stimulate and foster agricultural diversification and encourage processing innovations.

## **FOOD FIRST MARKETING OF PROBIOTEIN BARS**

Food First LLC  
Rob Thornberg, Walhalla

Grant Amount:       \$34,000  
Total Budget:        \$42,500

Now that our prebiotic fiber product -- ProBiotein -- and MicroBiome Bars, for good gut health, are available to large regional retailers from a national distributor, we want to be sure the customers of these retailers are aware our products are in their stores. Food First LLC of Walhalla, ND, has initial sales and commitments from 740 stores (340 Sprouts Farmers Markets and 400 Associated Food Stores). These two retail chains have established customer contact via social media and they also conduct in-store sampling for new products. The focus will be on reaching those customers with social-media-

based advertising, in-store demonstrations and signage. Building brand awareness is the effort and securing the all-important reorders is the goal.

## **HOUWELING'S DAKOTAH**

Houweling's Tomatoes  
Casey Houweling, Underwood

Grant Amount:       \$136,000  
Total Budget:        \$169,000

Houweling's Dakota is conducting a feasibility study and performing market research on the potential to develop a greenhouse industry in North Dakota. The goal is to understand the local, state, and national demands of the tomato market and create a strategic plan to implement the findings. This project could allow options for more locally grown produce while continuing



to develop North Dakota's agriculture industry in a socially responsible and environmentally sustainable way.

### **TUTTLE FRESH ARTISAN PASTA WITH LOCAL GROWN VEGETABLES AND SAUCES**

Tuttle Community Development Corporation  
Eli Hartje, Tuttle

Grant Amount: \$37,013  
Total Budget: \$66,543

This project aims to develop fresh pasta and/or wet products using North Dakota semolina, vegetables, eggs, and dairy products from area farmers.

### **COJACK SNACK AND PACK MARKETING KICKOFF**

Engstrom Bean & Seed  
Gene Hepper, Devils Lake

Grant Amount: \$105,425  
Total Budget: \$133,900

CoJACK is a start up packaging and snack food company offering puffed edible beans, roasted soy nuts, and pumpkin seeds. The project aims to place CoJack snack in front of the biggest buyers for retail stores across the nation. The grant will make it possible to promote identity preserved natural products to a large buying group. The project will not only be promoting the CoJACK brand but also be a large test market for several new products just being researched. The project will assist CoJack's marketing team build relationships with industry people that will help them grow and contribute to its success for many years to come.

### **DEEP WINTER GREENHOUSE EDUCATION AND FERTILIZER DEMO SITE**

Black Bison Organics, LLC  
Derek Lowstuter, Bismarck

Grant Amount: \$49,000  
Total Budget: \$93,000

This project will construct an education and demonstration facility to: (1) showcase the use and effectiveness of Black Bison Organics fertilizers year-round; (2) demonstrate the use of a deep winter greenhouse to allow winter crop production without expensive supplemental heating; and (3) create a regional agroforestry and permaculture training hub. The project will be composed of a "net-zero" greenhouse that allows year-round crop production. The greenhouse will be attached to an annex building to host educational events, for fertilizer storage, and to house the greenhouse utilities. Both buildings will be constructed using the innovative Nordic Steel building system, based out of Mandan, ND; thereby demonstrating the use and effectiveness of two local products. Black Bison Organics fertilizer's main ingredients are ND-sourced flax seed meal and leonardite - instead of relying on inferior, out-of-state ingredients. By greatly extending, or even eliminating, the growing season in North Dakota, the proposed project will allow the business to showcase crop quality and yields impossible or uneconomical to achieve without an energy-intensive traditional greenhouse.

### **DEALER EXPANSION OF DYNA-FLO PUMPS**

Dyna-Flo Pump Co.  
Dana Rosendahl, Oakes

Grant Amount: \$78,750  
Total Budget: \$179,250

Dyna-Flo pump co will be traveling the US pushing their Dyna-Flo irrigation and flood control pumps. The goal is to establish a solid dealer network and to create a chain of dealers to

display their pump. Funding for this project will assist in creating name recognition and help gain a dealer network to market the Dyna-Flo pump.

### **GOLDEN VALLEY INGREDIENTS MARKET EXPANSION**

Golden Valley Ingredients  
Seth Novak, Beach

Grant Amount: \$78,750  
Total Budget: \$187,500

The projects seeks to build global brand recognition for Golden Valley Ingredients and scale the processing facility to a new level with the creation of a marketing campaign. By creating an effective marketing campaign, Golden Valley Ingredients hopes to leverage their processing capabilities to create a positive economic impact in a disadvantaged area of the state and invest back into North Dakota.

### **NOME SCHOOLHOUSE**

Shepherd Industries  
Chris Armbrust, Nome

Grant Amount: \$10,000  
Total Budget: \$257,800

Dakota Fiber Mill and Bear Creek Felting have partnered together to start Shepherd Industries. Together they purchased the Nome Schoolhouse for their fiber mill, education, and event center. The Nome Schoolhouse serves as a mecca for makers everywhere. They will bring folks from all over the world to North Dakota offering North Dakota products, produced with North Dakota raised, processed and produced fiber all over the world on the wholesale market. They have already been contracted by scheels to carry alpaca insoles in all their stores. Funding for this project will go towards advertising from printed materials to social media.

### **MARKETING FOR GIDEON'S BREWING**

Gideon's Brewing Company  
David Duma, Bismarck

Grant Amount: \$4,000  
Total Budget: \$27,062

Gideon's Brewing is develop a new website, advertise on the radio and offer more products to sell at local trade shows in order to increase our sales volumes and the amount of North Dakota malt we purchase.

### **FEASIBILITY OF A MULTI-SPECIES ABATTOIR AND PROCESSOR IN EDGELEY, ND**

Tim Moch, Edgeley

Grant Amount: \$30,000  
Total Budget: \$73,600

A steering committee of livestock producers and local businessmen in the Edgeley, ND area intend to conduct a feasibility study to provide verification of supply and market projections, determine the best location, determine layout and equipment needs and provide size, cost and cash flow projections to determine financial viability of a new meat plant in Edgeley.

### **TWO TRACK MALTING**

Two Track Malting, LLC  
Jared Stober, Lincoln

Grant Amount: \$41,000  
Total Budget: \$116,263.50

Two Track Malting is a craft malting company located in Lincoln, ND producing craft malt for craft brewers across the country. Two Track Malting specializes in producing high quality small batch craft malt which can be traced down to the exact field it was grown on and the farmer who grew it. They provide this information on

each bag through a unique scan code which the brewer can scan to pull up brewing specifications along with the field and farmer information. Two Track Malting has shipped malt to 104 breweries in 25 states across the United States. In 2020, Two Track Malting's goal is to launch a marketing campaign targeting craft brewers to increase our customer base. In the US there are 7,346 breweries with 1,367 breweries located in 11 states in our region. APUC funds will be used to build awareness for our products and create demand for our North Dakota grown craft malt.

**PRAIRIE PRODUCTS COLD ETHANOL HEMP EXTRACT MARKET AND PROMOTIONS PROJECT**

Prairie Products LLC  
Rose Veronica Michael, Fargo

Grant Amount: \$5,000  
Total Budget: \$177,000

The US hemp derived CBD market is expected to reach \$23.7 billion by 2023. Prairie Products' (PP) primary aim is to capitalize on this burgeoning market for the benefit of North Dakota growers as well as its own extraction business. Prairie Products seeks APUC funding for market research on raw CBD products and to gain better access to existing financial opportunities in these markets. Funds will be used to attend industry conferences and meetings, collect and analyze market data, and to explore all current and emerging CBD crude market trends and product demands. In addition, it would afford Prairie Products the opportunity to develop and implement a marketing plan that increases economic opportunity for all local businesses in our hemp to crude and beyond supply chain. It would also enable us build out a strong, profitable sales network and the infrastructure to consistently sell hemp products in the marketplace. Lastly, grant funding will also help us refine our marketing strategy and product

profile, our pricing, packaging and distribution strategies. We know this additional financial support will not only help us better identify and connect with our clients' product needs, but it will position us for ongoing success by developing a sustainable sales network, excellent account management of existing clients and a marketing brand that is known as reputable and reliable.

**WEBSITE DESIGN AND MARKETING CAMPAIGN WITH REDESIGN OF MANUFACTURING**

In the Potter's Hand Inc.  
Amy Shaw, Wildrose

Grant Amount: \$35,000  
Total Budget: \$82,008

In the Potter's Hand Inc. intends to redesign its website to properly reflect our current lines of gluten-free specialty skin care and beauty products. The updated website would be eye-appealing and user friendly to search for specific products and ingredients. We will increase marketing efforts by targeting consumers using Google Adwords, Facebook, and through influencer's within our industry. IPH sees the need to restructure our manufacturing process to streamline within our facility. We have an opportunity to significantly grow the business and need to be prepared to increase production efficiently. IPH is also needing to protect our brand name and product lines with trademarking of these items.

**THREE FARM DAUGHTERS LLLP**

Three Farm Daughters LLLP  
Molli Ficocello, Grand Forks

Grant Amount: \$68,800  
Total Budget: \$570,000

Three Farm Daughters is a majority female

owned business based in Grand Forks, ND, with the mission to produce and deliver high fiber resistant starch and reduced gluten food products in a variety of forms with outstanding quality and taste. Three Farm Daughters looks to fulfill the consumer driven need for healthier food options and truly believes in providing a “better for you” food product for consumers. Their current product line plans include nutrient rich reduced gluten flour and cookies and high fiber resistant starch crackers and pasta; however, Three Farm Daughters does not plan to stop there. Products will be available for purchase soon!

**BISMAN COMMUNITY FOOD CO-OP MARKETING SUPPORT**

BisMan Community Food Cooperative  
Beth Kaylor, Bismarck

Grant Amount: \$32,000  
Total Budget: \$65,000

The BisMan Community Food Cooperative (BCFC) is a full service grocery store providing local & natural foods. The BCFC is a valuable retail partner to local food producers in North Dakota. The APUC grant supports marketing efforts and local producers video profiles to attract more consumers to the BCFC.

**RINGSIDE**

Ringside LLC  
Levi Hall, Beach

Grant Amount: \$25,000  
Total Budget: \$125,000

Ringside, LLC is has created an app (“Ringside - Livestock”) that will be used to track and promote livestock as they show and sell across the United States. The app will create a new channel for North Dakotans, and people across the country,

to market their cattle producers will be able to be more precise with their advertising and marketing budgets and therefore will see increased revenues on their operations. Ringside was available for download January of 2020. After a wildly successful launch at the National Western Stock Show in Denver, CO in January, Ringside received excellent response from users across the US and into Canada.

**CONSUMER ED-EWE-CATION**

gardendwellers RANCH  
Adam Mawby, Esmond

Grant Amount: \$3,223  
Total Budget: \$4,986

gardendwellers RANCH will be attending multiple farmers markets across the northern portion of North Dakota, reaching Grand Forks, Devils Lake, Rugby and Minot, to promote the consumption of local lamb meat Focusing on providing information and education, about the health, economic and environmental benefits of consuming sheep meat, to direct consumers and retail professionals. Sample kits containing recipes, seasonings, and one pound local ground lamb meat and self addressed comment card in a reusable market bag will be given to interested consumers for home sampling. gardendwellers RANCH will also be providing the meat source for the entree serving at an annual Farm to Table dinner held in central North Dakota. Representation will also be present to speak about the benefits of consuming lamb. Open house events will also be held at gardendwellers RANCH to provide as transparent of a business as possible. Inviting people out to visit the farm, enjoy a freshly prepared sample of lamb, and see how the animals are raised all to promote the benefits of eating locally sourced lamb and sheep for meat.

## MARKETING IMPLEMENTATION

Rapha Global Corporation  
Lon Cummings, Tappen

Grant Amount: \$10,500  
Total Budget: \$105,319.75

Rapha Global Corporation will implement the marketing plan developed by NDSU in collaboration with funding provided by APUC and Rapha Global to sell Rapha's Flax Hull Lignans and their other innovative flaxseed nutritional products. This will include activities such as website development and improvements, social media marketing through Facebook, Twitter, and Instagram, advertising campaigns on Google, LinkedIn and Amazon, as well as a comprehensive email marketing and re-targeting plan designed to follow up with and retain the valuable customers gained from the various marketing platforms.

## MARKETING THAW-AND-SERVE DONUTS

Baker Boy Bake Shop, Inc.  
Guy Moos, Dickinson

Grant Amount: \$55,650  
Total Budget: \$194,500

Over the past two years, Baker Boy has invested countless time and resources, and millions of dollars into the manufacturing of donuts. This investment led to the creation of Magic Ring Filled Donuts-ring donuts with filling in every bite. Recently, these advances has allowed Baker Boy the ability to launch a new line of Thaw-and-Serve Fully Finished Donuts. APUC provided funding to support marketing and trade show assistance to launch the new product line. Funding supported efforts to reach the objective of creating higher awareness for both the Baker Boy brand and the Thaw-and-Serve fully finished donut brand line. The new product line was introduced at the National Association of Convenience Stores in

Atlanta, Georgia.

## QUEBITZ - A LIVESTOCK LOGISTICS APP

Bitz 4 Solutions  
James Philip Bitz, Napoleon

Grant Amount: \$26,250  
Total Budget: \$370,000

The transportation of livestock continues to have issues with timely movement of livestock. Gaps in communication between sending, transporting, and receiving livestock cause financial loss for transporters and producers in the industry. With a few exceptions, most cattle in North Dakota have to be hauled 500 miles or more for processing. Bitz 4 Solutions has developed an app (QueBitz) for real time pick-up and deliveries of cattle. The platform will connect beef producers, transporters, and processors for real time information on pickups, drop offs, and driver availability. QueBitz is now available in the App Store and Google play where it can be downloaded for use.

## BLUE FLINT RE-POWER ENGINEERING

Blue Flint Ethanol LLC  
Jeff Zueger, Underwood

Grant Amount: \$155,000  
Total Budget: \$1,758,400

Blue Flint Ethanol is a low carbon renewable fuel producer that is reliant on Great River Energy's Coal Creek Station for steam to run the bio-refinery. Great River Energy has announced it does not plan to operate Coal Creek beyond 2022. To continue to operate, Blue Flint will likely need to install a boiler to replace the lost steam supply. Carbon intensity of the ethanol produced is a critical consideration for long term viability of an ethanol plant. Therefore, we are evaluating a boiler and handling system that would use

biomass in the form of wheat straw and/or corn stover as an alternative to natural gas based system. This project will gather feasibility level engineering surrounding the biomass option and allow Blue Flint to select a technology. A second phase of the project will complete detailed engineering and design on the selected technology.

### **SITE DESIGN SERVICES**

Identity Ag Processing LLC  
Robert Sinner, Casselton

Grant Amount: \$17,850  
Total Budget: \$23,550

Identity Ag Processing, LLC (IAP) is a state-of-the-art processing facility that was established in 2004 for the purpose of cleaning, sizing, packaging and shipping contracted North Dakota grown food grade commodities arranged by SB&B Foods, Inc. with headquarters in Casselton, North Dakota. Since the completion of IAP, SB&B Foods, Inc. has grown continually to now a large global market presence with North Dakota grown products. North Dakota producers have not only benefitted with increased profits for their efforts, but also have gained worldwide recognition and reputation for the consistent high quality they produce year after year. More and more, global food companies are contacting SB&B Foods, Inc. for additional quantities produced in North Dakota. This project is to hire professional services to do a civil site design that includes a topographic survey, geotechnical investigation, geometric layout for roadway, site drainage, roadwork makeup and design, and erosion control. When completed, Identity Ag Processing intends secure a contractor for the infrastructure improvements and work. This total project will not only immediately impact our plant efficiency, but more importantly will allow for increased plant capacity and customer confidence for expanded business that will directly and positively benefit

ND producers.

### **DEVELOPMENT OF A NORTH DAKOTA BEEF SLAUGHTER AND PROCESSING FACILITY**

North Dakota Farmers Union  
Mark Watne, Jamestown

Grant Amount: \$27,500  
Total Budget: \$75,000

A feasibility study to determine the possibility of a medium scale, regional, USDA-inspected cattle slaughter and processing facility, with an adjacent rendering facility with the capabilities of receiving rendering from other customers. The project will include a market analysis, processing and business plan, supply plan, management plan, and financial plan.

### **SOUTH 40 BEEF**

South 40 Farms LLC  
John Roswech, Mott

Grant Amount: \$7,275  
Total Budget: \$14,550

South 40 Beef is committed to providing your family with ethically harvested, high quality, angus beef. Our family is building a beef processing plant in Mott, ND that will do the following:

- Sell and market USDA inspected beef direct to consumers that live outside of the Dakotas that reside in east and west coast.

Export ND Beef

- State inspected beef to consumers in the Dakotas
- State inspected custom butchering
- Sell to big box retailers such as Costco and Walmart

South 40 Beef is committed to providing your family with ethically harvested, high quality, angus beef.

## **MARKETING PLAN - BUECHE LLC**

Bueche LLC

Shannon Bueche, Casselton

Grant Amount: \$8,193  
Total Budget: \$10,241.25

The Marketing Plan Project for Bueche LLC will develop and implement a marketing plan for our artisan herbal products. The marketing plan will include development of an eCommerce website, design and creation of a company logo and product-specific logos, bar-coded product label design and printing, electronic and printed marketing materials, marketing strategies for social media and Google advertising, as well as custom signage for sales locations and vehicles. The products are created from organic herbs, berries and other botanicals grown on a North Dakota farm. This project will highlight the traditional and non-traditional crops we are currently growing, and the unique products we create from them. By developing and utilizing a robust marketing plan, consumers will have access to education about the benefits of these plants, how they're used for health and wellness, and availability to purchase North Dakota made products created with them. It will also help to establish North Dakota as a place where beneficial herbs can be grown successfully, both on a family garden scale, and on a scale large enough to accommodate retail and wholesale markets.

## **EXPANSION OF HILL TOP MEATS IN HAZEN**

J & J Hazen Meats, Inc.

Justin Hill, Hazen

Grant Amount: \$29,525  
Total Budget: \$36,906.25

Hill Top Meats is an existing USDA inspected meat processing plant located in Hazen, North Dakota. The company is intending to build a

new facility to increase its inspected processing capacity from 15 head per week to 30-60 head per week. The new plant will be located along Highway 200 between Beulah and Hazen. The existing plant will remain in operation to serve the region's custom and wild game processing needs.

## **MINN DAK MARKET HOLIDAY PROMOTION**

Minn Dak Market


Greg Kempel, Casselton

Grant Amount: \$15,000  
Total Budget: \$18,750

Minn Dak Market proudly promotes and sells locally made products including Pride of Dakota products at its local storefront located in the West Acres mall in Fargo. They also sell via their website [www.minndakmarket.com](http://www.minndakmarket.com). This year, with the pandemic creating cancellations of trade shows such as two of the Pride of Dakota shows and the concern that the other shows may be less in attendance, sales etc. several Pride of Dakota vendors have reached out to see if they could increase their marketing to try and increase holiday sales. In 2019, 30,000 catalogs were printed and mailed out 5,500 of them to current/potential customers throughout the midwest, Florida, Texas, Arizona, and California (former residents). This year by increasing this as well as more advertising in the area will lead to additional sales for these Pride of Dakota companies from Flasher to Burlington to Devils Lake to Esmond to Valley City etc.

In addition to additional catalogs and mailing, an aggressive marketing campaign online with radio presence will help increase sales.

Since opening the store full time on May 15, 2019, Minn Dak Market has seen steady growth. Holiday sales continue to grow. In 2019, a pop up store was used in the Dakota Square Mall for the



holidays from October through January. We are researching opportunities currently in Kirkwood Mall in Bismarck as well as the Dakota Square Mall in Minot to continue to grow the brand of providing local residents access to locally made products.



# NATURE-BASED TOURISM



Nature-Based AgriTourism Grants are for enterprises which seek to attract visitors to a working farm or ranch, or any agricultural, horticultural or agribusiness operation to enjoy, be educated or be involved in activities. Eligible projects include but are not limited to farm or ranch tours, hands-on chores, self-harvesting of produce, hunting operations, fishing operations located on applicants' land, bird watching, trail rides and corn mazes.

## **HYGGE HILLS TRAIN**

Hygge Hills  
Lucy Frandsen, Noonan

Grant Amount: \$20,000  
Total Budget: \$27,350

Hygge Hills is working towards enhancing and growing their events by adding a train feature. This train will be pulled behind a compact tractor. It will be similar to an old steam train, with two cars each comfortably holding six adults. This train will be used mainly at our annual fall pumpkin patch. The train will follow a decorated pathway, through a seasonally decorated 160' tunnel, providing our guests an enjoyable time by sitting back, relaxing and enjoying the beautiful country scenery. This train will not be used on a track, so it will be available for use at parades, fairs, the Divide County Threshing Bee and other area events.

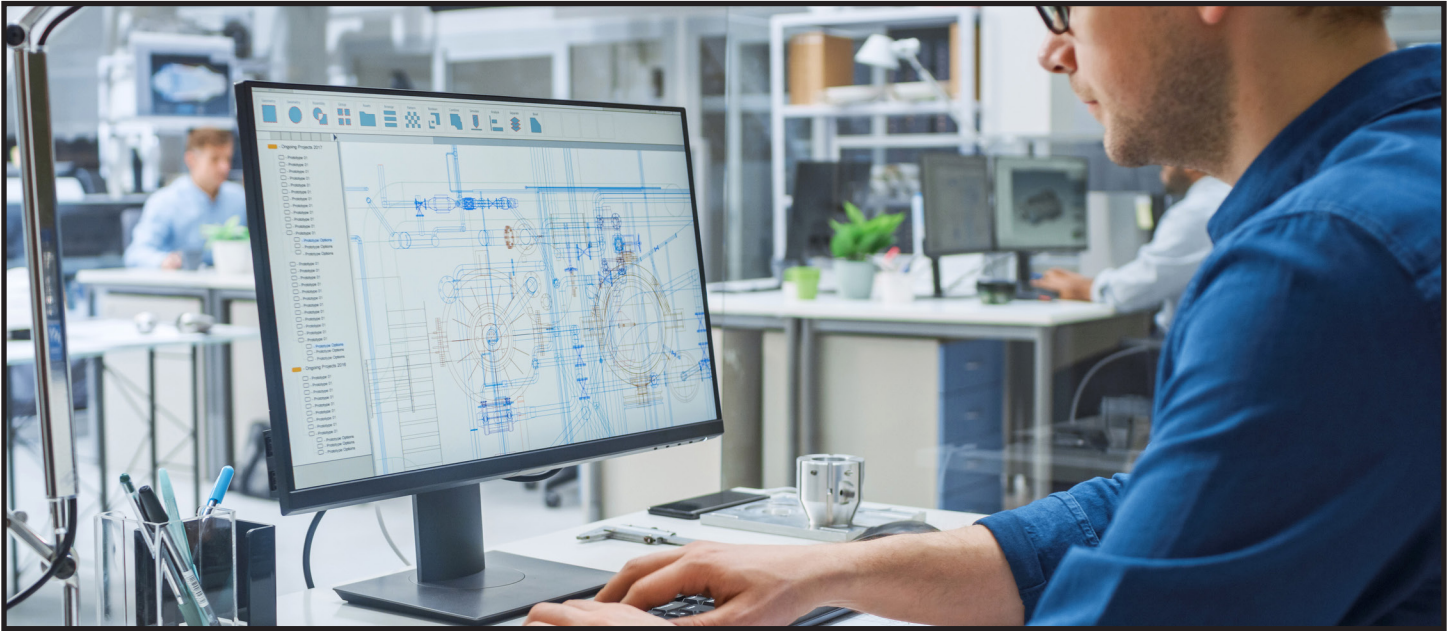
## **AGRITOURISM EXPANSION THROUGH VALUE ADDED NICHE MARKET CROP PRODUCTION**

gardendwellers FARM  
Holly Mawby, Esmond

Grant Amount: \$7,093  
Total Budget: \$8,786

gardendwellers FARM will use APUC funds to begin processing and packaging of freeze-dried herbs to provide an easily packed and carried product available throughout the year to market to its agri-tourism visitors. This expansion will allow gardendwellers FARM to produce a product with a very long shelf life and a broader product line that appeals to visitors to the farm and to North Dakota. The freeze-dried herbs and herb blends will capitalize on the 'Be Legendary' branding as well as the gardendwellers FARM branding to appeal to consumers demand for local ingredients and products.

# PROTOTYPE & TECHNOLOGY



APUC provides grants in two areas of agricultural innovations: Prototype Development & Technology Grants. A huge array of equipment can be useful in conducting business in rural living and agricultural economics. Prototype Grants are restricted to inventions improving the operations of food processing equipment and agricultural equipment. Technology Grants are to encourage innovation and APUC maintains a broad view of technology, such as hardware, software, devices or processes. Biotechnology will be considered as long as those advances improve agricultural product utilization such as food, feeds, fuels and fiber.

## **VRT RENEGADE MARKET ACCELERATION**

Summers Manufacturing Co Inc  
Bruce Johnson, Devils Lake

Grant Amount:       \$26,250  
Total Budget:        \$272,020

This project is aimed to help Summers Manufacturing accelerate the growth of a very exciting break through innovation in farm equipment which enables variable rate tillage. The acceleration of this market adoption will help promote the practice and will help Summers Manufacturing return to a growth mode as a North Dakota company producing innovative equipment to help agricultural producers be more efficient.

## **BACON YIELD IMPROVEMENT PROCESS**

Cloverdale Foods Company  
Justin Brotzler, Mandan

Grant Amount:       \$105,000  
Total Budget:        \$329,869.52

This is a three-phase project intended to increase bacon yield utilizing existing resources and constraints and develop new design of bacon comb hanger to increase yield, decrease waste, and produce a more consistent quality product. Additionally, a new design for system trolleys will be developed to increase capacity, efficiency, and quality. Cloverdale will invest in developing a process that is the most effective for chilling during the cooking and cooling process that will quickly, evenly, and consistently cool to ensure food safety and quality subsequent processing.

### **BACON YIELD IMPROVEMENT PROCESS, PHASE III**

Cloverdale Foods Company  
Justin Brotzler, Mandan

Grant Amount: \$34,767  
Total Budget: \$265,158.92

Cloverdale would like to increase their bacon production yield utilizing existing space, design and patent bacon specific tools, and expand capabilities within the existing facility.

### **PATENT-PENDING BELTING TECHNOLOGY**

WCCO Belting Inc  
Jean Voorhees, Wahpeton

Grant Amount: \$41,475  
Total Budget: \$65,454

WCCO is developing a new type of rubber product primarily used on equipment that harvests potatoes, sugar beets, onions, and other root vegetables. If the prototype is successful, it will be promoted to both domestic and international equipment manufacturers. The growth will increase North Dakota exports and create high-paying local manufacturing jobs.

### **LEAF AND BUD STRIPPER (STRIP IT GOOD)**

Total Ag Industries Inc.  
Pat Muller, Hillsboro

Grant Amount: \$26,250  
Total Budget: \$49,150

This project seeks to develop a prototype of a new harvesting equipment for high-CBD hemp, the leaves of which are pressed for CBD oil. Grant funds will be used for the engineering, research and development and manufacturing of the prototype for the leaf and bud stripper. Although the CBD oil industry continues to grow, the

current harvesting technique is a multi-step, labor intensive process that requires a great deal of both time and warehouse space. This prototype merges those separate steps into one as farmers prepare hemp leaves for CBD oil production. Merging these steps provides numerous benefits to these hemp farmers including: 1) the need for a single, lower-priced harvesting machine 2) increased harvesting efficiency of at least 25% 3) elimination of the need for warehouse space 4) faster drying because you are only drying the leaves, not the entire plant 5) a purer superior product because the stems and other impurities are left in the field. Although the prototype will be built to harvest one row, the machine will be built so that additional row units can easily be added.

# TECHNICAL ASSISTANCE



## **IMPROVEMENT PROJECT FOR EFFICIENCY AND PRODUCTION INCREASE**

Hankinson Renewable Energy LLC  
Dodi Matti, Hankinson

Grant Amount: \$52,500  
Total Budget: \$3,242,569

Hankinson Renewable Energy (HRE) is planning an improvement project to its current plant located in Hankinson, ND. This improvement will involve the installation of stack heat recovery equipment that will improve plant efficiencies and increase ethanol production by an estimated 10 MMGY. The \$3.2 million project would allow HRE to improve operations; reduce natural gas and make-up water usage per gallon of ethanol; and resolve current production limitations, allowing the plant to operate at greater capacity and increase ethanol production by 10 MMGY.

## **NUTRITIONAL ASSESSMENT OF HEMP BYPRODUCTS FOR INCLUSION IN ANIMAL FEED**

Healthy Oilseeds, LLC  
Roger Gussiass, Carrington

Grant Amount: \$62,890.50  
Total Budget: \$88,727.20

The grant funds will be used to complete the necessary research and analytical science needed to define the nutritional content, phyto-remediatory properties, and anti-nutritive composition of hemp seed byproducts. This analysis is the first step in satisfying American Feed Control Officials (AAFCO) and FDA-CVM (Center for Veterinary Medicine) Nutritional reporting and safety evaluations for any new ingredient including hemp and its byproducts. The FDA-CVM requires that each ingredient (byproduct) be rigorously tested to determine its nutritional composition and to identify pesticides, heavy metals, vitamins, mineral, or anti-nutritives that may prevent its use as animal feed and which must be considered by the feed formulator for the target animal, its production category and the intended use. To prove the consistency of the ingredients composition; we must use American grown and processed hemp byproducts and provide 5-7 Certificates of Analysis, from a certified lab, using approved methods and equipment, for each ingredient. Maintaining the consistency of labs conducting the analysis

for each of the samples creates legitimacy of the results and allows for more confidence in the statistical analysis and interpretation of the nutritional composition. All six ingredients (oil, meal/cake, hulls, screenings, filtrate, and pulp) will have five samples submitted to Eurofins food.

### **WATER SERVICE TO BLUE FLINT ETHANOL**

McLean-Sheridan County Rural Water District  
Ann Oberg, Turtle Lake

Grant Amount:	\$54,240
Total Budget:	\$71,190

The Blue Flint Ethanol Plant (BFEP) northwest of Washburn receives water supply and wastewater disposal services through from the Coal Creek Power Plant (CCPP) through a cooperative agreement with Great River Energy (GRE). As GRE looks to potentially close the CCPP, BFEP is exploring economical options to replace its current process water supply and wastewater disposal methods. The proposed project would replace the water supply and wastewater disposal services from CCPP with services from the City of Washburn through the McLean Sheridan Rural Water District (MSRWD). The BFEP would need up to 750,000 gallons a day (gpd) in water for the production of ethanol. The process would also produce up to 75,000 gpd of wastewater proposed to be disposed of through the Washburn wastewater lagoons.

# SPONSORSHIPS

## **ND FFA FOUNDATION, INC. (2018)**

North Dakota FFA Foundation  
Tamra Maddock, Bismarck

Grant Amount:       \$300  
Total Budget:        \$300

The ND FFA Foundation supports leadership opportunities and activities of its 4,500 members in the state. This sponsorship is in support of the ND State FFA Convention. Members will compete in more than 40 different career development and other award areas for the chance to represent ND at the National FFA Convention.

## **NASDA ANNUAL MEETING (2020)**

National Association of State Departments of Agriculture, Bismarck

Grant Amount:       \$5,000  
Total Budget:        \$5,000

The NASDA Annual Meeting grows and enhances agriculture by forging partnerships and creating consensus to achieve sound policy outcomes between state departments of agriculture, the federal government, and stakeholders. Funding was utilized to assist in developing and administering an online platform for the meeting. In return, APUC received an opportunity to network with commissioners, secretaries and directors of agriculture, to discuss important issues relative to its mission.

# FUNDING SOURCES

APUC's appropriation for the 2019-2021 biennium totaled \$4,075,622.30 and was provided from the following sources:

- \$2,000,000 from Bank of North Dakota
- \$570,930.59 from the North Dakota Mill and Elevator
- At the beginning of the biennium, an additional \$1,504,691.71 authorized as carry-over authority from the previous biennium.
- No funding was appropriated directly from the state general fund.

Financials as of October 31, 2020

Total Operating Expenditures	\$27,955.96
Total Grant Expenditures	\$1,220,161.67
Grant Commitments	\$776,928.00
Remaining Appropriation	\$2,014,318.14

*\*Includes current plus carry-over commitments*

**NORTH DAKOTA DEPARTMENT OF AGRICULTURE**  
**Agriculture Products Utilization Commission**

600 E. Boulevard Ave., Dept. 602

Bismarck, ND 58505-0020

701-328-2231

800-242-7535

FAX 701-328-4567

[www.ndapuc.com](http://www.ndapuc.com)






**HB 1009: Agriculture Commissioner's Request**

In order to continue to provide best-in-service and in-person delivery, the Agriculture Commissioner requests consideration of the following optional requests:

- Employee Compensation Compression Adjustment: \$702,500 (\$369,866 GF, \$174,150 SF & \$158,484 FF Salary Line)
- Cost to Continue Second Year Salary Increase for the 19-21 Biennium: \$125,067 (\$69,207 GF, \$29,283 SF & \$26,577 FF Salary Line)
- Executive 21-23 Pay Plan Increase: \$407,970 (\$233,502 GF, \$88,364 SF & \$86,104 FF)
- Meat Inspector Matching Funds: \$106,458 (\$90,478 GF Salary Line & \$15,980 GF Operating Line)
- Staff Attorney: \$68,279 (GF Salary Line – Reclassify Current FTE)
- Grain Inspector +1 FTE and Funding: \$183,399 (\$152,670 GF Salary Line & \$30,729 GF Operating Line)
- HB 1026 State Warehouse Grain & Other Licenses: \$43,500 (GF Operating Line)
- HB 1045 Industrial Hemp: \$36,250 (SF Operating Line)
- ND Mediation Services Matching Funds: \$120,000 (GF Operating Line)
- CARES Act Information Technology: Continued work on USAHERDS to include Meat Inspection and Dairy. Also, to create a mobile interface for OLE: \$150,000 (FF Operating Line CARES Act)
- Office 365 License: \$8,813 (\$7,322 GF, \$545 SF, & \$946 FF Operating Line)
- Noxious Weeds Grants: \$50,000 (SF Grant Line)
- Specialty Crop Block Grants: \$158,000 (FF Grant Line)
- APUC Funding: \$3,000,000 (SF Line Item – BND funding) SB 2014
- Bioscience Innovation Grant Program (NDCC 4.1-01-20.1 Continuing Appropriation: \$5,500,000 GF transfer to the Bioscience Innovation Grant Fund)
- 17-19 Audit Finding – Request for Amendment to HB 1009
- Century Code Amendment – Pipeline Restoration & Reclamation Program



House Bill No. 1009 Agriculture Commissioner's Budget Request

	Adjusted Base Level	Agriculture Commissioner's Request
<b>Salaries and Wages</b> 19-21 Salaries Master Budget Authority Employee Compensation Compression Adjustment Cost to Continue 19-21 Salaries Meat Inspector Matching Funds Staff Attorney Grain Inspector + 1 FTE Governor's 21-23 Pay Plan Increase	\$ 14,232,746 \$ - \$ - \$ - \$ - \$ - \$ -	\$ 14,232,746 \$ 702,500 \$ 125,067 \$ 90,478 \$ 68,279 \$ 152,670 \$ 407,970
<b>HB 1009 Section 1 Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 15,779,710</b>
<b>Operating Expenses</b> 19-21 Operating Master Budget Authority Remove Litigation Pool Remove CARES Act IT Remove One-time Master Customer Database Meat Inspector Matching Funds Grain Inspector HB 1045 Industrial Hemp HB 1026 State Warehouse Grain and Other Licenses ND Mediation Service Add IT License Office 365 CARES Act IT (Continued Work on USAHERDS and LARA)	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ 15,980 \$ 30,729 \$ 36,250 \$ 43,500 \$ 120,000 \$ 8,813 \$ 150,000
<b>HB 1009 Operating Expenses Section 1</b>	<b>\$ 6,592,780</b>	<b>\$ 6,998,052</b>
<b>HB 1009 Capital Assets Section 1</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b> 19-21 Grants Master Budget Authority Remove Emergency Feed Transport Remove CARES Act Grants New Line Item Added Remove Environmental Impact Noxious Weeds Grants Specialty Crop Block Grants	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ - \$ -	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ 50,000 \$ 158,000
<b>HB 1009 Grants Section 1</b>	<b>\$ 8,823,774</b>	<b>\$ 9,031,774</b>
<b>Environmental Impact Mitigation</b>		
<b>19-21 Master Budget Authority (Not a line item in 19-21)</b>	\$ 5,000,000	\$ 5,000,000
<b>HB 1009 Environmental Impact Mitigation Section 1</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
<b>Ag Products Utilization Commission</b> 19-21 Master Budget Authority Remove One-time Funding Bank of ND Funding	\$ 3,760,417 \$ (2,000,000) \$ -	\$ 3,760,417 \$ (2,000,000) \$ 3,000,000
<b>HB 1009 Ag Products Utilization Commission Section 1</b>	<b>\$ 1,760,417</b>	<b>\$ 4,760,417</b>
<b>Board of Animal Health</b>		
19-21 Master Budget Authority Remove CARES Act IT Remove Animal Loss Indemnity	\$ 962,118 \$ (95,000) \$ (1,400)	\$ 962,118 \$ (95,000) \$ (1,400)
<b>HB 1009 Board of Animal Health Section 1</b>	<b>\$ 865,718</b>	<b>\$ 865,718</b>
<b>HB 1009 Wildlife Services Section 1</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>HB 1009 Pipeline Restoration and Reclamation Section 1</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>HB 1009 Crop Harmonization Board Section 1</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>HB 1009 Total All Funds Section 1</b>	<b>\$ 39,022,835</b>	<b>\$ 44,183,071</b>
<b>HB 1009 Less Estimated Income Section 1</b>	<b>\$ 28,322,406</b>	<b>\$ 32,281,109</b>
<b>HB 1009 Total General Fund Section 1</b>	<b>\$ 10,700,429</b>	<b>\$ 11,901,962</b>
<b>HB 1009 Full-time Equivalent Positions Section 1</b>	<b>78</b>	<b>79</b>

## North Dakota Department of Agriculture Salary Increases per Year

Year	Overall	Legislative Increase Guidelines
2013	5.00%	
2014	4.35%	
2015	3.60%	2-4% each year of biennium based on performance
2016	2.97%	
2017	0.00%	Lost 4 FTEs during budget process
2018	0.00%	with no pay package provided by legislative
2019	5.77%	Average of 2%, minimum \$120 & maximum \$200
2020	2.50%	Compensation adjustments are to average 2.5%

**NDDA has one of the lowest compensation ratios of all state agencies.  
Employee salary range = .70 - minimum, 1.00 - midpoint, and 1.35 - maximum**

Number of Employees	Current Pay Range of Payroll
36 =	.71 - .80
17 =	.81 - .90
12 =	.91 - 1.00 midpoint of salary
6 =	above midpoint
4 =	appointed positions
3 =	open positions
<u>78</u>	<u>total employees</u>

### Employee Compensation Compression Adjustment

5% increase for employees in .71 - .80	\$174,150 - Special Funds
4% increase for employees in .81 - .90	\$158,484 - Federal Funds
3% increase for employees in .91 - .1	\$369,866 - General Funds
2% increase for employees above midpoint	<u>\$702,500 - Total</u>

Classification	Working Title	Grade	Compa Ratio	Salary	Years of Service
Compliance Svcs III	Meat Inspector	105	0.71	3,863.00	0.8
Compliance Svcs III	Meat Inspector	105	0.71	3,863.00	0.2
Compliance Svcs III	Meat Inspector	105	0.71	3,863.00	0.3
Admin Svcs IV	Admin Assistant	104	0.71	3,255.00	21.6
Fiscal Svcs IV	Grant & Contract Specialist	105	0.71	3,863.00	0.8
Compliance Svcs III	Pesticide Inspector	105	0.72	3,894.00	7.3
Compliance Svcs III	Ag Program Inspector	105	0.72	3,894.00	12.4
Admin Svcs IV	Admin Assistant	104	0.72	3,279.00	14.0
Professional Svcs I	Pesticide Program Specialist	105	0.72	3,909.00	4.8
Compliance Svcs III	Pesticide Inspector	105	0.73	3,950.00	8.5
Compliance Svcs III	Dairy Inspector	105	0.74	3,998.00	1.6
Compliance Svcs III	Grain Inspector	105	0.74	4,000.00	0.0
Professional Svcs I	Noxious Weed Specialist	105	0.74	3,994.00	6.2
Admin Svcs V	Administrative Officer	105	0.75	4,039.00	12.2
Compliance Svcs III	Pesticide Inspector	105	0.75	4,067.00	11.8
Compliance Svcs III	Grain Inspector	105	0.76	4,100.00	0.9
Professional Svcs I	Ag Development Specialist	105	0.76	4,100.00	2.3
Compliance Svcs III	Grain Inspector	105	0.76	4,100.00	1.5
Professional Svcs I	Pesticide Regulatory Specialist	105	0.76	4,112.00	7.8
Professional Svcs I	Plant Protection Specialist	105	0.76	4,100.00	1.7
Compliance Svcs III	Meat Inspector	105	0.76	4,117.00	7.3
Compliance Svcs III	Dairy Inspector	105	0.77	4,189.00	5.1
Compliance Svcs III	Pesticide Inspector	105	0.77	4,188.00	12.2
Compliance Svcs III	Pesticide Inspector	105	0.77	4,153.00	10.5
Admin Svcs IV	Plant Protection Assistant	104	0.78	3,576.00	10.8
Compliance Svcs III	Meat Inspector	105	0.78	4,220.00	10.3
Admin Svcs V	Human Resources	105	0.79	3,399.00	8.4
Compliance Svcs III	Meat Inspector	105	0.79	4,256.00	10.3
Compliance Svcs III	Fertilizer Inspector	105	0.79	4,296.00	7.0
Professional Svcs I	Ag Communication Specialist	105	0.79	4,266.00	2.3
Prog Mgr III	Plant Protection Officer	106	0.80	5,173.00	10.9
Admin Svcs V	SCBGP Administrator	105	0.80	4,308.00	8.7
Professional Svcs I	Plant Protection Specialist	105	0.80	4,324.00	2.7
Professional Svcs I	Plant Protection Specialist	105	0.80	4,308.00	9.2
Professional Svcs I	Feed Specialist	105	0.80	4,305.00	0.7
Professional Svcs I	Pesticide Inspector Supervisor	105	0.80	4,305.00	1.9
Professional Svcs I	Grain & Livestock Specialist	105	0.81	4,357.00	1.6
Professional Svcs I	Pride of Dakota Specialist	105	0.81	4,381.00	2.7
Professional Svcs I	Fertilizer Program Specialist	105	0.82	4,447.00	8.4
Professional Svcs I	Emergency Management Specialis	105	0.83	4,477.00	6.5
Manager II	Plant Industries Division Director	107	0.84	6,541.00	8.3

Professional Svcs I	Dairy Coordinator	105	0.85	4,606.00	7.5
Compliance Svcs III	Field Investigator	105	0.86	4,636.00	7.5
Manager II	Pesticide & Fertilizer Division Direc	107	0.86	6,663.00	9.4
Professional Svcs I	Pesticide Outreach Specialist	105	0.86	4,636.00	13.5
Compliance Svcs III	Meat Inspector	105	0.86	4,635.00	15.2
Professional Svcs I	Local Foods Specialist	105	0.87	4,694.00	7.8
Professional Svcs I	Public Information Officer	105	0.87	4,730.00	5.8
Compliance Svcs III	Fertilizer Inspector	105	0.88	4,775.00	9.4
Manager II	Grain & Livestock Licensing Divisio	107	0.88	6,796.00	13.4
Prog Mgr III	Ag Business Development Coordin	106	0.90	5,843.00	7.3
Fiscal Svcs IV	Grant & Procurement Specialist	105	0.90	4,861.00	9.7
Compliance Svcs III	Meat Inspector	105	0.90	4,842.00	25.3

Compliance Svcs III	Senior Meat Inspector	105	0.91	4,919.00	16.2
Admin Svcs IV	Admin Assistant	104	0.91	4,125.00	21.3
Admin Svcs IV	Admin Assistant	104	0.92	4,207.00	29.9
Professional Svcs I	Policy Analyst	105	0.93	5,034.00	5.3
Prog Mgr II	Mediation Program Coordinator	105	0.93	5,020.00	37.1
Compliance Svcs V	Assistant State Vet	107	0.96	7,449.00	2.9
Compliance Svcs VI	Deputy State Vet	108	0.97	9,034.00	16.3
Natural Resource Svcs I	Environmental Scientist	105	0.97	4,204.00	10.8
Compliance Svcs III	Senior Meat Inspector	105	0.98	5,319.00	14.6
Admin Svcs II	Office Assistant	102	0.98	3,178.00	3.5
Professional Svcs I	Meat Compliance Officer	105	0.98	5,320.00	20.4
Professional Svcs I	Livestock Development Specialist	105	0.98	5,300.00	20.4

Admin Svcs II	Office Assistant	102	1.03	3,347.00	10.1
Information Svcs III	GIS Specialist	105	1.07	5,773.00	13.3
Manager II	Business, Marketing, & Info Divisic	107	1.08	8,364.00	19.3
Manager II	Livestock Industries Division Direct	107	1.1	8,509.00	21.1
Manager II	Administrative Services Division Di	107	1.11	8,594.00	30.3
Fiscal Svcs V	Acct Budget Specialist	106	1.15	7,455.00	25.2

0.84268

ASSISTANT-NOT CLASSI	Assistant to the Commissioner	099		4,618.00	12.5
DEPUTY - NOT CLASSIFI	Deputy Agriculture Commissioner	099		9,030.00	8.2
ELECTED - NOT CLASSIF	Agriculture Commissioner	099		9,979.75	11.8
APPOINTED--NOT CLAS	State Veterinarian	099		10,411.00	23.1

# 2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

HB 1009  
1/18/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 3:49 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

### Discussion Topics:

- Meat processing facilities
- ND Dairy Inspection program update
- Dairy farms and facilities
- Bioscience Innovation program

**Doug Goehring, Agriculture Commissioner (3:49 p.m.)** testified in favor. #1608

**Chairman David Monson** adjourned the meeting at 4:40 p.m.

*Klarissa Pudwill, Committee Clerk*

COMMISSIONER  
JUG GOEHRING



ndda@nd.gov  
www.nd.gov/ndda

**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**

STATE CAPITOL  
600 E BOULEVARD AVE DEPT 602  
BISMARCK ND 58505-0020

ND Dairy Inspection Program Update:

**Dairy Farm Info:**

56 Registered Dairy Producers.

- 50 -Grade A dairy producers
- 6 -Manufacturing Grade (grade "B")

20 farms are Interstate Milk Shippers.

- Inspected by State Rating Officer and which qualifies the farm to send milk to a fluid milk or milk products bottling plant that will be shipped across state lines.
- All other farms must go to manufacturing grade products (cheese, ice cream, butter, etc.).

Approximately 15,000 milking cows, averaging 21,733 lbs. of milk annually per cow.  
ND produced about 326 Million pounds of milk (0.15% of total US production) in 2019.

**Dairy Processor Info:**

2 Milk Bottling Plants: Interstate Milk Shippers

Cass-Clay- Fargo

- Milk, Chocolate milk, Yogurt Pouches, Ice Cream base

Prairie Farms- Bismarck

- Formerly Dean Foods, INC. -Transitioned to Prairie Farms, June 2020
- Milk, Chocolate milk, Half&Half, Heavy Cream, Buttermilk

3 Manufacturing Plants:

Pride Dairy- Bottineau – Ice cream and butter packing

Duchessa Gelato- Carrington- Gelato

Silverlinings Ice Cream- Fargo- Ice cream

ND inspectors also inspect milk tankers, dairy distributions sites, and evaluate milk sampling procedures.

- ~400 milk loads sampled for antibiotics monthly
- All product categories sampled monthly for bacteria and antibiotics
- Every producer's milk is tested monthly for antibiotics, bacteria, and somatic cells

## NDIT Successes

- Helpdesk staff provide excellent service, and are usually very good at patiently walking staff through the process, even when it isn't their first time, or passing it on to a subject matter expert in another area.
- Desktop support staff are responsive to issues, normally tickets are picked up within 24 hours and resolved as soon as possible, there are equally as many times that a NDIT tech waited for our staff, as we have waited for theirs.
- Server and project staff provide valuable insight and are experts in their fields, between projects previous biennium's and those undertaken by the department in the last year, NDIT has been an Essential partner in completing those.
- Generally NDIT selected hardware has been both reliable and effective for office staff, including the focus on the larger keyboards and monitors, and the availability of smaller lighter devices for staff that travel a lot.
- Cyber Security and Email teams do a great job of communicating when projects require work with them, new projects have required extensive work with these areas, and NDIT staff have provided valuable insight and good customer service.

## NDIT Challenges

- NDIT often has issues logistically implementing their plans, sufficient thought is often not provided to how to wrap up previous software or services, or how to deal with no longer used hardware.
- NDIT has failed to effectively communicate even at the Agency Coordinator level what is in the pipe as potential, NDDA's IT Liaison, has learned about a number of implementations or their timelines in the last 12 months when service desk messages went out to all staff.
- ITCC is supposed to be an opportunity for other agencies to steer NDIT's action, I have inquired on this group regularly, the current website on NDIT's pages was last updated in October of 2019, with no information on a contact to attend the meetings, and no information on that groups meeting date or time.
- NDIT's billing and process can be confusing, fiscal staff at NDIT has been helpful in clarifying, but billing code names and other things are modified as new services are added, and this isn't always explained or communicated to agency staff tasked with ensuring the billing is accurate.
- NDIT's funding structure forces them to in essence subsidize some services with the profit from other services, this drives up the prices to agencies for some services, and limits NDIT's ability to work along with other agencies as a good partner and help the State of North Dakota move forward.
- NDIT makes high level decisions operating on the assumption that all agency staff are as familiar and comfortable with technology and new items as the staff of computer science grads that make up nearly all of NDIT's staff. NDDA hires scientists, marketing staff, and others who have a specific needed skill set, not all of those come with computer skills.



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
1/20/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 3:03 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

### Discussion Topics:

- Wine, grapes and vineyards
- Pride of Dakota
- Agriculture in the classroom and art contest calendar

**Doug Goehring, Agriculture Commissioner (3:03 p.m.)** testified in favor. Testimony #2225

**Chairman David Monson** adjourned the meeting at 3:38 p.m.

*Klarissa Pudwill, Committee Clerk*

# North Dakota Agriculture in the Classroom



## Using the Calendar in Your Classroom



With its bright artwork and daily fun facts, this calendar is designed to engage people of all ages. Here are some ways to use the calendar in your classroom and share the joy of art and agriculture.

**Morning Circle Time:** Create a daily routine with students where everyone gathers on a rug or reading area. Together, the class checks the calendar for the day of the week, date and reads the daily fact. This is a wonderful way to build classroom community and teach a variety of academic and social skills. You can add a weather report or school news to the routine.

**Seasonal Units:** Many of the pictures and facts in the calendar follow the seasons. Use the calendar to kick off seasonal units and have students find additional facts on their own, then report back to the rest of the class.

**State Regions:** The calendar can be used to enrich geography lessons. The diverse geography of our state affects the weather, agriculture, economies and local culture.

## Bring Some Art to Your Class

The Ag in the Classroom(AITC) Calendar Art Contest is easy to enter and a great way to bring art into the classroom. The theme for the contest is **North Dakota agriculture**. Students in grades 3-5 are welcome to enter.

This year's winning artwork was chosen from among many entries submitted by North Dakota students.

Every winning student receives a personalized certificate. The artwork of the 13 winners is featured in the calendar and on AITC's website. Winners also receive a \$25 prize. Full contest details are sent each year to teachers receiving the Ag Mag.



### Cover Art Winner: Charley M., Grade 3

Fordville-Lankin Public School, Fordville

### Winners by Month, Artist, School, and Town

AUGUST: Haley K., Grade 5  
Ashley Public School, Ashley

FEBRUARY: Princess R., Grade 4  
Invitation Hill Adventist, Dickinson

SEPTEMBER: Sophia D., Grade 5  
Hebron Elementary, Hebron

MARCH: Josy T., Grade 4  
Bob Callies Elementary, Garrison

OCTOBER: Gabriella H., Grade 4  
Maple Valley School, Tower City

APRIL: Jacob R., Grade 3  
Invitation Hill Adventist, Dickinson

NOVEMBER: Jayme W., Grade 5  
Park River Area Elementary, Park River

MAY: Terran T., Grade 4  
Medina Public School, Medina

DECEMBER: Samantha A., Grade 5  
Park River Area Elementary, Park River

JUNE: Branson S., Grade 4  
Longfellow Elementary, Minot

JANUARY: Lucy R., Grade 5  
Clara Barton Elementary, Fargo

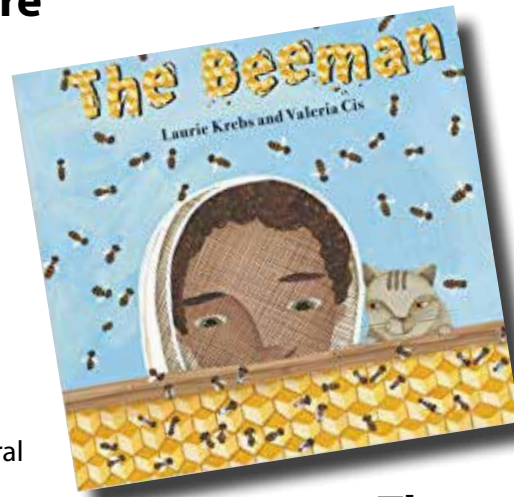
JULY: Marshall B., Grade 4  
Park River Area Elementary, Park River

## Ag in the Classroom Store

The National Ag in the Classroom Store gives you resources to grow. They offer low-cost products to provide students with a hands-on agriculture learning experience. Their offerings cover all areas of STEAM and cover both elementary and secondary levels.

Some subject areas that their materials cover are: animals, science, food and nutrition, heredity, microorganisms, natural resources, plants and gardening, simple machines, social studies and economics, soils and weather.

Visit the store at <https://agclassroomstore.com/>.



## Three Ways to Get Involved!

## National Read A Book Day

National Read A Book Day is September 6. Join us by bringing in a farmer, rancher, volunteer or anyone passionate about ag to read an accurate ag book to your class.

The purpose is to connect students to a real farmer and help them understand where their food comes from! Helping others understand the important role agriculture plays in their everyday lives is our goal. Find out more and check out other titles at [agfoundation.org/projects/national-read-a-book-day](http://agfoundation.org/projects/national-read-a-book-day).

### Become a Sponsor

AITC welcomes financial support for this valuable, wide-reaching project. Call us for details.

### Sign Up Your Class

Request a volunteer come to your classroom **plus** spread the word to fellow teachers.

### Volunteer

Training, supplies and materials are free. Contact ND AITC at 701-328-4764 to volunteer.

## We Train Teachers

Our goal is to encourage and support educators in teaching agriculture. One way we do this is by offering in-service training for teachers grades K-5.

At these in-service trainings you will learn how agriculture can easily be woven into science, math, history, geography, literature and art lessons.

**The training session are free** and CEU credits are available. A minimum of 12 teachers is required. Call for details.

## Classroom Visit

Bring an AITC speaker to your classroom. The presentations are 45 minutes to an hour long and include a "road trip" using the *Grown in North Dakota* map and learning about what local farmers grow in your area. Visits can also be set up by topic.

The visits are scheduled on a first-come, first-serve basis, with new classes receiving priority. There is no fee, but a minimum of three classes must participate. Call to schedule a visit.

## Resources

**FREE Loan Library:** AITC offers books, lessons on plants, animals, conservation, natural resources, food, nutrition and more. Check out is online and materials are mailed free of cost.

**Hands-On Lessons:** Download K-12 interactive lessons which meet state standards and essential skills.

**Online:** Follow us on Facebook at [facebook.com/NDaginclassroom/](https://facebook.com/NDaginclassroom/) for news on grants, teacher resources and interesting agricultural facts.

## Contact

### ND AITC

600 E Boulevard Ave.  
Dept. 602  
Bismarck, ND 58505

### Phone:

701-328-4764

**Email:** [mgaebe@nd.gov](mailto:mgaebe@nd.gov)

### Website:

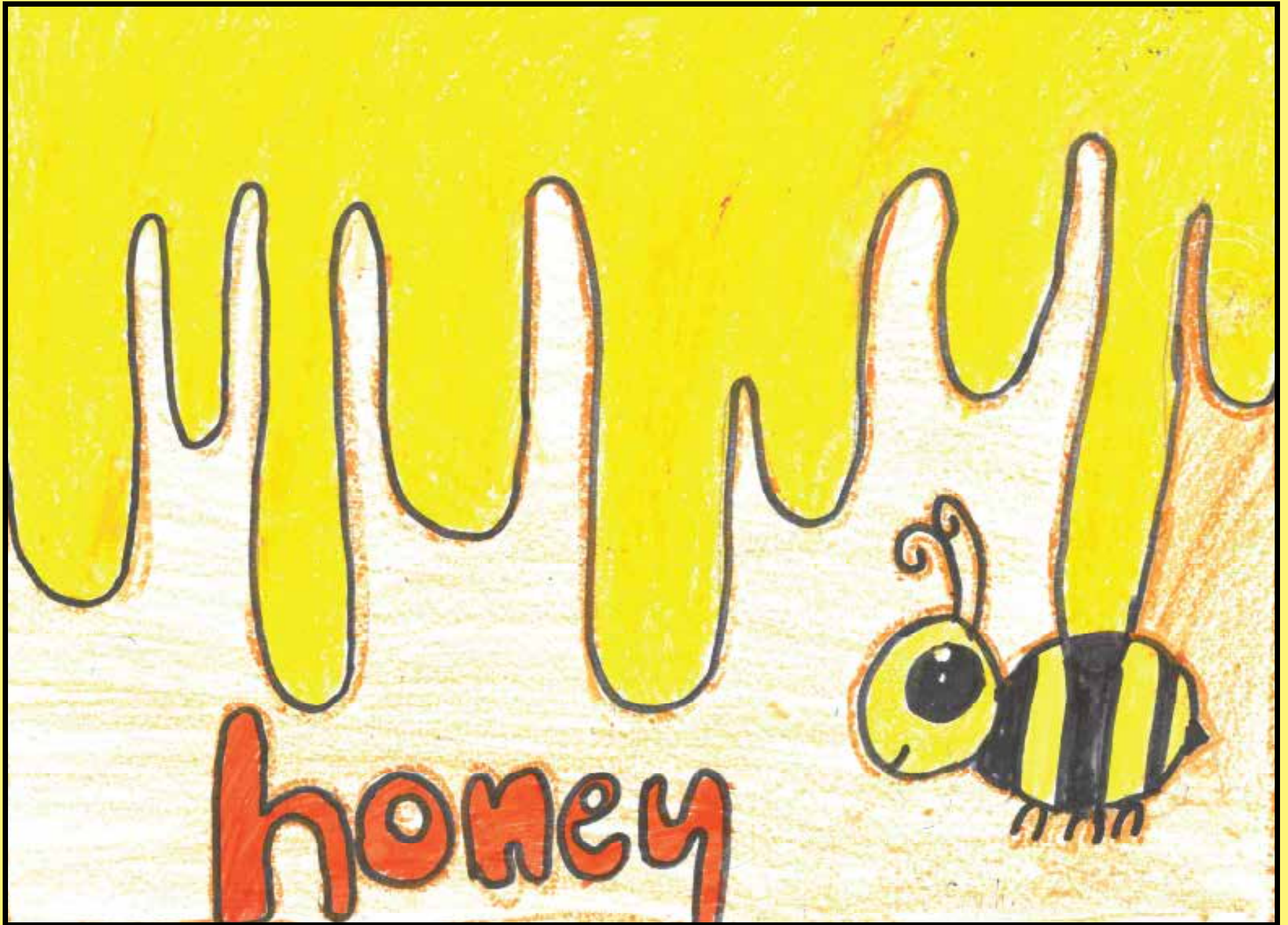
[www.nd.gov/ndda/ag-classroom](http://www.nd.gov/ndda/ag-classroom)



Haley K., Grade 5, Ashley Public School, Ashley



# AUGUST 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>What Grows Where You Live?</b>            North Dakota agriculture is vital to providing food, feed, fiber and fuel for citizens of the state, country and world. But you might not realize just how diverse North Dakota's industry is – the state produces at least 50 different types of agricultural commodities, and 90 percent of total land area is used for agriculture. Thanks to distinct regions with varying geographical benefits, North Dakota farmers and ranchers are able to grow and raise a wide variety of commodities.</p>						1 ND farms and ranches occupy 39.1 million acres of land.
2 The western part of North Dakota has more grasslands which are better for raising cattle.	3 There are 53 counties in North Dakota and all of them participate in agriculture.	4 The Red River Valley is region grows a lot of crops because of the fertile black soil.	5 A 3,591 lb. hamburger was grilled in Rutland, ND, in 1982.	6 Simplot produces over 400 million pounds of French fries per year.	7 North Dakota is the 5th largest producer of bison in the nation.	8 North Dakota's Agriculture Commissioner is Doug Goehring.
9 Baby chickens are called chicks but baby turkeys are called poults.	10 Hens can "talk" to their unhatched chicks through the egg.	11 The breed of hen determines the color of the egg shell.	12 Domestic sheep are raised for the fleece, or coat, and meat.	13 Sheep can see behind themselves without having to turn their head.	14 North Dakota ranchers raise more than cattle. They also raise sheep, elk, and bison.	15 Individual turkeys have unique voices.
16 ND farmland would cover over 24 million city blocks.	17 Male elk are called bulls, female elk are cows, and babies are called calves.	18 Only male elk have antlers which can grow up to 4 feet.	19 Elk are bigger than deer but smaller than moose.	20 A group of sheep is called a flock.	21 Sheep are herbivores which means they eat vegetation.	22 Vikings used wool to make the sails for their ships.
23 There are around 1 million turkeys produced in North Dakota every year.	24 Agricultural land provides habitat for 75% of the nation's wildlife.	25 It takes a hen 24 to 26 hours to produce one egg.	26 Chickens are the closest living relative to the T-Rex.	27 Lanolin, which comes from a sheep's fleece, is used to make lotion.	28 There are about 900 different breeds of sheep.	29 The first successfully cloned animal was Dolly the sheep.
30 About 11% of U.S. farmers are serving or have served in the military.	31 One U.S. farm feeds 166 people annually in the U.S. and abroad.					



**Sophia D., Grade 5, Hebron Elementary, Hebron**

# SEPTEMBER 2020


Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
 <p>Photo by S. Brunner</p>		<p>1 North Dakota is #1 in honey production in the nation.</p>	<p>2 The honey bee is the only insect that produces food eaten by man.</p> 	<p>3 A honey bee can fly as fast as 15 miles per hour.</p>	<p>4 It takes one ounce of honey to fuel a bee's flight around the world.</p>	<p>5 Honey is 80% sugars and 20% water.</p>
	<p>6 Honey bees produce beeswax from eight paired glands on the underside of their abdomen.</p>	<p>7 Honey bees must consume about 17-20 pounds of honey to be able to biochemically produce each pound of beeswax.</p>	<p>8 Bees maintain a temperature of 92-93 degrees Fahrenheit in their central brood nest regardless of the outside temperature.</p>	<p>9 A populous colony may contain 40,000 to 60,000 bees during the late spring or early summer.</p>	<p>10 The queen bee lives for about 2-3 years. She is the busiest in the summer months, and lays up to 2,500 eggs per day.</p>	<p>11 The queen may mate with up to 17 drones over a 1-2 day period of mating.</p>
<p>13 Worker honey bees live for about 4 weeks in the spring or summer but up to 6 months during the winter.</p>	<p>14 The average honey bee will actually make only one twelfth of a teaspoon of honey in its lifetime.</p>	<p>15 The honey bee's wings stroke 11,400 times per minute, thus making their distinctive buzz.</p>	<p>16 A honey bee visits 50 to 100 flowers during a collection trip.</p>	<p>17 Honey bees, scientifically also known as <i>Apis Mellifera</i>, are environmentally friendly and are vital as pollinators.</p>	<p>18 Bees have two stomachs — one for eating and the other for storing honey.</p>	<p>19 Honey bees contribute \$20 billion to the value of U.S. crop production.</p>
<p>20 Bees cannot see the color red.</p>	<p>21 Honey bees work their best between 60 and 100 degrees Fahrenheit.</p>	<p>22 Bees being transported for agricultural purposes are usually hauled in loads of 408 to 412 hives and are driven across the country to various crops.</p>	<p>23 Bees must visit 2 million flowers to make a one-pound jar of honey.</p>	<p>24 Honey bees can visit 5,000 flowers in one day.</p>	<p>25 It's estimated that there are about 2.7 million bee colonies in the U.S. today.</p>	<p>26 Two-thirds of bee colonies travel the country each year pollinating crops and producing honey and beeswax.</p>
<p>27 Royal jelly is a protein-rich excretion from the glands of worker bees.</p>	<p>28 Royal jelly is fed to a queen bee her entire life, while larvae only receive the jelly for the first three days of life.</p>	<p>29 Queen bees are up to 1.5 times the size of worker bees and live generations.</p>	<p>30 North Dakota had 670,660 registered bee colonies at the end of 2019.</p>	<p><b>Pollinators</b> North Dakota is home to many pollinators. The principal pollinators here are insects such as bees, butterflies and some moths. North Dakota has about 150 species of butterflies, more than 1,400 species of moths, and an unknown number of bee species. Honey bees are vital agricultural pollinators and the North Dakota Department of Agriculture developed the North Dakota Pollinator Plan to ensure pollinators and agriculture can both thrive.</p>		





Gabriella H., Grade 4, Maple Valley School, Tower City


# OCTOBER 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Geographical Regions</b> There are three distinct geographical regions in North Dakota: the Missouri Plateau (which contains the Badlands and the Missouri Slope), the Drift Prairie and the Red River Valley. Each region is home to specific agricultural commodities.</p>				<p>1 October is National Pork Month.</p>	<p>2 Pigs were the first animals to be domesticated. The first pigs came to America in 1539 with Spanish explorers.</p>	<p>3 Bacon is one of the world's oldest meats dating back to 1500 BC</p>
<p>4 Enteledonts were the pigs of the dinosaur world. They stood 7 feet tall at the shoulder and weighed about 1,000 pounds!</p>	<p>5 Pigs have been used in warfare. They have a keen sense of smell and can find buried land mines.</p>	<p>6 Pigs are highly intelligent and can be taught tricks.</p>	<p>7 Pigs do not have sweat glands. Rolling in the mud keeps them cool.</p>	<p>8 Pigs are omnivores. They will eat anything from ice cream to cereal grains like corn.</p>	<p>9 Pigs can run a mile in 7 minutes.</p>	<p>10 Pigs are not messy animals. They are clean and organized and have separate areas in their pens for different activities.</p>
<p>11 Pigs are pregnant for 3 months, 3 weeks, and 3 days or 114 days.</p>	<p>12 The average litter size in the US is more than 13 piglets.</p>	<p>13 Pigs have very bad eyesight but make up for it with one of the most powerful noses in the barnyard.</p>	<p>14 Pigs squeal louder than a jet engine! Pigs can squeal up to 130 decibels, jet engines are only at 120 decibels, and car engines are only 70 decibels!</p>	<p>15 Pigs aren't just for bacon! We also use the hair from pigs to make high quality paintbrushes. Pigs also make gelatin which is used to make marshmallows!</p>	<p>16 Pigs can save human lives. From heart valves to the pancreas, there are ways pigs can help treat or cure human diseases.</p>	<p>17 Thirty-six percent of meat eaten in the world is pork!</p>
<p>18 Pigs exist on every continent except for Antarctica!</p>	<p>19 Commercial pork production dates to the 1800s. Farmers used the Erie Canal system to ship pigs back to the East Coast.</p>	<p>20 The largest pig in history was Big Bill. He was 5 feet at his shoulder and weighed 2,552 pounds!</p>	<p>21 Pigs can drink up to 14 gallons of water every day.</p>	<p>22 Pigskin, the traditional covering of a football, is one of the toughest animal hides.</p>	<p>23 No other animal provides a wider range of products than pigs. From medicine ingredients and chewing gum to pet food and linoleum, we use everything but the oink!</p>	<p>24 Piglets weigh around 3.5 pounds at birth and double that weight in one week!</p>
<p>25 The largest litter of pigs ever born was 37 piglets!</p>	<p>26 Full grown boars (males) can weigh more than 500 pounds. Fully grown sows (females) can weigh 300-500 pounds.</p>	<p>27 Pigs eat 3 pounds of feed to gain 1 pound of weight. How much feed does it take to raise a full grown boar?</p>	<p>28 Pigs can get sunburned.</p>	<p>29 There are about 142,000 pigs in North Dakota.</p>	<p>30 A group of pigs is called a sounder.</p>	<p>31 One pig will eat about 870 pounds of corn each year!</p>



Jayme W., Grade 5, Park River Area Elementary, Park River

# NOVEMBER 2020


Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 The first Thanksgiving was held in 1621 and lasted three days.	2 Josepha Hale convinced President Lincoln to make Thanksgiving a national holiday in 1863.	3 The first Thanksgiving menu didn't include turkey. They ate venison, ducks, geese, lobster, eels, oysters, and fish.	4 The Macy's Thanksgiving Day Parade used to have animals from the Central Park Zoo instead of giant floats and balloons.	5 TV dinners were inspired by a Thanksgiving mix-up in 1953 when an employee accidentally ordered 260 tons of turkey.	6 About 46 million turkeys are cooked for Thanksgiving each year.	7 The first turkey trot was held in Buffalo, NY over a century ago.
8 Only male turkeys actually gobble. Female turkeys cackle.	9 There is a hotline for cooking Thanksgiving dinner that answers almost 100,000 calls each season.	10 About 50 million pumpkin pies are eaten on Thanksgiving.	11 President Harry Truman was the first president to receive a turkey from the National Turkey Federation.	12 The turkey pardon as we know it, started in 1989 when George H.W. Bush granted a Presidential pardon to the turkey.	13 Wild turkeys can run 20 miles per hour but domesticated turkeys are bred to heavy to run that fast.	14 Benjamin Franklin wanted the turkey to be the national bird, not the eagle.
15 Neil Armstrong and Buzz Aldrin ate foil packets of roasted turkey after walking on the moon.	16 The heaviest turkey on record weighed 86 pounds.	17 Campbell's soup created green bean casserole for an annual cookbook in 1955. Now there are about 40 million green bean casseroles served on Thanksgiving.	18 There are about 1 million turkeys raised in ND every year.	19 The first Thanksgiving was held at Plymouth, MA.	20 Domesticated turkeys are too heavy to fly but they can hop up into trees to roost.	21 The red piece of flesh on a turkey's beak is called the snood.
22 The Detroit Lions have played on Thanksgiving every year since 1934 except during World War II.	23 The potato was the first vegetable grown in outer space.	24 The average American eats 140 pounds of potatoes every year.	25 ND is fifth in potato production in the United States.	26 Potatoes were not a part of the first Thanksgiving. There were no permanent potato patches in America until 1719.	27 A cranberry is at its ripest when it bounces.	28 Only 5% of cranberries grown are sold fresh.
29 The largest pumpkin pie ever baked weighed over 2,000 pounds.	30 Early settlers used pumpkin for the crust of pies rather than the filling.			<p><b>Red River Valley</b> Some of North Dakota's most prominent commodities are grown here, including soybeans, sugarbeets, spring wheat, dry edible beans and most of the corn for grain, though corn is grown in other parts of the state as well. The region also contains a high concentration of hog farms. Though the valley has very fertile soil, the Red River is also prone to spring flooding as snow melts and its waters flow north into Canada.</p>		

# Then and Now



Samantha A., Grade 5, Park River Area Elementary, Park River


# DECEMBER 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Badlands</b> The Badlands are exposed surfaces of clay and stone that have been carved into beautiful formations due to erosion. The area's soil contains lots of clay, as well as steep slopes and a high probability of erosion. There is some honey bee production in the region.</p>		<p>1 The Mandan Indians were the first people in ND to use farming as trade with other tribes.</p>	<p>2 Native Americans grouped crops that grow well together. The Three Sisters (corn, beans, and squash) are an example of this planting technique.</p>	<p>3 Farming first began around 10,000 BC.</p>	<p>4 Barley is the oldest domesticated grain and has been cultivated for at least 10,000 years.</p>	<p>5 George Washington was the first person to breed roses in the United States.</p>
<p>6 Corn is believed to be the first agricultural crop grown in North Dakota.</p>	<p>7 The first tractors were powered by steam.</p>	<p>8 In 1960, the average U.S. farmer could feed 25.8 people. Today, the average U.S. farmer can feed 155 people.</p>	<p>9 Before farmers used tractors, farm work was done using horses, mules, and oxen.</p>	<p>10 The first self-propelled combine was patented in 1886 and could harvest 100 acres a day.</p>	<p>11 The women of the Mandan, Hidatsa, and Arikara tribes were the first farmers of North Dakota.</p>	<p>12 The first tools used for farming were made from wood, antlers, or bison bones.</p>
<p>13 Corn was the major crop of the agricultural tribes in North Dakota.</p>	<p>14 Other crops grown by early farmers included squash, beans, pumpkins, gourds, melons, and tobacco.</p>	<p>15 The first bonanza farm in North Dakota was established in 1874 by George Cass and Benjamin Cheney in the Red River Valley.</p>	<p>16 Bonanza farms were giant farms that were anywhere from 3,000 acres to over 75,000 acres.</p>	<p>17 Most of the bonanza farms in North Dakota were broken up into smaller tracts of land by 1900.</p>	<p>18 Early settlers learned quickly that western North Dakota was much better suited to ranching than farming.</p>	<p>19 At the same time that a wheat bonanza was taking place in eastern North Dakota in the late 1800s, a cattle bonanza was developing in western North Dakota.</p>
<p>20 In 1876, one of the first herds of Texas Longhorns was brought to North Dakota.</p>	<p>21 Early ranchers would have been amazed to see an unmanned aerial vehicle being used to find cattle that were separated from the herd.</p>	<p>22 Congress passed the Homestead Act on May 20, 1862.</p>	<p>23 U.S. ag productivity has more than doubled in the past 50 years.</p>	<p>24 Today's combines can harvest 900 bushels of corn per hour.</p>	<p>25 The first electric lights on a family tree in the White House were used in 1894!</p>	<p>26 Collars with GPS, RFID, and biometrics can relay vital information about livestock in real time.</p>
<p>27 Autonomous tractors have the ability to drive themselves.</p>	<p>28 Sprayers can be programmed to release a specific amount of chemical for any part of field so farmers can grow more crops with fewer chemicals.</p>	<p>29 Plant biotechnology is a precise way to make seeds with special qualities. This can also be accomplished through breeding.</p>	<p>30 Bobcat skid-steer loaders were invented in North Dakota in 1958.</p>	<p>31 Irrigation is one of the oldest forms of technology used in agriculture.</p>		



Lucy R., Grade 5, Clara Barton Elementary, Fargo

# JANUARY 2021



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Missouri Slope</b> Livestock grazing is dominant in the Missouri Slope region, which features buttes occasionally rising above the landscape. Beef cattle, dairy cattle and sheep are raised in the region. It also supports one of the state's most well-known crops – sunflowers. North Dakota is No. 2 in the U.S. for both oil and confection sunflower production, producing nearly 700 million pounds of sunflower seeds in 2017.</p>					1 North Dakota is the second largest producer of sunflowers.	2 North Dakota is number one in canola production.
3 North Dakota is number one in flax production.	4 Sunflowers aren't just yellow. They can also be red or purple.	5 Sunflowers only follow the sun when they are young. Mature sunflowers face east.	6 Oilseed sunflowers are most commonly used for oil and bird feed.	7 Non-oilseed sunflowers (confectioner's) are the ones people eat.	8 The name "canola" is a contraction of "Canadian" (can) and "oil low acid" (ola).	9 The primary use of canola is the oil which is primarily used for cooking.
10 Canola fields are bright yellow when the plants are flowering.	11 Canola oil is the number one vegetable oil in Canada and Japan, number two in Mexico and the United States, and number three worldwide.	12 Oilseeds are seeds from crops that are grown primarily for the oil that can be pressed from them.	13 Flax fields are light blue when the plants are flowering.	14 Sunflowers can grow over 7 feet tall.	15 The primary use of flax is the oil but the plant fibers can also be used to make linen or paper.	16 Flaxseed can also be used as a nutritional supplement.
17 Linseed meal, a by-product of processing flaxseed for oil, is used to feed livestock.	18 Canola meal is a rich source of proteins and is used as animal feed for cows, horses, sheep, pigs, and chickens.	19 Canola is closely related to Brussels sprouts, broccoli, cauliflower, and cabbage.	20 Forty percent of the canola seed consists of oil.	21 Canola plants can reach 3 to 6 feet in height.	22 North Dakota is number six in the nation in safflower production.	23 Safflower oil is primarily used to fry French fries, chips, and other snacks.
24 Safflower plants grow from 1 to 4 feet high.	25 Safflower can also be found in varnish and paint.	26 Safflower meal is used as a protein supplement for livestock.	27 The flowers of the safflower plant may be red, orange, yellow, or white and were once used to make red textile dye.	28 The ancient Greeks and Romans ate flaxseed.	29 North Dakota grows 86% of the nation's canola.	30 North Dakota grows 85% of the nation's flax.
31 Flaxseeds yield about 40% oil when processed.			<p>Find us on </p> <p><a href="https://facebook.com/NDaginclassroom/">facebook.com/NDaginclassroom/</a></p>			

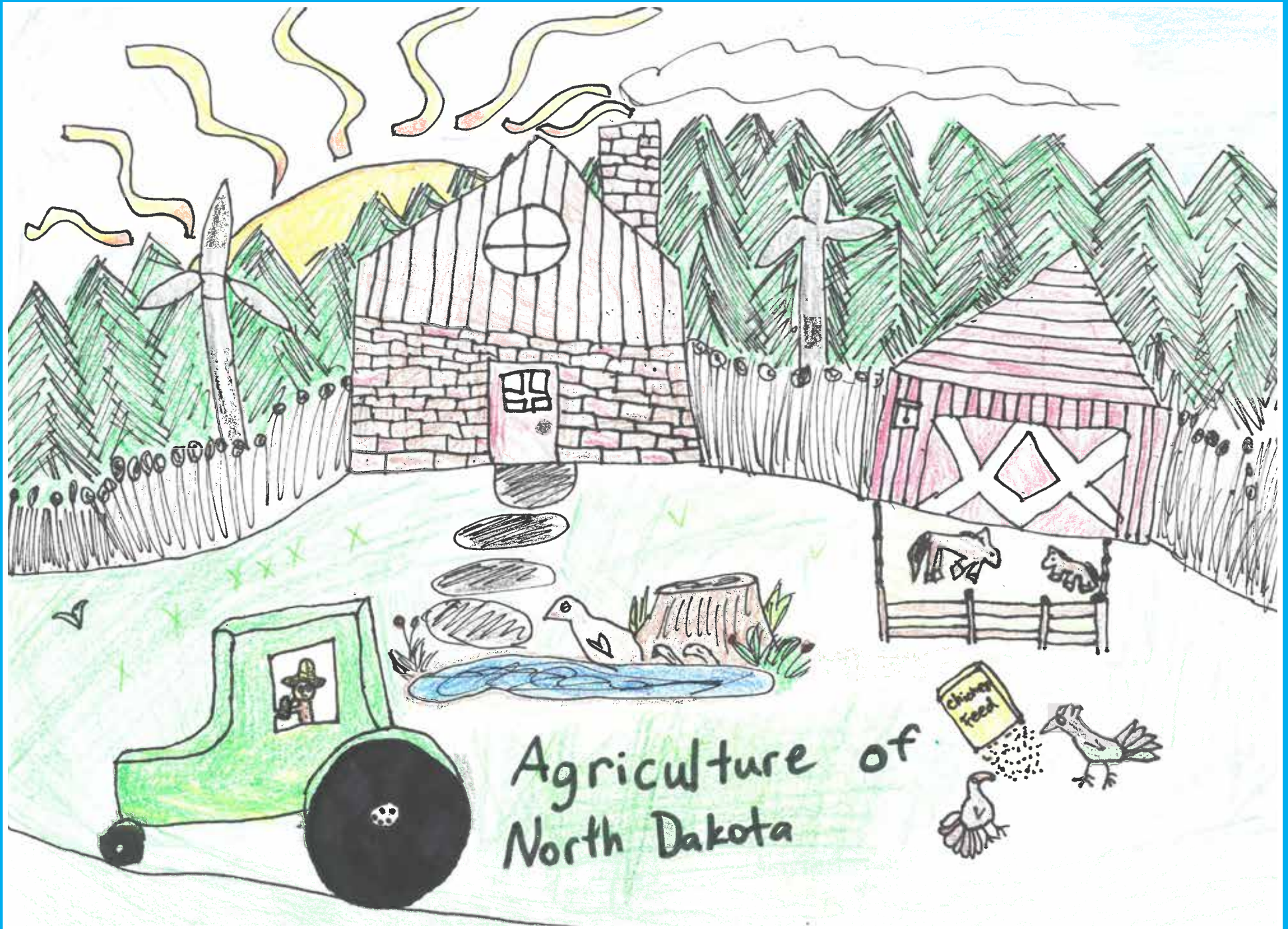




Princess R., Grade 4, Invitation Hill Adventist School, Dickinson


# FEBRUARY 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	Corn is also called maize. <sup>1</sup>	Corn is usually yellow but can come in a wide variety of colors like green, red, and white. <sup>2</sup>	An average corn plant will grow up to 10 feet in height. <sup>3</sup>	The average ear of corn has about 800 kernels in 16 rows. <sup>4</sup>	An ear of corn has one silk strand for every kernel. <sup>5</sup>	Corn is grown on every continent except Antarctica. <sup>6</sup>
Corn is one of the primary sources of livestock feed and fodder. <sup>7</sup>	Corn is used to sweeten food in the form of corn syrup. <sup>8</sup>	One corn bushel can sweeten about 400 cans of pop. <sup>9</sup>	Corn is grown in every U.S. state. <sup>10</sup>	Popcorn can be cooked over a fire, on a stove, in a microwave, or in a popcorn machine. <sup>11</sup>	The largest popcorn ball in the world weighed 3,432 pounds! <sup>12</sup>	Sweet corn leaves were used as chewing gum by Native Americans. <sup>13</sup>
Sweet corn plants are shorter than field corn. <sup>14</sup>	Corn is a 100% whole grain. <sup>15</sup>	Starch from corn kernels can be used to make ethanol. <sup>16</sup>	A byproduct of making ethanol is either dried distillers grains (DDGs) or “wet cake” (wet distillers grain) that is used as feed. <sup>17</sup>	Each bushel of corn generates 2.8 gallons of ethanol. <sup>18</sup>	Corn and its byproducts can be found in many non-food items such as fireworks, glue, paint, ink, cosmetics, and soap. <sup>19</sup>	The “Corn Belt” includes Iowa, Illinois, Nebraska, Minnesota, Indiana, Ohio, Wisconsin, South Dakota, Michigan, Missouri, Kansas, and Kentucky. <sup>20</sup>
Early settlers used corn as money and traded it for other products such as meat and furs. <sup>21</sup>	Corn is now a completely domesticated plant so you are unlikely to find it growing in the wild. <sup>22</sup>	The top corn producing countries are the U.S., China, Brazil, Argentina, and Ukraine. <sup>23</sup>	Corn is a good source of vitamin A, vitamin B, and vitamin E. <sup>24</sup>	Corn was first domesticated by indigenous peoples in southern Mexico about 10,000 years ago. <sup>25</sup>	Corn is found in almost every dish in Mexican cuisine either as grain or cornmeal. <sup>26</sup>	The first mechanical corn harvester was developed in 1930 by Gleaner Harvester Combine Corporation of Independence, MO. <sup>27</sup>
Sweet corn is the kind people eat on the cob. Field corn is also called cow corn because it is used to make cow feed. <sup>28</sup>	<p><b>North Dakota Ag Mag</b></p> <p>The Ag Mag is distributed three times per year. Subscriptions are free, but if you're not on the mailing list or if you know someone else who wants to be added, contact the North Dakota Department of Agriculture at 701-328-4764 or <a href="mailto:mgaebe@nd.gov">mgaebe@nd.gov</a>. Find it on the North Dakota Agriculture in the Classroom website at <a href="http://www.nd.gov/ndda/ag-classroom/ag-mag">www.nd.gov/ndda/ag-classroom/ag-mag</a> or at <a href="http://www.ag.ndsu.edu/agmag">www.ag.ndsu.edu/agmag</a>.</p>					



Josy T., Grade 4, Bob Callies Elementary, Garrison


# MARCH 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 North Dakota is the number one producer of navy beans, pinto beans, and dry edible peas in the U.S.	2 Beans are edible seeds that grow in long pods.	3 North Dakota is the second largest producer of black beans in the U.S.	4 Beans are a staple in many cultures.	5 Sweet peas are the small, round green vegetable you probably eat most often.	6 North Dakota produces enough pinto beans each year to make around 3 billion servings of refried beans.
7 Currently, the world genebanks hold about 40,000 bean varieties.	8 Beans are planted between late spring and the end of summer. It takes 55 to 60 days before they are ready to harvest.	9 Most bean varieties grow as a bush or as a climbing plant.	10 Beans are a very good source of fiber, protein, vitamins, and minerals.	11 In ancient Greece, minor public officials were elected by drawing beans. The person who got the white bean got the job.	12 North Dakota has been the number one producer of dry edible beans in the U.S. since 1991.	13 Beans can be made into burgers, cakes, drinks, pies, muffins, jewelry, furniture, and musical instruments.
14 The world's largest bean pods can grow up to 5 feet long!	15 A pot containing 1,500 year old bean seeds was found in New Mexico in the 1980's. They grew!	16 Dried peas, or field peas, are often made into split soup or roasted and salted to be eaten as snacks.	17 Field peas are commonly used for both human food or livestock feed.	18 Thomas Jefferson grew more than 30 varieties of peas on his plantation.	19 Pulse crops are the dry seeds of legume plants. North Dakota grows many pulses such as dry beans, dry peas, chickpeas, and lentils.	20 Pulse crops can be stored for months without losing their high nutritional value.
21 Pulses are a key ingredient in foods like baked beans, chili, daal, and falafel.	22 Pulse crops can improve soil fertility in a field which makes them very beneficial in a crop rotation.	23 Lentils were one of the first domestic crops.	24 Unlike beans, lentils don't need to be soaked before cooking.	25 There are many different varieties and colors of lentils including brown, yellow, black, orange, red, and green.	26 Chickpeas, or garbanzo beans, are used to make hummus.	27 North Dakota is second in the nation in lentil production.
28 Beans belong in two food groups - vegetable/fruit and protein/meat.	29 Lentils are eaten widely throughout India where they are known as daal.	30 Lentil plants only grow to be about 24 inches tall.	31 Gregor Johann Mendell used peas in genetic research.	<b>Drift Prairie</b> The Drift Prairie region's soil is actually called "drift," consisting of a mixture of clay, sand and gravel. Prominent commodities of this region include honey bees and honey, and grain farming including spring wheat, canola and barley, as well as soybeans, dry beans and corn. North Dakota ranks No. 1 in the nation for canola and honey production, as well as spring wheat.		



Jacob R., Grade 3, Invitation Hill Adventist School, Dickinson





# APRIL 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Lesson Plan Resources</b> The National Agricultural Literacy Curriculum Matrix is an online, searchable, and standards-based curriculum map for K-12 teachers. The Matrix contextualizes national education standards in science, social studies, and nutrition education with relevant instructional resources. Search our instructional, classroom-ready resources now! Check it out at <a href="http://www.nd.gov/ndda/ag-classroom/curriculum-matrix">www.nd.gov/ndda/ag-classroom/curriculum-matrix</a></p>				1 Wheat is grown on approximately 6.8 million acres in North Dakota. An acre is equal to 43,560 square feet.	2 North Dakota is the No. 1 durum-producing state in the nation.	3 The North Dakota Mill and Elevator Association is the only state-owned milling facility in the U.S.
4 Wheat is milled to make flour which is the main ingredient used to make bread.	5 Spring wheat is planted in the spring and harvested in late summer.	6 Wheat is one of the world's most important food grains.	7 Grain is sold and measured in bushels.	8 There are about 50 kernels on one head of wheat and 15,000 to 17,000 kernels in a pound.	9 Each American consumes an average of 53 pounds of bread per year.	10 A freight train full of one year's wheat crop would stretch around the world two and a half times.
11 Barley is the oldest domesticated grain and has been cultivated for at least 10,000 years.	12 Barley is processed into malt, the same ingredient used in malted milk shakes.	13 North Dakota durum produces 14 billion servings of spaghetti every year.	14 One bushel of wheat makes 73 loaves of bread.	15 Not all bread is made from wheat flour. Other types of flour used for bread are barley, corn, rice, and rye.	16 Winter wheat is planted in the fall and harvested during the spring.	17 Some wheat grows as tall as 7 feet, but most are between 2 and 4 feet tall.
18 It takes a combine nine seconds to harvest enough wheat to make 70 loaves of bread.	19 Foods like pasta, crackers, bagels, pancakes, pies, cookies, muffins, and cereal are all made with wheat.	20 Wheat was first planted in the U.S. as a hobby crop in 1777.	21 North Dakota is the No. 1 producer of wheat in the U.S., producing nearly 20% of all wheat in the country.	22 The color of wheat is where the line "amber waves of grain" comes from in America the Beautiful.	23 Over 70% of the wheat consumed in the U.S. is used for food products, 22% is used for animal feed, and the rest is used for seed.	24 Wheat is ready to harvest when it is golden in color and completely dried out.
25 Bread shouldn't be stored in the fridge because it will go stale faster. Leave bread on the counter or freeze it.	26 World trade in wheat is larger than for all other crops combined.	27 Wheat starch is used in the paper industry and to make glue, adhesives, plastic, and building materials.	28 Wheat products can be found in hair conditioner, body lotions, and lip balms.	29 Wheat is a rich source of proteins, sugar, B vitamins and minerals such as iron and zinc.	30 Bread is considered one of the oldest man-made foods.	



Terran T., Grade 4, Medina Public School, Medina

# MAY 2021


Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Know North Dakota</b>            May is an excellent time to study the people and events that make our state so unique. North Dakota Agriculture Studies is written for students in fourth grade. Students learn about the historical background of agriculture, the Mandan as the first farmers, homesteading and early ranching, as well as modern production agriculture and the role it plays in today's state economy. Check it out online at <a href="https://www.ndstudies.gov/gr4/north-dakota-agriculture">https://www.ndstudies.gov/gr4/north-dakota-agriculture</a>.</p>						<p>1            A popular cattle breed in North Dakota is angus, which can be solid black or red.</p>
<p>2            There are three times as many cows as people in North Dakota.</p>	<p>3            Cattle can only see in black and white.</p>	<p>4            A beefalo is part-beef and part-bison.</p>	<p>5            Disneyland, located in California, sells 4 million hamburgers per year.</p>	<p>6            Americans eat about 57 pounds of beef per person in a year.</p>	<p>7            Males are called a bull or a steer. A female is called a heifer until she has a calf, then she is called a cow.</p>	<p>8            Cattle can see almost 360 degrees so they can watch for predators from all angles.</p>
<p>9            Cattle have a very good sense of smell and can detect odors up to six miles away.</p>	<p>10            Cattle are herd animals so they don't like being alone.</p>	<p>11            Cattle chew for up to 8 hours a day and can move their jaws about 40,000 times a day.</p>	<p>12            North Dakota is ranked ninth in beef cows in the U.S.</p>	<p>13            On average, a calf will be 70-80 pounds at birth.</p>	<p>14            Beef is an excellent source of protein, B vitamins, and iron.</p>	<p>15            North Dakota has enough beef cattle to make over two billion quarter-pounds.</p>
<p>16            Although about 45% of the animal is used for beef, 98% of the animal is used total.</p>	<p>17            Beef cattle are also used to make products like leather, cosmetics, paintbrushes, and perfumes.</p>	<p>18            Beef can be processed into popular snacks like beef jerky.</p>	<p>19            Cattle have one stomach with four chambers to properly digest grasses.</p>	<p>20            Cattle were once raised to do work on farms but are primarily used for food and by-products now.</p>	<p>21            Cattle provide natural fertilizer in the form of manure.</p>	<p>22            Cattle are ready for market when they are about 1,200 pounds.</p>
<p>23            It takes 3,000 cows to supply the NFL with enough leather for a year's supply of footballs.</p>	<p>24            The hide from one cow can make 144 baseballs, 20 footballs, or 12 basketballs.</p>	<p>25            Bulls weigh between 1,700 and 1,800 pounds and can live for about 20-25 years.</p>	<p>26            Bulls have more muscle, thicker bones, and larger feet than cows.</p>	<p>27            If a bull drops his head and starts shaking it side to side, he is angry.</p>	<p>28            The average cow drinks 30-50 gallons of water every day.</p>	<p>29            Cattle produce 15-20 gallons of saliva every day!</p>
<p>30            The U.S. and Brazil produce the most beef in the world.</p>	<p>31            Items that contain beef by-products include leather, soap, crayons, pet food, paintbrushes, candles, and perfume.</p>					





**Branson S., Grade 4, Longfellow Elementary, Minot**

# JUNE 2021


Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 June is National Dairy Month.	2 Milk comes from female mammals including cows, goats, and sheep.	3 The difference between whole milk, 2% milk, 1% milk, and skim milk is how much fat is in each serving.	4 Cheddar cheese is the most popular cheese in the U.S.	5 It takes 12 pounds of whole milk to make one gallon of ice cream.
6 To get the same amount of calcium in an 8 ounce glass of milk, you would have to eat seven oranges!	7 A dairy cow produces an average of 7 gallons of milk a day.	8 A cow is usually milked 2 or 3 times a day.	9 The average American consumes almost 25 gallons of milk a year.	10 Farmers measure milk in pounds, not gallons.	11 The milk bottle was invented in 1884. Plastic milk containers were introduced in 1964.	12 One cow can produce 350,000 glasses of milk in her life.
13 Chocolate milk's combination of fluids, carbohydrates, and protein help rehydrate and refuel muscles after a workout.	14 There are 6 breeds of dairy cows: Holstein, Jersey, Guernsey, Brown Swiss, Ayrshire, and Milking Shorthorn.	15 Holsteins are the most common dairy breed found in the U.S.	16 Milk travels from the farm to a store in just 48 hours.	17 A Holstein's spots are like fingerprints. No two cows have the exact same pattern of spots.	18 A cow can walk upstairs, but not downstairs. Their knees can't bend properly to walk downstairs.	19 The best sources of calcium are milk, yogurt, and cheese. About 72% of the calcium in the U.S. food supply comes from dairy foods.
20 25 gallons of milk can make 9 gallons of ice cream, 25 pounds of cheese, or 11 pounds of butter.	21 Vanilla is America's favorite ice cream flavor; chocolate is second.	22 Milk products contain casein, which is a protein that can calm burning taste buds so milk works better than water to cool your mouth after you eat spicy foods.	23 The average Holstein calf is 100 pounds at birth.	24 Wisconsin produces more than 25% of the cheese made in the U.S.	25 Mice don't actually like cheese. They are much more likely to eat breads and sweets if given the choice.	26 Some cheese names are capitalized because they are named after a city or country. How many can you name?
27 It takes about 50 licks to finish a single-scoop ice cream cone.	28 "Brain freeze" happens when ice cream touches the roof of your mouth.	29 1 in 5 people admit to sharing ice cream with their pet.	30 During World War II, crushed popcorn was used to make ice cream cones.	<p><b>June is Dairy Month!</b> North Dakota has 56 dairies and 15,000 dairy cows that produce 326 million pounds of milk per year. That is nearly 38 million gallons of milk! Raise a glass of milk to the dairy farm families that provide safe, wholesome dairy foods for you to enjoy.</p>		

Don't chicken out on being a farmer. North Dakota  
Agriculture is the best.



Marshall B., Grade 4, Park River Area Elementary, Park River

# JULY 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<p><b>Value-Added Agriculture</b> Value-added agriculture refers to any activity adding economic value to farm-raised products by changing their state or form. For example, wheat can be ground into flour and then baked into bread. Corn can be grown and fed to livestock, which transforms the corn into animal protein or meat.</p>				1 The 2017 Census of Agriculture lists Cass County as the No. 1 soybean producing county in the U.S.	2 North Dakota is the ninth largest soybean producer in the U.S.	3 Soybeans grow in pods similar to peas except soybean pods are fuzzy.
4 Soy ink is used to print textbooks and newspapers.	5 Soybeans are one of the most widely used seeds in the world.	6 One acre of soybeans can produce 82,368 crayons.	7 Soybeans are also known as soya beans.	8 Soybean oil can be used for food or biodiesel.	9 Soybeans are used to make adhesives, cleaners, paints, plastics, and textiles.	10 45% of the world's soybean acreage and 55% of production is in the United States.
11 About half of U.S. soybeans are exported to major markets including Europe, Japan, Taiwan, Mexico, and South Korea.	12 Soybeans were first grown in the U.S. as cattle feed.	13 In 1935, Henry Ford's engineers developed a plastic that used soybeans. That plastic was used for the frames of his cars.	14 During the Civil War, soybeans were used in place of coffee because real coffee was hard to get.	15 The soybean is the highest natural source of dietary fiber.	16 The Chinese considered the soybean one of their essential Five Sacred Grains along with rice, wheat, barley, and millet.	17 Soybeans are the only vegetable that contains complete protein, just like the protein found in meat.
18 Soybean oil is the most widely used vegetable oil. It is found in margarines, salad dressings, sauces, and processed fried foods.	19 One-half of all daily U.S. newspapers are printed with soybean oil-based ink.	20 Soybeans were first introduced to North America from China in 1765 by sailor Samuel Bowen.	21 The U.S., Brazil, and Argentina are the top three soybean growing countries in the world.	22 Mature soybean plants are generally between 20 and 50 inches in height.	23 Soybean meal is a by-product of crushing soybeans for oil.	24 About 97% of soybean meal production globally is used as livestock feed.
25 As well as being high in protein, soybeans are an excellent source of vitamins and minerals.	26 Soybeans come in a wide variety of sizes and colors. Seeds can be black, brown, blue, yellow, green, or even have stripes.	27 Elevators in the Statue of Liberty are lubricated by soybean oil.	28 Soy foams are used in refrigeration, insulation, and even shoes.	29 Soy products are used in carpet fabrication, furniture coverings, and car upholstery.	30 Soybeans for shelling or fresh use are ready for harvest 45 to 65 days after planting. Dry soybeans require about 100 days for harvest.	31 Soybeans are part of the legume family.

# North Dakota Agriculture in the Classroom

## AITC's Mission

To develop and conduct programs for K-12 agriculture education, and training of teachers and students in agricultural curriculum activities.



August



September



October



November



December



January



February



March



April



May



June



July



**Agriculture in the Classroom**  
North Dakota Department of Agriculture  
600 E Boulevard Ave Dept 602  
Bismarck, ND 58505-0020  
[www.nd.gov/ndda/ag-classroom](http://www.nd.gov/ndda/ag-classroom)

Agriculture Commissioner Doug Goehring



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
1/22/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

**Chairman David Monson** called the meeting to order at 10:35 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

### Discussion Topics:

- Grant line summary
- Milkweed
- Federal Environmental Law Impact Review Fund summary
- Soil Health Cover Crop Cost Share Program
- ND Information Technology (NDIT) concerns


**Doug Goehring, Agriculture Commissioner (10:36 a.m.)** testified in favor. Testimony #2270

**Additional written testimony:** #3576

**Chairman David Monson** adjourned the hearing at 11:25 a.m.

*Klarissa Pudwill, Committee Clerk*

## House Bill No. 1009 Agriculture Commissioner's Budget Request

 Salaries and Wages	Adjusted Base Level	Agriculture Commissioner's Request
19-21 Salaries Master Budget Authority Employee Compensation Compression Adjustment Cost to Continue 19-21 Salaries Meat Inspector Matching Funds Staff Attorney Grain Inspector + 1 FTE Governor's 21-23 Pay Plan Increase	\$ 14,232,746 \$ - \$ - \$ - \$ - \$ - \$ -	\$ 14,232,746 \$ 702,500 \$ 125,067 \$ 90,478 \$ 68,279 \$ 152,670 \$ 407,970
<b>HB 1009 Section 1 Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 15,779,710</b>
<b>Operating Expenses</b>		
19-21 Operating Master Budget Authority Remove Litigation Pool Remove CARES Act IT Remove One-time Master Customer Database Meat Inspector Matching Funds Grain Inspector HB 1045 Industrial Hemp HB 1026 State Warehouse Grain and Other Licenses ND Mediation Service Add IT License Office 365 CARES Act IT (Continued Work on USAHERDS and LARA)	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ 15,980 \$ 30,729 \$ 36,250 \$ 43,500 \$ 120,000 \$ 8,813 \$ 150,000
<b>HB 1009 Operating Expenses Section 1</b>	<b>\$ 6,592,780</b>	<b>\$ 6,998,052</b>
<b>HB 1009 Capital Assets Section 1</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b>		
19-21 Grants Master Budget Authority Remove Emergency Feed Transport Remove CARES Act Grants New Line Item Added Remove Environmental Impact Noxious Weeds Grants Specialty Crop Block Grants	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ - \$ -	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ 50,000 \$ 158,000
<b>HB 1009 Grants Section 1</b>	<b>\$ 8,823,774</b>	<b>\$ 9,031,774</b>
<b>Environmental Impact Mitigation</b>		
<b>19-21 Master Budget Authority (Not a line item in 19-21)</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
<b>HB 1009 Environmental Impact Mitigation Section 1</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
<b>Ag Products Utilization Commission</b>		
19-21 Master Budget Authority Remove One-time Funding Bank of ND Funding	\$ 3,760,417 \$ (2,000,000) \$ -	\$ 3,760,417 \$ (2,000,000) \$ 3,000,000
<b>HB 1009 Ag Products Utilization Commission Section 1</b>	<b>\$ 1,760,417</b>	<b>\$ 4,760,417</b>
<b>Board of Animal Health</b>		
19-21 Master Budget Authority Remove CARES Act IT Remove Animal Loss Indemnity	\$ 962,118 \$ (95,000) \$ (1,400)	\$ 962,118 \$ (95,000) \$ (1,400)
<b>HB 1009 Board of Animal Health Section 1</b>	<b>\$ 865,718</b>	<b>\$ 865,718</b>
<b>HB 1009 Wildlife Services Section 1</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>HB 1009 Pipeline Restoration and Reclamation Section 1</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>HB 1009 Crop Harmonization Board Section 1</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>HB 1009 Total All Funds Section 1</b>	<b>\$ 39,022,835</b>	<b>\$ 44,183,071</b>
<b>HB 1009 Less Estimated Income Section 1</b>	<b>\$ 28,322,406</b>	<b>\$ 32,281,109</b>
<b>HB 1009 Total General Fund Section 1</b>	<b>\$ 10,700,429</b>	<b>\$ 11,901,962</b>
<b>HB 1009 Full-time Equivalent Positions Section 1</b>	<b>78</b>	<b>79</b>

## Grant Line Summary

Number	Description	Fund(s)	2019-2021 Adjusted Base Level	Agriculture Commissioner's Request	2021-2023 Budget Request
1	Noxious Weeds (LAP, TAG, Coop Weed)	376 (SF)	\$ 1,285,274	\$ 50,000	\$ 1,335,274
		Federal	\$ 90,000		\$ 90,000
		<b>Total</b>	<b>\$ 1,375,274</b>		<b>\$ 1,425,274</b>
2	Apiary Research	001 (GF)	\$ 75,000	\$ -	\$ 75,000
3	Ag in the Classroom	376 (SF)	\$ 100,000	\$ -	\$ 100,000
4	Specialty Crops	Federal	\$ 5,600,000	\$ 158,000	\$ 5,758,000
5	Pride of Dakota Trade Show and Retail Assistance	308 (SF)	\$ 35,000	\$ -	\$ 35,000
6	Organic Certification Cost Share	Federal	\$ 200,000	\$ -	\$ 200,000
7	Grape & Wine Research and Promotion	001 (GF)	\$ 80,000	\$ -	\$ 80,000
8	Organic Transition	308 (SF)	\$ 8,500	\$ -	\$ 8,500
9	Livestock Pollution Prevention Program (LP3)	308 (SF)	\$ 50,000	\$ -	\$ 50,000
		Federal	\$ 1,000,000		\$ 1,000,000
		<b>Total</b>	<b>\$ 1,050,000</b>		<b>\$ 1,050,000</b>
10	Waterbank	308 (SF)	\$ 300,000	\$ -	\$ 300,000
<b>Total</b>			<b>\$ 8,823,774</b>	<b>\$ 158,000</b>	<b>\$ 9,031,774</b>





## Continuing Appropriations - Grants & Other Obligations

Number	Description	Fund	December 2020 Balance	OHF Transfers	Grant Obligations	Other Obligations	Projected Ending Balance June 2021
1	Waterbank Fund	236	\$ 25,722	\$ 286,339	\$ (286,339)	\$ -	\$ 25,722
2	Minor Use Fund	260	\$ 252,864	\$ -	\$ (84,587)	\$ -	\$ 168,277
3	Federal Environmental Law Impact Review Fund	409	\$ 1,079,653	\$ -	\$ (415,070)	\$ (41,704)	\$ 622,879
4	Environmental Impact Mitigation Fund	487	\$ -	\$ -	\$ -	\$ -	\$ -
5	Bioscience Innovation Grant Fund	575	\$ 256,661	\$ -	\$ (256,661)	\$ -	\$ -



**FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND**

**7-1-15 to 12-31-20**

**Revenue/Expenditure Summary**

<b>REVENUE:</b>	
HB 1432 -Transfer from the General Fund (15-17 Biennium)	1,500,000.00
HB 1009 - Transfer from the SIIF Fund (17-19 Biennium)	1,000,000.00
FELIRC Study Contributions	513,500.00
<b>TOTAL REVENUES</b>	<b>3,013,500.00</b>
<b>EXPENDITURES:</b>	
Costs for WOTUS lawsuit (Sal and Oper)	1,518,777.31
Grant Expenses: Grants to NDSU (Endangered Species)	415,070.00
<b>TOTAL EXPENDITURES</b>	<b>1,933,847.31</b>
<b>NET FUNDS AVAILABLE - 12/31/2020</b>	<b>1,079,652.69</b>
<b>FUTURE GRANT OBLIGATIONS (NDSU - Endangered Species)</b>	<b>415,070.00</b>
<b>FUNDS REMAINING AFTER OBLIGATIONS &amp; CONTRIBUTIONS *</b>	<b>664,582.69</b>
* Future cost for WOTUS lawsuit	??

## Soil Health Cover Crop Cost Share Program

- \$300,000 per biennium
  - Cost share up to \$15/acre for new applicants
  - Cost share up to \$10/acre for repeat applicants
  - Applicants entered into a lottery system
- 10,000 acre cap annually
- Application information
  - 50-acre cap per applicant
  - Soil testing before and after cover crop
  - Previous year crop/cropping rotation
  - What type of cover crop will be planted
- Eligible plantings include
  - Turnips
  - Radishes
  - Cow peas
  - Field peas
  - Dry peas
  - Hairy vetch
  - Sunflowers
  - Millet
  - Sorghum
  - Etc.
  - Soil Conservation/NRCS county specific suggested plantings are eligible
- If cover crop will be planted before May 20 eligible grasses include
  - Barley
  - Oats
  - Rye
  - Triticale
- Producers must plant and apply to be eligible in the lottery
  - Planting deadline of July 30
  - Application deadline of August 1st
  - Payments in September

**SECTION 14. TRANSFER – BANK OF NORTH DAKOTA PROFITS - AGRICULTURE PRODUCTS UTILIZATION COMMISSION.** The Bank of North Dakota shall transfer the sum of \$3,000,000 or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2021 and ending June 30, 2023. Of the amount appropriated for the agricultural products utilization commission, up to \$300,000 is available to the agriculture commissioner for administering the Soil Health Cover Crop Cost Share Program.

## ND Information Technology Concerns

- NDIT would better serve state agencies by reaching out and opening dialogue to discuss agency IT concerns, and before they make major changes to IT systems.
  - NDIT used to send over an upper management staff member to meet with us and address concerns.
    - NOTE: Previous NDIT employee Dan Sipes did this often with our agency.
    - Sipes' approach was to come to our agency physically, listen to our concerns, and explain NDIT's approach.
    - Sipes would also follow-up and identify a path forward to meet our agency needs.
  - Example: NDIT rolled out replacement of desk phones with TEAMS voice.
    - This was a major change to the way our staff communicated with customers.
    - Nobody from NDIT approached the Agriculture Commissioner to discuss why the change was occurring and gather feedback before the decision was final.
- **Service Level Agreements:** State agencies no longer have the true ability to be a partner with NDIT in developing and implementing our agreement with NDIT for services.
  - We used to draft an agreement that clearly outlined the services we needed from NDIT.
  - Now, we are managed by a service level agreement that we had little to no input in the creation or changes to the agreement.
    - Example: The Department of Agriculture is a NDIT desktop support agency. We no longer can discuss our expectations as an agency for how NDIT will provide these services.

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)				\$0
Salary increase		192,094	143,528	335,622				0
Health insurance increase		2,146	1,603	3,749				0
Retirement contribution increase		39,262	29,337	68,599				0
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)				0
Adds funding for Microsoft Office 365 license expenses		7,322	1,491	8,813				0
Adjusts funding for operating expenses		(57,759)	88,566	30,807				0
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440				0
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000				0
Adds federal funding for operating expenses and grants			78,000	78,000				0
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)				0
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000				0
Adds funding for noxious weeds grants			50,000	50,000				0
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)				0
Reduces funding for the Board of Animal Health		(78,000)		(78,000)				0
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0				0
Reduces funding for mitigation of environmental impact grants			(100,000)	(100,000)				0
<b>Total ongoing funding changes</b>	<b>0.00</b>	<b>\$187,218</b>	<b>\$366,918</b>	<b>\$554,136</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>One-time funding items</b>								
Adds funding to replace various program databases		\$180,000		\$180,000				\$0
<b>Total one-time funding changes</b>	<b>0.00</b>	<b>\$180,000</b>	<b>\$0</b>	<b>\$180,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Changes to Base Level Funding</b>	<b>0.00</b>	<b>\$367,218</b>	<b>\$366,918</b>	<b>\$734,136</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>2021-23 Total Funding</b>	<b>78.00</b>	<b>\$11,067,647</b>	<b>\$28,689,324</b>	<b>\$39,756,971</b>	<b>78.00</b>	<b>\$10,700,429</b>	<b>\$28,322,406</b>	<b>\$39,022,835</b>
<i>Total ongoing changes as a percentage of base level</i>	<i>0.0%</i>	<i>1.7%</i>	<i>1.3%</i>	<i>1.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Total changes as a percentage of base level</i>	<i>0.0%</i>	<i>3.4%</i>	<i>1.3%</i>	<i>1.9%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

**Other Sections in Agriculture Commissioner - Budget No. 602**

**Executive Budget Recommendation**

**House Version**

Environment and rangeland protection fund transfer

Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.

Environment and rangeland protection fund

Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.

Game and Fish Department operating fund

Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.

State Water Commission transfer

Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.

Waterbank program

Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

This section amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Pipeline restoration and reclamation - Estimated income

Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Agriculture Commissioner salary

Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**Executive Budget Recommendation**

**House Version**

North Dakota Trade Office

Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

Pipeline restoration and reclamation - Exempt records

This section amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
1/25/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 2:17 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

### Discussion Topics:

- Base level funding changes and budget request

Doug Goehring, Agriculture Commissioner (2:17 p.m.) testified in favor. Testimony #3409 and #3410

**Chairman David Monson** adjourned the meeting at 3:46 p.m.

*Klarissa Pudwill, Committee Clerk*



**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)				\$0
Salary increase		192,094	143,528	335,622				0
Health insurance increase		2,146	1,603	3,749				0
Retirement contribution increase		39,262	29,337	68,599				0
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)				0
Adds funding for Microsoft Office 365 license expenses		7,322	1,491	8,813				0
Adjusts funding for operating expenses		(57,759)	88,566	30,807				0
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440				0
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000				0
Adds federal funding for operating expenses and grants			78,000	78,000				0
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)				0
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000				0
Adds funding for noxious weeds grants			50,000	50,000				0
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)				0
Reduces funding for the Board of Animal Health		(78,000)		(78,000)				0
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0				0
Reduces funding for mitigation of environmental impact grants			(100,000)	(100,000)				0
Total ongoing funding changes	0.00	\$187,218	\$366,918	\$554,136	0.00	\$0	\$0	\$0
<b>One-time funding items</b>								
Adds funding to replace various program databases		\$180,000		\$180,000				\$0
Total one-time funding changes	0.00	\$180,000	\$0	\$180,000	0.00	\$0	\$0	\$0
<b>Total Changes to Base Level Funding</b>	0.00	\$367,218	\$366,918	\$734,136	0.00	\$0	\$0	\$0
<b>2021-23 Total Funding</b>	78.00	\$11,067,647	\$28,689,324	\$39,756,971	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.7%	1.3%	1.4%	0.0%	0.0%	0.0%	0.0%
<i>Total changes as a percentage of base level</i>	0.0%	3.4%	1.3%	1.9%	0.0%	0.0%	0.0%	0.0%

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Environment and rangeland protection fund transfer	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.	
Environment and rangeland protection fund	Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.	
Game and Fish Department operating fund	Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	
State Water Commission transfer	Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.	
Waterbank program	Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.	This section amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
Pipeline restoration and reclamation - Estimated income	Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.	
Agriculture Commissioner salary	Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.	

**Other Sections in Agriculture Commissioner - Budget No. 602**

North Dakota Trade Office

**Executive Budget Recommendation**


Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

**House Version**

Pipeline restoration and reclamation - Exempt records

This section amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

## House Bill No. 1009 Agriculture Commissioner's Budget Request

 Salaries and Wages	Adjusted Base Level	Agriculture Commissioner's Request
	19-21 Salaries Master Budget Authority Employee Compensation Compression Adjustment Cost to Continue 19-21 Salaries Meat Inspector Matching Funds Staff Attorney Grain Inspector + 1 FTE Governor's 21-23 Pay Plan Increase	\$ 14,232,746 \$ - \$ - \$ - \$ - \$ - \$ -
<b>HB 1009 Section 1 Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 15,779,710</b>
<b>Operating Expenses</b>		
19-21 Operating Master Budget Authority Remove Litigation Pool Remove CARES Act IT Remove One-time Master Customer Database Meat Inspector Matching Funds Grain Inspector HB 1045 Industrial Hemp HB 1026 State Warehouse Grain and Other Licenses ND Mediation Service Add IT License Office 365 CARES Act IT (Continued Work on USAHERDS and LARA)	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ 7,055,851 \$ (92,071) \$ (261,000) \$ (110,000) \$ 15,980 \$ 30,729 \$ 36,250 \$ 43,500 \$ 120,000 \$ 8,813 \$ 150,000
<b>HB 1009 Operating Expenses Section 1</b>	<b>\$ 6,592,780</b>	<b>\$ 6,998,052</b>
<b>HB 1009 Capital Assets Section 1</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b>		
19-21 Grants Master Budget Authority Remove Emergency Feed Transport Remove CARES Act Grants New Line Item Added Remove Environmental Impact Noxious Weeds Grants Specialty Crop Block Grants	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ - \$ -	\$ 27,273,774 \$ (250,000) \$ (13,200,000) \$ (5,000,000) \$ 50,000 \$ 158,000
<b>HB 1009 Grants Section 1</b>	<b>\$ 8,823,774</b>	<b>\$ 9,031,774</b>
<b>Environmental Impact Mitigation</b>		
19-21 Master Budget Authority (Not a line item in 19-21)	\$ 5,000,000	\$ 5,000,000
<b>HB 1009 Environmental Impact Mitigation Section 1</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
<b>Ag Products Utilization Commission</b>		
19-21 Master Budget Authority Remove One-time Funding Bank of ND Funding	\$ 3,760,417 \$ (2,000,000) \$ -	\$ 3,760,417 \$ (2,000,000) \$ 3,000,000
<b>HB 1009 Ag Products Utilization Commission Section 1</b>	<b>\$ 1,760,417</b>	<b>\$ 4,760,417</b>
<b>Board of Animal Health</b>		
19-21 Master Budget Authority Remove CARES Act IT Remove Animal Loss Indemnity	\$ 962,118 \$ (95,000) \$ (1,400)	\$ 962,118 \$ (95,000) \$ (1,400)
<b>HB 1009 Board of Animal Health Section 1</b>	<b>\$ 865,718</b>	<b>\$ 865,718</b>
<b>HB 1009 Wildlife Services Section 1</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>HB 1009 Pipeline Restoration and Reclamation Section 1</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>HB 1009 Crop Harmonization Board Section 1</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>HB 1009 Total All Funds Section 1</b>	<b>\$ 39,022,835</b>	<b>\$ 44,183,071</b>
<b>HB 1009 Less Estimated Income Section 1</b>	<b>\$ 28,322,406</b>	<b>\$ 32,281,109</b>
<b>HB 1009 Total General Fund Section 1</b>	<b>\$ 10,700,429</b>	<b>\$ 11,901,962</b>
<b>HB 1009 Full-time Equivalent Positions Section 1</b>	<b>78</b>	<b>79</b>

## Continuing Appropriations - Grants & Other Obligations

Number	Description	Fund	December 2020 Balance	OHF Transfers	Grant Obligations	Other Obligations	Projected Ending Balance June 2021
1	Waterbank Fund	236	\$ 25,722	\$ 286,339	\$ (286,339)	\$ -	\$ 25,722
2	Minor Use Fund	260	\$ 252,864	\$ -	\$ (84,587)	\$ -	\$ 168,277
3	Federal Environmental Law Impact Review Fund	409	\$ 1,079,653	\$ -	\$ (415,070)	\$ (41,704)	\$ 622,879
4	Environmental Impact Mitigation Fund	487	\$ -	\$ -	\$ -	\$ -	\$ -
5	Bioscience Innovation Grant Fund	575	\$ 256,661	\$ -	\$ (256,661)	\$ -	\$ -



**FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND**

**7-1-15 to 12-31-20**

**Revenue/Expenditure Summary**

<b>REVENUE:</b>	
HB 1432 -Transfer from the General Fund (15-17 Biennium)	1,500,000.00
HB 1009 - Transfer from the SIIF Fund (17-19 Biennium)	1,000,000.00
FELIRC Study Contributions	513,500.00
<b>TOTAL REVENUES</b>	<b>3,013,500.00</b>
<b>EXPENDITURES:</b>	
Costs for WOTUS lawsuit (Sal and Oper)	1,518,777.31
Grant Expenses: Grants to NDSU (Endangered Species)	415,070.00
<b>TOTAL EXPENDITURES</b>	<b>1,933,847.31</b>
<b>NET FUNDS AVAILABLE - 12/31/2020</b>	<b>1,079,652.69</b>
<b>FUTURE GRANT OBLIGATIONS (NDSU - Endangered Species)</b>	<b>415,070.00</b>
<b>FUNDS REMAINING AFTER OBLIGATIONS &amp; CONTRIBUTIONS *</b>	<b>664,582.69</b>
* Future cost for WOTUS lawsuit	??

## Soil Health Cover Crop Cost Share Program

- \$300,000 per biennium
  - Cost share up to \$15/acre for new applicants
  - Cost share up to \$10/acre for repeat applicants
  - Applicants entered into a lottery system
- 10,000 acre cap annually
- Application information
  - 50-acre cap per applicant
  - Soil testing before and after cover crop
  - Previous year crop/cropping rotation
  - What type of cover crop will be planted
- Eligible plantings include
  - Turnips
  - Radishes
  - Cow peas
  - Field peas
  - Dry peas
  - Hairy vetch
  - Sunflowers
  - Millet
  - Sorghum
  - Etc.
  - Soil Conservation/NRCS county specific suggested plantings are eligible
- If cover crop will be planted before May 20 eligible grasses include
  - Barley
  - Oats
  - Rye
  - Triticale
- Producers must plant and apply to be eligible in the lottery
  - Planting deadline of July 30
  - Application deadline of August 1st
  - Payments in September

**SECTION 14. TRANSFER – BANK OF NORTH DAKOTA PROFITS - AGRICULTURE PRODUCTS UTILIZATION COMMISSION.** The Bank of North Dakota shall transfer the sum of \$3,000,000 or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2021 and ending June 30, 2023. Of the amount appropriated for the agricultural products utilization commission, up to \$300,000 is available to the agriculture commissioner for administering the Soil Health Cover Crop Cost Share Program.

## ND Information Technology Concerns

- NDIT would better serve state agencies by reaching out and opening dialogue to discuss agency IT concerns, and before they make major changes to IT systems.
  - NDIT used to send over an upper management staff member to meet with us and address concerns.
    - NOTE: Previous NDIT employee Dan Sipes did this often with our agency.
    - Sipes' approach was to come to our agency physically, listen to our concerns, and explain NDIT's approach.
    - Sipes would also follow-up and identify a path forward to meet our agency needs.
  - Example: NDIT rolled out replacement of desk phones with TEAMS voice.
    - This was a major change to the way our staff communicated with customers.
    - Nobody from NDIT approached the Agriculture Commissioner to discuss why the change was occurring and gather feedback before the decision was final.
- **Service Level Agreements:** State agencies no longer have the true ability to be a partner with NDIT in developing and implementing our agreement with NDIT for services.
  - We used to draft an agreement that clearly outlined the services we needed from NDIT.
  - Now, we are managed by a service level agreement that we had little to no input in the creation or changes to the agreement.
    - Example: The Department of Agriculture is a NDIT desktop support agency. We no longer can discuss our expectations as an agency for how NDIT will provide these services.



## Grant Line Summary

Number	Description	Fund(s)	2019-2021 Adjusted Base Level	Agriculture Commissioner's Request	2021-2023 Budget Request
1	Noxious Weeds (LAP, TAG, Coop Weed)	376 (SF)	\$ 1,285,274	\$ 50,000	\$ 1,335,274
		Federal	\$ 90,000		\$ 90,000
		<b>Total</b>	<b>\$ 1,375,274</b>		<b>\$ 1,425,274</b>
2	Apiary Research	001 (GF)	\$ 75,000	\$ -	\$ 75,000
3	Ag in the Classroom	376 (SF)	\$ 100,000	\$ -	\$ 100,000
4	Specialty Crops	Federal	\$ 5,600,000	\$ 158,000	\$ 5,758,000
5	Pride of Dakota Trade Show and Retail Assistance	308 (SF)	\$ 35,000	\$ -	\$ 35,000
6	Organic Certification Cost Share	Federal	\$ 200,000	\$ -	\$ 200,000
7	Grape & Wine Research and Promotion	001 (GF)	\$ 80,000	\$ -	\$ 80,000
8	Organic Transition	308 (SF)	\$ 8,500	\$ -	\$ 8,500
9	Livestock Pollution Prevention Program (LP3)	308 (SF)	\$ 50,000	\$ -	\$ 50,000
		Federal	\$ 1,000,000		\$ 1,000,000
		<b>Total</b>	<b>\$ 1,050,000</b>		<b>\$ 1,050,000</b>
10	Waterbank	308 (SF)	\$ 300,000	\$ -	\$ 300,000
<b>Total</b>			<b>\$ 8,823,774</b>	<b>\$ 158,000</b>	<b>\$ 9,031,774</b>



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
1/28/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

**Chairman David Monson** called the meeting to order at 8:33 a.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

### Discussion Topics:

- Base level funding changes
- Possible federal funding for meat processing facilities
- HB 1394 and HB 1395

**Doug Goehring (8:39 a.m.)** testified in favor.

**Additional written testimony:** #4036

**Chairman David Monson** adjourned the meeting at 9:20 a.m.

*Klarissa Pudwill, Committee Clerk*

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

1/28/2021

**House Version**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>				
Salary increase		\$192,094	\$143,528	\$335,622
Health insurance increase		2,146	1,603	3,749
Retirement contribution increase		39,262	29,337	68,599
Adds funding for salary compression funding		369,866	332,634	702,500
Adds funding for 2019-21 biennium salary increase cost to continue		69,207	55,860	125,067
Adds funding for meat inspector salaries and operating expenses		106,458		106,458
Adds funding to reclassify a program coordinator to an attorney		68,279		68,279
Adds funding for 1 grain inspector FTE position	1.00	183,399		183,399
Adds funding for the industrial hemp program			36,250	36,250
Adds funding for public warehouse and grain buyer license costs		43,500		43,500
Adds funding for the North Dakota mediation service program		120,000		120,000
Adds funding for Microsoft Office 365 license expenses		7,322	1,491	8,813
Adds funding for the speciality crop block grant program			158,000	158,000
Adds funding for noxious weeds grants			50,000	50,000
Removes funding for mitigation of environmental impact grants			(5,000,000)	(5,000,000)
Transfers the North Dakota Trade Office from Commerce		1,600,000		1,600,000
Total ongoing funding changes	1.00	\$2,801,533	(\$4,191,297)	(\$1,389,764)
<b>One-time funding items</b>				
Adds funding to continue federal Coronavirus Relief Fund authority			\$150,000	\$150,000
Adds funding for a soil health cover crop cost share program			500,000	500,000
Adds funding for the Agricultural Products Utilization Commission			2,700,000	2,700,000
Total one-time funding changes	0.00	\$0	\$3,350,000	\$3,350,000
<b>Total Changes to Base Level Funding</b>	1.00	\$2,801,533	(\$841,297)	\$1,960,236
<b>2021-23 Total Funding</b>	79.00	\$13,501,962	\$27,481,109	\$40,983,071
<i>Total ongoing changes as a percentage of base level</i>	1.3%	26.2%	(14.8%)	(3.6%)
<i>Total changes as a percentage of base level</i>	1.3%	26.2%	(3.0%)	5.0%

**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

Transfer - General Fund - Bioscience innovation grant fund - Bioscience innovation grant program	Section 3 requires the Office of Management and Budget to transfer \$5.5 million from the general fund to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium.
Transfer - General Fund - Federal environmental law impact review fund	Section 4 requires the Office of Management and Budget to transfer \$5 million from the general fund to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium.
Transfer - Bank of North Dakota profits - Outdoor heritage fund - Soil health cover crop cost share program - One-time funding	Section 5 identifies funding of \$500,000 in the estimated income line item in Section 1 is for a soil health cover crop cost share program, of which \$300,000 is from the current earnings and undivided profits of the Bank of North Dakota, from which the Industrial Commission shall transfer to the Agriculture Commissioner for deposit in the agriculture department operating fund during the 2021-23 biennium, and \$200,000 is from the outdoor heritage fund. The funding is considered a one-time funding item.
Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time funding	Section 6 identifies funding of \$2.7 million in the estimated income line item in Section 1 is from the Agricultural Products Utilization Commission fund. The Industrial Commission is required to transfer \$3 million from the current earnings and undivided profits of the Bank of North Dakota to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund during the 2021-23 biennium. The funding is considered a one-time funding item.
Transfer - State Water Commission	Section 7 transfers \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.
Transfer - Environment and rangeland protection fund	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

Environment and rangeland protection fund	Section 9 identifies \$6,910,910 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 10 identifies \$614,430 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Federal Coronavirus Relief Fund spending authority - One-time funding	Section 11 identifies \$150,000 in the estimated income line item in Section 1 is from the state's allocation from the federal Coronavirus Relief fund, which the Agriculture Commissioner may spend until December 31, 2021. The funding is considered a one-time funding item.
North Dakota Trade Office - Matching Fund Requirement	Section 12 identifies \$1,600,000 in the North Dakota trade office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
Agriculture Commissioner salary	Section 13 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect annual increases of 2 percent each year.
Pipeline restoration and reclamation - Exempt records	Section 14 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

Pipeline restoration and reclamation - Estimated income

Section 15 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Waterbank program - 2019-21 biennium

Section 16 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Waterbank program - 2021-23 biennium

Section 17 identifies 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.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
2/11/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

**Chairman David Monson** called the meeting to order at 2:57 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe		A

### Discussion Topics:

- Base level funding review
- Bioscience innovation grant program
- ND Trade Office
- HB 1475
- HB 1394

**Tom Bodine (3:01 p.m.)** testified in favor.

**Additional written testimony:** #6506, #6767

**Chairman David Monson** adjourned the meeting at 3:57 p.m.

*Klarissa Pudwill, Committee Clerk*

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	House Version			
	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>				
Salary increase		\$188,837	\$142,347	\$331,184
Health insurance increase		2,146	1,603	3,749
Adds funding for salary compression funding		369,866	332,634	702,500
Adds funding for 2019-21 biennium salary increase cost to continue		69,207	55,860	125,067
Adds funding for meat inspector salaries and operating expenses		106,458		106,458
Adds funding to reclassify a program coordinator to an attorney		68,279		68,279
Adds funding for 1 grain inspector FTE position	1.00	183,399		183,399
Adds funding for the industrial hemp program			36,250	36,250
Adds funding for public warehouse and grain buyer license costs		43,500		43,500
Adds funding for the North Dakota mediation service program		120,000		120,000
Adds funding for Microsoft Office 365 license expenses		7,322	1,491	8,813
Adds funding for the speciality crop block grant program			158,000	158,000
Adds funding for noxious weeds grants			50,000	50,000
Removes funding for mitigation of environmental impact grants			(5,000,000)	(5,000,000)
Transfers the North Dakota Trade Office from Commerce		1,600,000		1,600,000
Total ongoing funding changes	1.00	\$2,759,014	(\$4,221,815)	(\$1,462,801)
<b>One-time funding items</b>				
Adds additional federal funding spending authority			\$20,000,000	\$20,000,000
Adds funding for a soil health cover crop cost share program			500,000	500,000
Adds funding for the Agricultural Products Utilization Commission			2,700,000	2,700,000
Total one-time funding changes	0.00	\$0	\$23,200,000	\$23,200,000
<b>Total Changes to Base Level Funding</b>	1.00	\$2,759,014	\$18,978,185	\$21,737,199
<b>2021-23 Total Funding</b>	79.00	\$13,459,443	\$47,300,591	\$60,760,034
<i>Total ongoing changes as a percentage of base level</i>	1.3%	25.8%	(14.9%)	(3.7%)
<i>Total changes as a percentage of base level</i>	1.3%	25.8%	67.0%	55.7%



**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

- |  |   |
|--|---|
| Transfer - General Fund - Bioscience innovation grant fund - Bioscience innovation grant program                               | Section 3 requires the Office of Management and Budget to transfer \$5.5 million from the general fund to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium.   |
| Transfer - General Fund - Federal environmental law impact review fund   | Section 4 requires the Office of Management and Budget to transfer \$5 million from the general fund to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium.  |
| Transfer - Bank of North Dakota profits - Outdoor heritage fund - Soil health cover crop cost share program - One-time funding | Section 5 identifies funding of \$500,000 in the estimated income line item in Section 1 is for a soil health cover crop cost share program, of which \$300,000 is from the current earnings and undivided profits of the Bank of North Dakota, from which the Industrial Commission shall transfer to the Agriculture Commissioner for deposit in the agriculture department operating fund during the 2021-23 biennium, and \$200,000 is from the outdoor heritage fund. The funding is considered a one-time funding item. |
| Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time funding                      | Section 6 identifies funding of \$2.7 million in the estimated income line item in Section 1 is from the Agricultural Products Utilization Commission fund. The Industrial Commission is required to transfer \$2.7 million from the current earnings and undivided profits of the Bank of North Dakota to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund during the 2021-23 biennium. The funding is considered a one-time funding item.                                  |
| Transfer - State Water Commission  | Section 7 transfers \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.  |
| Transfer - Environment and rangeland protection fund   | Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.   |

**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

Environment and rangeland protection fund

Section 9 identifies \$6,896,664 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.

Game and Fish Department operating fund

Section 10 identifies \$614,430 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.

Additional federal funds spending authority - One-time funding

Section 11 identifies \$20,000,000 in the estimated income line item in Section 1 is from additional federal funds that become available to the Agriculture Commissioner during the 2021-23 biennium. It is the intent of the 67th Legislative Assembly that this funding be used for the Agriculture Commissioner's meat processor cost-share program. The Agriculture Commissioner is required to report periodically to the Budget Section during the 2021-22 interim regarding any federal funds received and spent pursuant to this section. The funding is considered a one-time funding item.

North Dakota Trade Office - Matching Fund Requirement

Section 12 identifies \$1,600,000 in the North Dakota trade office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

Agriculture Commissioner salary

Section 13 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect annual increases of 2 percent each year.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**House Version**

Pipeline restoration and reclamation - Exempt records

Section 14 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

Pipeline restoration and reclamation - Estimated income

Section 15 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Waterbank program - 2019-21 biennium

Section 16 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Waterbank program - 2021-23 biennium

Section 17 identifies 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.

21.0268.01002  
Title.

Prepared by the Legislative Council staff for  
the House Appropriations - Education and  
Environment Division Committee  
February 15, 2021

Fiscal No. 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program, and to provide for a report"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	708,000	9,531,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,750,827	\$40,773,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
Total general fund	\$10,700,429	\$2,758,395	\$13,458,824
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

"Agricultural products utilization commission	2,000,000	2,700,000
Soil health grants	<u>0</u>	<u>500,000</u>
Total all funds	\$2,210,000	\$3,200,000
Less estimated income	<u>2,000,000</u>	<u>3,200,000</u>
Total general fund	\$210,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the

appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

**"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

**SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

**SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

**SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

**SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 12. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~twenty-one thousand ~~eight~~five hundred ~~thirty-six~~fifty-three dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~twenty-three thousand ~~seven~~three hundred ~~fifty-seven~~seventy-six dollars after that date.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.

3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

**SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
Total all funds	\$39,022,835	\$12,250,827	\$51,273,662
Less estimated income	28,322,406	(1,007,568)	27,314,838
General fund	\$10,700,429	\$13,258,395	\$23,958,824
FTE	78.00	1.00	79.00

**Department 602 - Department of Agriculture - Detail of House Changes**

	<b>Adds Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Adds Funding for Cost to Continue 2019-21 Salaries<sup>2</sup></b>	<b>Adds Funding for Salary Compression<sup>3</sup></b>	<b>Adds Funding for 1 FTE Grain Inspector Position<sup>4</sup></b>	<b>Adds Funding for Meat Inspector Position<sup>5</sup></b>	<b>Adds Funding for FTE Reclassification<sup>6</sup></b>
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
<b>Total all funds</b>	<b>\$348,561</b>	<b>\$125,067</b>	<b>\$702,500</b>	<b>\$183,399</b>	<b>\$106,458</b>	<b>\$68,279</b>
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	<u>\$190,364</u>	<u>\$69,207</u>	<u>\$369,866</u>	<u>\$183,399</u>	<u>\$106,458</u>	<u>\$68,279</u>
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	<b>Adjusts Base Level Funding<sup>7</sup></b>	<b>Adds Funding for Grants<sup>8</sup></b>	<b>Removes Funding for Environmental Impact Grants<sup>9</sup></b>	<b>Transfers the North Dakota Trade Office<sup>10</sup></b>	<b>Adds One-Time Funding for APUC<sup>11</sup></b>	<b>Adds One-Time Funding for a Soil Health Grant Program<sup>12</sup></b>
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
<b>Total all funds</b>	<b>\$208,563</b>	<b>\$208,000</b>	<b>(\$5,000,000)</b>	<b>\$1,600,000</b>	<b>\$2,700,000</b>	<b>\$500,000</b>
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	<u>\$170,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,600,000</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00	0.00	0.00



	Adds One-Time Funding for Bioscience Innovation Grants <sup>13</sup>	Adds One-Time Funding for Environmental Law Impact Review <sup>14</sup>	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
<b>Total all funds</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$12,250,827</b>
Less estimated income	0	0	(1,007,568)
<b>General fund</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$13,258,395</b>
FTE	0.00	0.00	1.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	<u>2,146</u>	<u>1,603</u>	<u>3,749</u>
Total	\$190,364	\$158,197	\$348,561

<sup>2</sup> Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2<sup>nd</sup> year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

<sup>3</sup> Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

<sup>4</sup> Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

<sup>5</sup> Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

<sup>6</sup> Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	<u>120,000</u>	<u>0</u>	<u>120,000</u>
Total	\$170,822	\$37,741	\$208,563

<sup>8</sup> Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

<sup>9</sup> Federal funding of \$5,000,000 is removed 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.

<sup>10</sup> Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

<sup>11</sup> One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

<sup>12</sup> One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

<sup>13</sup> One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

<sup>14</sup> One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

---

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23

biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
2/17/2021

House Appropriations Committee - Education and Environment

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

**Chairman David Monson** called the meeting to order at 3:45 p.m.

Representative	Present	Absent
Chairman Monson	P	
Vice Chairman Schmidt	P	
Representative Martinson	P	
Representative Nathe	P	
Representative Sanford	P	
Representative Schatz	P	
Representative Boe	P	

### Discussion Topics:

- Committee work

**Representative Bob Martinson made a motion** to adopt amendment 21.0268.01002

**Representative Mike Nathe seconded**

**Voice vote: Motion carried**

**Representative Bob Martinson moves Do Pass as amended**

**Vice Chairman Jim Schmidt seconded**

### Roll Call Vote taken:

Representative	Yea	Nay	Absent
Chairman Monson	X		
Vice Chairman Schmidt	X		
Representative Martinson	X		
Representative Nathe	X		
Representative Sanford	X		
Representative Schatz	X		
Representative Boe	X		

**Motion Passed** 7 Yea, 0 Nay, 0 Absent

**Chairman David Monson** adjourned the meeting at 3:53 p.m.

*Klarissa Pudwill, Committee Clerk*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program, and to provide for a report"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	708,000	9,531,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,750,827	\$40,773,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
Total general fund	\$10,700,429	\$2,758,395	\$13,458,824
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

"Agricultural products utilization commission	2,000,000	2,700,000
Soil health grants	<u>0</u>	<u>500,000</u>
Total all funds	\$2,210,000	\$3,200,000
Less estimated income	<u>2,000,000</u>	<u>3,200,000</u>
Total general fund	\$210,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the

appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

**"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

**SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

**SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

**SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

**SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 12. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~twenty-one thousand ~~eight~~five hundred ~~thirty-six~~fifty-three dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~twenty-three thousand ~~seven~~three hundred ~~fifty-seven~~seventy-six dollars after that date.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.

3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

**SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
<b>Total all funds</b>	<b>\$39,022,835</b>	<b>\$12,250,827</b>	<b>\$51,273,662</b>
Less estimated income	28,322,406	(1,007,568)	27,314,838
<b>General fund</b>	<b>\$10,700,429</b>	<b>\$13,258,395</b>	<b>\$23,958,824</b>
FTE	78.00	1.00	79.00



**Department 602 - Department of Agriculture - Detail of House Changes**

	<b>Adds Funding for Salary and Benefit Increases<sup>1</sup></b>	<b>Adds Funding for Cost to Continue 2019-21 Salaries<sup>2</sup></b>	<b>Adds Funding for Salary Compression<sup>3</sup></b>	<b>Adds Funding for 1 FTE Grain Inspector Position<sup>4</sup></b>	<b>Adds Funding for Meat Inspector Position<sup>5</sup></b>	<b>Adds Funding for FTE Reclassification<sup>6</sup></b>
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
<b>Total all funds</b>	<b>\$348,561</b>	<b>\$125,067</b>	<b>\$702,500</b>	<b>\$183,399</b>	<b>\$106,458</b>	<b>\$68,279</b>
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	<u>\$190,364</u>	<u>\$69,207</u>	<u>\$369,866</u>	<u>\$183,399</u>	<u>\$106,458</u>	<u>\$68,279</u>
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	<b>Adjusts Base Level Funding<sup>7</sup></b>	<b>Adds Funding for Grants<sup>8</sup></b>	<b>Removes Funding for Environmental Impact Grants<sup>9</sup></b>	<b>Transfers the North Dakota Trade Office<sup>10</sup></b>	<b>Adds One-Time Funding for APUC<sup>11</sup></b>	<b>Adds One-Time Funding for a Soil Health Grant Program<sup>12</sup></b>
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
<b>Total all funds</b>	<b>\$208,563</b>	<b>\$208,000</b>	<b>(\$5,000,000)</b>	<b>\$1,600,000</b>	<b>\$2,700,000</b>	<b>\$500,000</b>
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	<u>\$170,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,600,000</u>	<u>\$0</u>	<u>\$0</u>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Bioscience Innovation Grants <sup>13</sup>	Adds One-Time Funding for Environmental Law Impact Review <sup>14</sup>	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
<b>Total all funds</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$12,250,827</b>
Less estimated income	0	0	(1,007,568)
<b>General fund</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$13,258,395</b>
FTE	0.00	0.00	1.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	<u>2,146</u>	<u>1,603</u>	<u>3,749</u>
Total	\$190,364	\$158,197	\$348,561

<sup>2</sup> Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2<sup>nd</sup> year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

<sup>3</sup> Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

<sup>4</sup> Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

<sup>5</sup> Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

<sup>6</sup> Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	<u>120,000</u>	<u>0</u>	<u>120,000</u>
Total	\$170,822	\$37,741	\$208,563

<sup>8</sup> Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

<sup>9</sup> Federal funding of \$5,000,000 is removed 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.

<sup>10</sup> Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

<sup>11</sup> One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

<sup>12</sup> One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

<sup>13</sup> One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

<sup>14</sup> One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

---

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23

biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1009  
2/18/2021

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

**5:12 Chairman Delzer-** Opened the meeting for HB 1009

<b>Attendance</b>	<b>P/A</b>
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

### Discussion Topics:

- Amendment

**5:12 Representative Boe-** Reviews the budget and amendment 21.0268.01002

### Committee Discussion

**5:43 Representative Boe-**Made a motion to adopt the amendment

**Representative Monson** Second

Further discussionn

**5:45 Roll call vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	N

**Motion Carries 18-3-0**

**Representative Kempenich** Makes a motion to amend with 21.0268.01001

**Representative Brandenburg** Second

Further Discussion

**5:47 Voice Vote- Motion Carries**

**5:47 Representative Boe** Makes a motion for a Do Pass as Amended

**Representative Monson** Second

Further Discussion

**Roll call vote was taken;**

<b>Representatives</b>	<b>Vote</b>
Representative Jeff Delzer	N
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative Corey Mock	Y
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	Y
Representative Jim Schmidt	Y
Representative Randy A. Schobinger	Y
Representative Michelle Strinden	Y
Representative Don Vigesaa	Y

**Motion Carries; 19-2-0 Representative Boe will carry the bill**

**Additional written testimony:** No Written Testimony

**5:48 Chairman Delzer-** Closes the meeting for HB 1009

*Risa Berube,*

*House Appropriations Committee Clerk*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program, and to provide for a report"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

"

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	708,000	9,531,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,750,827	\$40,773,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
Total general fund	\$10,700,429	\$2,758,395	\$13,458,824
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, line 3, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

"Agricultural products utilization commission	2,000,000	2,700,000
Soil health grants	<u>0</u>	<u>500,000</u>
Total all funds	\$2,210,000	\$3,200,000
Less estimated income	<u>2,000,000</u>	<u>3,200,000</u>
Total general fund	\$210,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the



appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

**"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

**SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

**SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

**SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

**SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 12. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~twenty-one thousand ~~eight~~five hundred ~~thirty~~six ~~fifty~~three dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~twenty-three thousand ~~seven~~three hundred ~~fifty~~seven ~~seventy~~six dollars after that date.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.

3. The pilot program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

**SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
Total all funds	\$39,022,835	\$12,250,827	\$51,273,662
Less estimated income	28,322,406	(1,007,568)	27,314,838
General fund	\$10,700,429	\$13,258,395	\$23,958,824
FTE	78.00	1.00	79.00

**Department 602 - Department of Agriculture - Detail of House Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Cost to Continue 2019-21 Salaries <sup>2</sup>	Adds Funding for Salary Compression <sup>3</sup>	Adds Funding for 1 FTE Grain Inspector Position <sup>4</sup>	Adds Funding for Meat Inspector Position <sup>5</sup>	Adds Funding for FTE Reclassification <sup>6</sup>
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
<b>Total all funds</b>	<b>\$348,561</b>	<b>\$125,067</b>	<b>\$702,500</b>	<b>\$183,399</b>	<b>\$106,458</b>	<b>\$68,279</b>
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	\$190,364	\$69,207	\$369,866	\$183,399	\$106,458	\$68,279
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Grants <sup>8</sup>	Removes Funding for Environmental Impact Grants <sup>9</sup>	Transfers the North Dakota Trade Office <sup>10</sup>	Adds One- Time Funding for APUC <sup>11</sup>	Adds One- Time Funding for a Soil Health Grant Program <sup>12</sup>
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
<b>Total all funds</b>	<b>\$208,563</b>	<b>\$208,000</b>	<b>(\$5,000,000)</b>	<b>\$1,600,000</b>	<b>\$2,700,000</b>	<b>\$500,000</b>
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	\$170,822	\$0	\$0	\$1,600,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Bioscience Innovation Grants <sup>13</sup>	Adds One-Time Funding for Environmental Law Impact Review <sup>14</sup>	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
Total all funds	\$5,500,000	\$5,000,000	\$12,250,827
Less estimated income	0	0	(1,007,568)
General fund	\$5,500,000	\$5,000,000	\$13,258,395
FTE	0.00	0.00	1.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	2,146	1,603	3,749
Total	\$190,364	\$158,197	\$348,561

<sup>2</sup> Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2<sup>nd</sup> year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

<sup>3</sup> Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

<sup>4</sup> Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

<sup>5</sup> Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

<sup>6</sup> Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	Total
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	120,000	0	120,000
Total	\$170,822	\$37,741	\$208,563

<sup>8</sup> Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

<sup>9</sup> Federal funding of \$5,000,000 is removed 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.

<sup>10</sup> Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

<sup>11</sup> One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

<sup>12</sup> One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

<sup>13</sup> One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

<sup>14</sup> One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

---

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23

biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; and to provide for a legislative management study"

Page 3, after line 4, insert:

**"SECTION 9. LEGISLATIVE MANAGEMENT STUDY - BEEF COMMISSION.**

During the 2021-22 interim, the legislative management shall consider studying the beef commission, including its operations and the selection of commission members. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly



*Handwritten signature and date: 2/19/21*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1009

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	708,000	9,531,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,750,827	\$40,773,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
Total general fund	\$10,700,429	\$2,758,395	\$13,458,824
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

"Agricultural products utilization commission	2,000,000	2,700,000
Soil health grants	<u>0</u>	<u>500,000</u>
Total all funds	\$2,210,000	\$3,200,000
Less estimated income	<u>2,000,000</u>	<u>3,200,000</u>
Total general fund	\$210,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the

appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

21/9/21

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

**"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

**SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

**SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

**SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

05  
2/19/21

**SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 12. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~sixty-one thousand ~~eight~~eighty-five hundred ~~thirty-six~~thirty-six ~~fifty-three~~fifty-three dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~nineteen ~~twenty-three~~twenty-three thousand ~~seventy-three~~seventy-three hundred ~~fifty-seven~~fifty-seven ~~seventy-six~~seventy-six dollars after that date.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.

2/19/21

3. The pilot program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

**SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA BEEF COMMISSION.** During the 2021-22 interim, the legislative management shall consider studying the North Dakota beef commission, including its operations and the selection of commission members. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000

GF  
2/19/21

Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
Total all funds	\$39,022,835	\$12,250,827	\$51,273,662
Less estimated income	28,322,406	(1,007,568)	27,314,838
General fund	\$10,700,429	\$13,258,395	\$23,958,824
FTE	78.00	1.00	79.00

**Department 602 - Department of Agriculture - Detail of House Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Cost to Continue 2019-21 Salaries <sup>2</sup>	Adds Funding for Salary Compression <sup>3</sup>	Adds Funding for 1 FTE Grain Inspector Position <sup>4</sup>	Adds Funding for Meat Inspector Position <sup>5</sup>	Adds Funding for FTE Reclassification <sup>8</sup>
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
Total all funds	\$348,561	\$125,067	\$702,500	\$183,399	\$106,458	\$68,279
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	\$190,364	\$69,207	\$369,866	\$183,399	\$106,458	\$68,279
FTE	0.00	0.00	0.00	1.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Adds Funding for Grants <sup>8</sup>	Removes Funding for Environmental Impact Grants <sup>9</sup>	Transfers the North Dakota Trade Office <sup>10</sup>	Adds One-Time Funding for APUC <sup>11</sup>	Adds One-Time Funding for a Soil Health Grant Program <sup>12</sup>
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
Total all funds	\$208,563	\$208,000	(\$5,000,000)	\$1,600,000	\$2,700,000	\$500,000
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	\$170,822	\$0	\$0	\$1,600,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

JP  
2/19/21

	Adds One-Time Funding for Bioscience Innovation Grants <sup>13</sup>	Adds One-Time Funding for Environmental Law Impact Review <sup>14</sup>	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
<b>Total all funds</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$12,250,827</b>
Less estimated income	0	0	(1,007,568)
<b>General fund</b>	<b>\$5,500,000</b>	<b>\$5,000,000</b>	<b>\$13,258,395</b>
FTE	0.00	0.00	1.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	2,146	1,603	3,749
<b>Total</b>	<b>\$190,364</b>	<b>\$158,197</b>	<b>\$348,561</b>

<sup>2</sup> Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2<sup>nd</sup> year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

<sup>3</sup> Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

<sup>4</sup> Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

<sup>5</sup> Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

<sup>6</sup> Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

<sup>7</sup> Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	120,000	0	120,000
<b>Total</b>	<b>\$170,822</b>	<b>\$37,741</b>	<b>\$208,563</b>

2/19/21

<sup>8</sup> Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

<sup>9</sup> Federal funding of \$5,000,000 is removed 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.

<sup>10</sup> Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

<sup>11</sup> One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

<sup>12</sup> One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

<sup>13</sup> One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

<sup>14</sup> One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23

ga  
2/19/21

biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
- Adds a section to provide for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.



**REPORT OF STANDING COMMITTEE**

**HB 1009: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1009 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "and"

Page 1, line 2, after "transfer" insert "; to amend and reenact sections 4.1-01-02 and 4.1-01-17 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and the pipeline restoration and reclamation oversight program; to amend and reenact section 7 of chapter 34 of the 2019 Session Laws, relating to the waterbank program; to provide for a report; and to provide for a legislative management study"

Page 1, remove lines 9 through 24

Page 2, replace lines 1 and 2 with:

"	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	708,000	9,531,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,750,827	\$40,773,662
Less estimated income	<u>28,322,406</u>	<u>(1,007,568)</u>	<u>27,314,838</u>
Total general fund	\$10,700,429	\$2,758,395	\$13,458,824
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, line 3, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 2, line 4, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 8 through 11 with:

"Agricultural products utilization commission	2,000,000	2,700,000
Soil health grants	<u>0</u>	<u>500,000</u>
Total all funds	\$2,210,000	\$3,200,000
Less estimated income	<u>2,000,000</u>	<u>3,200,000</u>
Total general fund	\$210,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, remove lines 12 through 30

Page 3, replace lines 1 through 4 with:

**"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION GRANT FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,500,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for providing bioscience innovation grants. This funding is considered a one-time funding item.

**SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO FEDERAL ENVIRONMENTAL LAW IMPACT REVIEW FUND - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the federal environmental law impact review fund for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall use these funds for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially impact the state's agricultural, energy, or oil production sectors. This funding is considered a one-time funding item.

**SECTION 5. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$2,700,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund for defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered a one-time funding item.

**SECTION 6. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - OUTDOOR HERITAGE FUND - SOIL HEALTH COVER CROP GRANT PROGRAM - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$500,000, of which the Bank of North Dakota shall transfer \$300,000 from the Bank's current earnings and undivided profits and the industrial commission shall transfer \$200,000 from the outdoor heritage fund to the agriculture commissioner for deposit in the agriculture commissioner's operating fund for defraying the expenses of the soil health cover crop grant program for the biennium beginning July 1, 2021, and ending June 30, 2023. The agriculture commissioner shall establish guidelines for the use of grant funding provided for this program. This funding is considered a one-time funding item.

**SECTION 7. ESTIMATED INCOME - TRANSFER - STATE WATER COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

**SECTION 8. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$6,900,301 from the environment and rangeland protection fund

for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$619,329 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$1,600,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 12. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~sixteen~~twenty-one thousand ~~eight~~five hundred ~~thirty-six~~thirty-six~~fifty-three~~ dollars through June 30, ~~2020~~2022, and one hundred ~~nineteen~~twenty-three thousand ~~sevent~~three hundred ~~fifty-seven~~seventy-six dollars after that date.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.
3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are closed records as defined in section 44-04-17.1.

**SECTION 14. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the

sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 16. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 17. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA BEEF COMMISSION.** During the 2021-22 interim, the legislative management shall consider studying the North Dakota beef commission, including its operations and the selection of commission members. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$14,232,746	\$1,487,555	\$15,720,301
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000		15,000
Grants	8,823,774	708,000	9,531,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,457,400		1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission	1,760,417	2,700,000	4,460,417
Mitigation of environmental impacts	5,000,000	(5,000,000)	
Bioscience innovation grants		5,500,000	5,500,000
Environmental law impact review		5,000,000	5,000,000
North Dakota trade office		1,600,000	1,600,000
	<hr/>		<hr/>
Total all funds	\$39,022,835	\$12,250,827	\$51,273,662
Less estimated income	28,322,406	(1,007,568)	27,314,838
General fund	<hr/>	<hr/>	<hr/>
	\$10,700,429	\$13,258,395	\$23,958,824
FTE	78.00	1.00	79.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Cost to Continue 2019-21 Salaries <sup>2</sup>	Adds Funding for Salary Compression <sup>3</sup>	Adds Funding for 1 FTE Grain Inspector Position <sup>4</sup>	Adds Funding for Meat Inspector Position <sup>5</sup>	Adds Funding for FTE Reclassification <sup>6</sup>
Salaries and wages	\$348,561	\$125,067	\$702,500	\$152,670	\$90,478	\$68,279
Operating expenses				30,729	15,980	
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
Mitigation of environmental impacts						
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office						
<b>Total all funds</b>	<b>\$348,561</b>	<b>\$125,067</b>	<b>\$702,500</b>	<b>\$183,399</b>	<b>\$106,458</b>	<b>\$68,279</b>
Less estimated income	158,197	55,860	332,634	0	0	0
General fund	\$190,364	\$69,207	\$369,866	\$183,399	\$106,458	\$68,279
FTE	0.00	0.00	0.00	1.00	0.00	0.00
	<b>Adjusts Base Level Funding<sup>7</sup></b>	<b>Adds Funding for Grants<sup>8</sup></b>	<b>Removes Funding for Environmental Impact Grants<sup>9</sup></b>	<b>Transfers the North Dakota Trade Office<sup>10</sup></b>	<b>Adds One- Time Funding for APUC<sup>11</sup></b>	<b>Adds One- Time Funding for a Soil Health Grant Program<sup>12</sup></b>
Salaries and wages						
Operating expenses	\$208,563					
Capital assets						
Grants		\$208,000				\$500,000
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$2,700,000	
Mitigation of environmental impacts			(\$5,000,000)			
Bioscience innovation grants						
Environmental law impact review						
North Dakota trade office				\$1,600,000		
<b>Total all funds</b>	<b>\$208,563</b>	<b>\$208,000</b>	<b>(\$5,000,000)</b>	<b>\$1,600,000</b>	<b>\$2,700,000</b>	<b>\$500,000</b>
Less estimated income	37,741	208,000	(5,000,000)	0	2,700,000	500,000
General fund	\$170,822	\$0	\$0	\$1,600,000	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Bioscience Innovation Grants <sup>13</sup>	Adds One-Time Funding for Environmental Law Impact Review <sup>14</sup>	Total House Changes
Salaries and wages			\$1,487,555
Operating expenses			255,272
Capital assets			
Grants			708,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			2,700,000
Mitigation of environmental impacts			(5,000,000)
Bioscience innovation grants	\$5,500,000		5,500,000
Environmental law impact review		\$5,000,000	5,000,000
North Dakota trade office			1,600,000
	<hr/>	<hr/>	
Total all funds	\$5,500,000	\$5,000,000	\$12,250,827
Less estimated income	0	0	(1,007,568)
General fund	<hr/>	<hr/>	<hr/>
	\$5,500,000	\$5,000,000	\$13,258,395
FTE	0.00	0.00	1.00

<sup>1</sup> The following funding is added for 2021-23 biennium salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250 for both years, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$188,218	\$156,594	\$344,812
Health insurance increase	2,146	1,603	3,749
Total	\$190,364	\$158,197	\$348,561

<sup>2</sup> Funding of \$125,067 is added for the cost to continue salary increases given to employees in the 2<sup>nd</sup> year of the 2019-21 biennium, of which \$69,207 is from the general fund, \$26,577 is from federal funds, \$996 is from game and fish funds, \$4,217 is from the Agriculture Commissioner's operating fund, and \$24,070 is from the environment and rangeland protection fund.

<sup>3</sup> Funding of \$702,500 is added to address employee salary compression concerns, of which \$369,866 is from the general fund, \$158,484 is from federal funds, \$3,903 is from game and fish funds, \$21,330 is from the Agriculture Commissioner's operating fund, and \$148,917 is from the environment and rangeland protection fund.

<sup>4</sup> Funding of \$183,399 from the general fund is added for 1 FTE grain inspector position, of which \$152,670 is for salaries and \$30,729 is for related operating expenses.

<sup>5</sup> Funding of \$106,458 is added from the general fund to fully fund a previously underfunded FTE meat inspector position, of which \$90,478 is for salaries and \$15,980 is for operating expenses.

<sup>6</sup> Funding of \$68,279 is added from the general fund to reclassify an FTE program coordinator position to an FTE attorney position.

<sup>7</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adds funding for the industrial hemp program	\$0	\$36,250	\$36,250
Adds funding for public warehouse and grain buyer license costs	43,500	0	43,500
Adds funding for Microsoft Office 365 license expenses	7,322	1,491	8,813
Adds funding for the North Dakota mediation service program	120,000	0	120,000
Total	\$170,822	\$37,741	\$208,563

<sup>8</sup> Funding of \$208,000 is added for grants, including \$158,000 of federal funding for the speciality crop block grant program to provide total federal funding of \$5,758,000, and \$50,000 from the environment and rangeland protection fund for noxious weed grants to

provide a total of \$1,425,274, of which \$90,000 is from federal funds and \$1,335,274 is from the environment and rangeland protection fund.

<sup>9</sup> Federal funding of \$5,000,000 is removed 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.

<sup>10</sup> Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office. A section is added to the bill regarding a matching requirement for these funds.

<sup>11</sup> One-time funding of \$2,700,000 is added from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) to provide a total of \$4,460,417, including \$1,760,417 from the APUC fund. A section is added to the bill to provide for the transfer from the Bank.

<sup>12</sup> One-time funding of \$500,000 is added for a soil health cover crop grant program, of which \$300,000 is from Bank of North Dakota profits and \$200,000 is from the outdoor heritage fund. A section is added to the bill to provide for the transfers from the Bank and the outdoor heritage fund.

<sup>13</sup> One-time funding of \$5.5 million is added from the general fund, which is transferred to the bioscience innovation grant fund, for providing bioscience innovation grants during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the bioscience innovation grant fund.

<sup>14</sup> One-time funding of \$5 million is added from the general fund, which is transferred to the federal environmental law impact review fund, for defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. A separate section is included in the bill to provide for the appropriation and transfer. The Agriculture Commissioner has continuing appropriation authority for the federal environmental law impact review fund.

This amendment also:

- Adds a section to appropriate \$5.5 million from the general fund, which the Office of Management and Budget is required to transfer to the bioscience innovation grant fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to appropriate \$5 million from the general fund, which the Office of Management and Budget is required to transfer to the federal environmental law impact review fund, from which the Agriculture Commissioner has a continuing appropriation, for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the APUC fund for the purpose of defraying the expenses of APUC during the 2021-23 biennium. The funding is considered a one-time funding item.
- Adds a section to identify \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the

expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.

- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the environment and rangeland protection fund during the 2021-23 biennium.
- Updates the amount of funding the Agriculture Commissioner is authorized to spend from the Game and Fish Department operating fund during the 2021-23 biennium.
- Adds a section to identify \$1.6 million in the North Dakota trade office line item relating to the North Dakota Trade Office, which is transferred from the Department of Commerce. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
- Adds a section to amend North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
- Adds a section to amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
- Adds a section to provide for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.



**2021 SENATE APPROPRIATIONS**

**HB 1009**

**Department 602 - Agriculture Commissioner  
House Bill No. 1009**

**Executive Budget Comparison to Prior Biennium Appropriations**

	FTE Positions	General Fund	Other Funds	Total
2021-23 Executive Budget	78.00	\$11,067,647	\$28,689,324	\$39,756,971
2019-21 Legislative Appropriations <sup>1</sup>	78.00	10,910,429	30,322,406	41,232,835
Increase (Decrease)	0.00	\$157,218	(\$1,633,082)	(\$1,475,864)

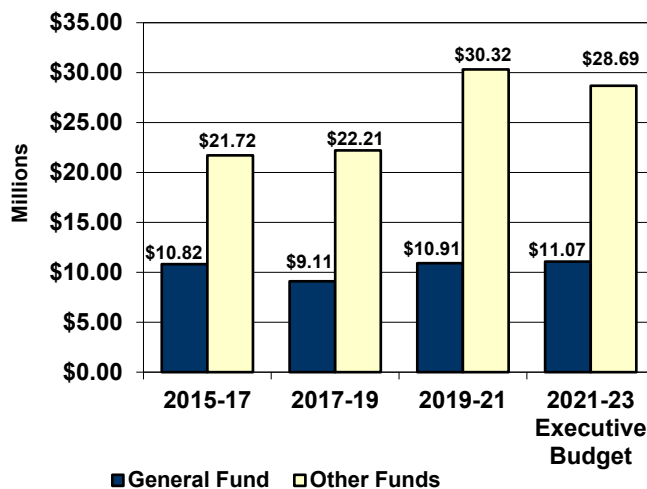
<sup>1</sup>The 2019-21 biennium agency appropriation amounts have not been adjusted for the following:

- Additional special funds authority of \$250,000 resulting from Emergency Commission action during the 2019-21 biennium.
- Additional federal Coronavirus (COVID-19) funds authority of \$13,556,000 resulting from Emergency Commission action during the 2019-21 biennium.

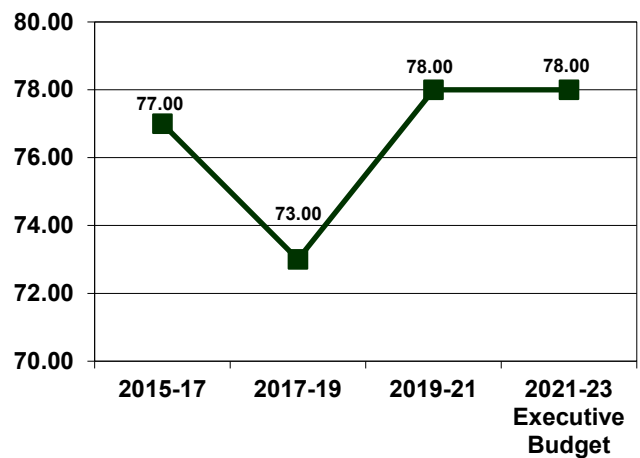
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2021-23 Executive Budget	\$10,887,647	\$180,000	\$11,067,647
2019-21 Legislative Appropriations	10,700,429	210,000	10,910,429
Increase (Decrease)	\$187,218	(\$30,000)	\$157,218

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2021-23 Executive Budget	\$11,067,647	\$28,689,324	\$39,756,971
2021-23 Base Level	10,700,429	28,322,406	39,022,835
Increase (Decrease)	\$367,218	\$366,918	\$734,136

**First House Action**

Attached is a comparison worksheet detailing first house changes to base level funding and the executive budget.

**Executive Budget Highlights  
(With First House Changes in Bold)**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$335,622 is for salary increases, \$3,749 is for health insurance increases, and \$68,599 is for retirement contribution increases. <b>The House added funding for salary adjustments of 1.5 percent per year with a \$100 minimum and \$250 maximum monthly increase and increases in health</b>	\$233,502	\$174,468	\$407,970

insurance premiums from \$1,427 to \$1,429 per month. The House did not add funding for retirement contribution increases.

2. Unfunds 1 FTE Pride of Dakota administrative assistant I position. <b>The House did not unfund this position.</b>	(\$152,521)	\$0	(\$152,521)
3. Adds funding for the state agency Capitol grounds rent proposal. <b>The House did not add funding for this purpose.</b>	\$166,440	\$0	\$166,440
4. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget. <b>The House transferred the entire \$1.6 million appropriation from the general fund for the program from the Department of Commerce to the Agriculture Commissioner.</b>	\$850,000	\$0	\$850,000
5. Reduces funding from the environmental impact mitigation fund for mitigation of environmental impact grants to provide a total of \$4,900,000. <b>The House removed the entire \$5 million for this program because the Agriculture Commissioner has a continuing appropriation from the environmental impact mitigation fund.</b>	\$0	(\$100,000)	(\$100,000)
6. Removes funding for wine and research promotion grants (\$80,000), apiary grants (\$75,000), and waterbank grants (\$300,000). <b>The House did not remove funding for these grants.</b>	(\$155,000)	(\$300,000)	(\$455,000)
7. Reduces funding for the Board of Animal Health to provide a total of \$787,718, of which \$200,565 is from the general fund, \$533,745 is from federal funds, and \$53,408 is from the Agriculture Commissioner operating fund. <b>The House did not reduce this funding.</b>	(\$78,000)	\$0	(\$78,000)
8. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund to provide a total of \$1,457,400 for the Wildlife Services program, of which \$125,000 is from the Agriculture Commissioner operating fund, \$500,000 is from the game and fish fund, and \$832,400 is from the environment and rangeland protection fund. <b>The House did not adjust funding sources for the Wildlife Services program, resulting in a total of \$1,457,400 for the Wildlife Services program, of which \$125,000 is from the Agriculture Commissioner operating fund, \$500,000 is from the game and fish fund, \$433,800 is from the environment and rangeland protection fund, and \$398,600 is from the general fund, the same as provided during the 2019-21 biennium.</b>	(\$398,600)	\$398,600	\$0
9. Adds <b>one-time funding</b> to replace the meat inspection, dairy inspection, and mediation program databases. <b>The House did not add funding for this purpose.</b>	\$180,000	\$0	\$180,000

### Other Sections in House Bill No. 1009

**Bioscience innovation grant program** - Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.

**Federal environmental law impact review fund** - Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.

**Agricultural Products Utilization Commission** - Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.

**Soil health cover crop grant program** - Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the

2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.

**State Water Commission transfer** - Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.

**Environment and rangeland protection fund transfer** - Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.

**Environment and rangeland protection fund** - Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.

**Game and Fish Department operating fund** - Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.

**North Dakota Trade Office** - Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.

**Agriculture Commissioner salary** - Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.

**Pipeline restoration and reclamation - Exempt records** - Section 13 amends North Dakota Century Code Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

**Pipeline restoration and reclamation** - Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

**Waterbank program - 2019-21 biennium** - Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

**Waterbank program - 2021-23 biennium** - Section 16 identifies of the amount appropriated in the salary and wages line item, 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.

**North Dakota Beef Commission study** - Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

### **Continuing Appropriations**

**Bioscience innovation grant fund** - Section 4.1-01-20.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis 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.

**Federal environmental law impact review fund** - Section 4.1-01-21 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis 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.

**Environmental impact mitigation fund** - Section 4.1-01-21.1 - Includes funding appropriated to the Agriculture Commissioner on a continuing basis for distribution to landowners for the mitigation of agricultural land impacted by assessed adverse direct environmental impacts of a proposed site, corridor, route, or facility.

**Honey promotion fund** - Chapter 4.1-08 - Commodity checkoff for market development of honey.

**Turkey fund** - Chapter 4.1-12 - Commodity checkoff for market development of turkeys and turkey products.

**Industrial hemp** - Section 4.1-18-02 - Provides for the Agriculture Commissioner to assess a fee of \$150 plus \$25 per acre 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 to the Department of Agriculture on a continuing basis.

**Minor use pesticide fund** - Section 4.1-39-08 - For studies, investigations, and evaluations regarding registration and use of pesticides.

**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 to the Agriculture Commissioner on a continuing basis.

**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 fund and interest earned are appropriated to the Agriculture Commissioner on a continuing basis.

### **Significant Audit Findings**

The operational audit for the Department of Agriculture conducted by the State Auditor's office for the period ending June 30, 2019, concluded the Agriculture Commissioner exceeded general fund appropriation limits by \$25,529 related to the waterbank program during the 2017-19 biennium.

Section 8 of House Bill No. 1009 (2017) provided the salaries and wages line item in Section 1 of the bill included \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program. During the 2017-19 biennium, the Agriculture Commissioner spent \$40,942 of the \$50,000 for salaries and wages, of which \$15,413 was spent on the waterbank program and \$25,529 was spent on other department salaries. The remaining \$9,058 was canceled and retained in the general fund at the end of the 2017-19 biennium.

The State Auditor's report states the \$50,000 appropriated from the general fund to the Agriculture Commissioner was available only for matching funds for salaries related to the waterbank program. The report states \$34,587 should have been canceled and returned to the general fund at the end of the 2017-19 biennium instead of \$9,058 and that the Agriculture Commissioner overspent the authority provided by \$25,529.

### **Major Related Legislation**

**House Bill No. 1026** - This bill combines state warehouse and facility-based grain buyer licenses and creates a new grain processor and broker license.

**House Bill No. 1045** - This bill allows the Agriculture Commissioner to charge a fee of up to \$125 to inspect, sample, and test hemp, which must be deposited in the Agriculture Commissioner's operating fund.

**House Bill No. 1094** - This bill removes the Agriculture Commissioner from the list of agencies required to obtain centralized desktop support services from the Information Technology Department.

**House Bill No. 1158** - This bill requires the Agriculture Commissioner to deposit 50 percent of funding paid to mitigate the adverse environmental impacts of a proposed site, corridor, route, or facility into the environmental impact mitigation fund and the remaining 50 percent in the federal environmental law impact review fund, rather than depositing 100 percent of available funding into the environmental impact mitigation fund.

**House Bill No. 1394** - This bill provides a 2019-21 biennium appropriation of \$5.5 million to the Agriculture Commissioner from federal funds received as a result of the COVID-19 pandemic, of which \$500,000 is for COVID-19 stress assistance program operating expenses and \$5 million is for COVID-19 specialty crop block grants. Section 2 of the bill provides an exemption for the Agriculture Commissioner to continue the funding into the 2021-23 biennium.

**House Bill No. 1395** - This bill provides a 2019-21 biennium appropriation of \$13,556,000 of federal funding to the Agriculture Commissioner, as approved by the Emergency Commission and Budget Section during the 2019-20 interim, from the state's allocation from the federal Coronavirus Relief Fund for various programs in response to the COVID-19 pandemic.

**House Bill No. 1475** - This bill creates an agriculture innovation fund, provides the Bank of North Dakota a continuing appropriation from the fund, and provides for a transfer from the general fund to the agriculture innovation fund. The Bank is required to develop policies for loans provided from this fund in consultation with the Agricultural Products Utilization Commission.

**Senate Bill No. 2282** - This bill adds the Agriculture Commissioner as a member of the Board of University and School Lands, contingent on voters approving Senate Concurrent Resolution No. 4007.

**Senate Concurrent Resolution No. 4007** - This resolution adds the Agriculture Commissioner as a member of the Board of University and School Lands.

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version			
	FTE Position	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835
<b>2021-23 Ongoing Funding Changes</b>								
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)				\$0
Salary increase		192,094	143,528	335,622		\$188,218	\$156,594	344,812
Health insurance increase		2,146	1,603	3,749		2,146	1,603	3,749
Retirement contribution increase		39,262	29,337	68,599				0
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)				0
Adds funding for Microsoft Office 365 licenses		7,322	1,491	8,813		7,322	1,491	8,813
Adjusts funding for operating expenses		(57,759)	88,566	30,807				0
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440				0
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000		1,600,000		1,600,000
Adjusts federal funding for operating expenses and grants			78,000	78,000				0
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)				0
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000				0
Adds funding for the noxious weeds grant program			50,000	50,000			50,000	50,000
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)				0
Reduces funding for the Board of Animal Health		(78,000)		(78,000)				0
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0				0
Adds funding for 2019-21 biennium salary increase cost to continue				0		69,207	55,860	125,067
Adds funding for salary compression				0		369,866	332,634	702,500
Adds funding for 1 FTE grain inspector position				0	1.00	183,399		183,399
Adds funding for meat inspector salaries and operating expenses				0		106,458		106,458
Adds funding to reclassify a program coordinator to an attorney				0		68,279		68,279
Adds funding for the industrial hemp program				0			36,250	36,250
Adds funding for public warehouse and grain buyer license costs				0		43,500		43,500
Adds funding for the North Dakota Mediation Service program				0		120,000		120,000
Adds funding for the speciality crop block grant program				0			158,000	158,000
Removes funding for mitigation of environmental impact grants			(100,000)	(100,000)			(5,000,000)	(5,000,000)
Total ongoing funding changes	0.00	\$187,218	\$366,918	\$554,136	1.00	\$2,758,395	(\$4,207,568)	(\$1,449,173)
<b>One-time funding items</b>								
Adds funding to replace various program databases		\$180,000		\$180,000				\$0
Adds funding for the Agricultural Products Utilization Commission				0			\$2,700,000	2,700,000
Adds funding for a soil health cover crop grant program				0			500,000	500,000
Adds funding for bioscience innovation grants				0		\$5,500,000		5,500,000

Adds funding for federal environmental law impact review costs				0		5,000,000		5,000,000
Total one-time funding changes	0.00	\$180,000	\$0	\$180,000	0.00	\$10,500,000	\$3,200,000	\$13,700,000
<b>Total Changes to Base Level Funding</b>	0.00	\$367,218	\$366,918	\$734,136	1.00	\$13,258,395	(\$1,007,568)	\$12,250,827
<b>2021-23 Total Funding</b>	78.00	\$11,067,647	\$28,689,324	\$39,756,971	79.00	\$23,958,824	\$27,314,838	\$51,273,662
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.7%	1.3%	1.4%	1.3%	25.8%	(14.9%)	(3.7%)
<i>Total changes as a percentage of base level</i>	0.0%	3.4%	1.3%	1.9%	1.3%	123.9%	(3.6%)	31.4%

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Appropriation - Transfer - General fund - Bioscience innovation grant fund - Bioscience innovation grant program - One-time funding		Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
Appropriation - Transfer - General fund - Federal environmental law impact review fund - One-time funding		Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time Funding		Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Outdoor heritage fund - Soil health cover crop grant program - One-time funding		Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Estimated income - Transfer - State Water Commission	Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.	Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.
Transfer - Environment and rangeland protection fund	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.
Environment and rangeland protection fund	Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.	Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.
North Dakota Trade Office - Matching fund requirement	Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.	Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
Agriculture Commissioner salary	Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.	Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
Pipeline restoration and reclamation - Exempt records		Section 13 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.



**Other Sections in Agriculture Commissioner - Budget No. 602**

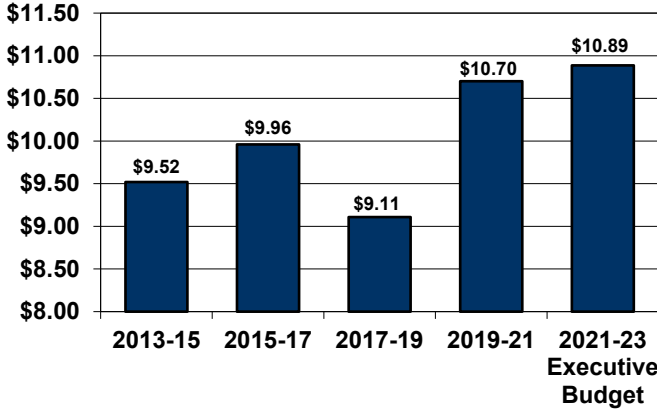
	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Pipeline restoration and reclamation - Estimated income	Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.	Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.
Amendment - 2019 Session Laws - Waterbank program - 2019-21 biennium	Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.	Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
Waterbank program - 2021-23 biennium		Section 16 identifies 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.
Legislative Management study - North Dakota Beef Commission		Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

Department 602 - Agriculture Commissioner

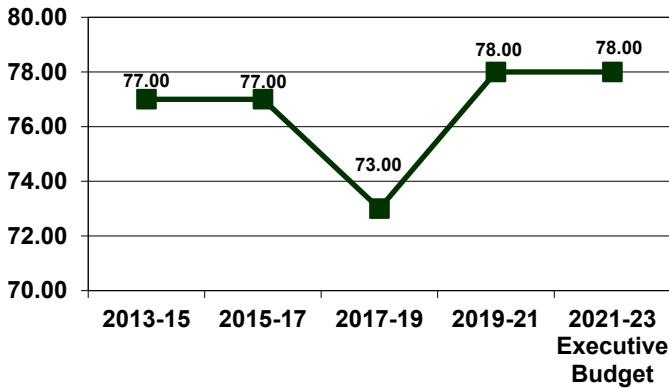
# Historical Appropriations Information

## Ongoing General Fund Appropriations Since 2013-15

Ongoing General Fund Appropriations (in Millions)



FTE Positions



Ongoing General Fund Appropriations					
	2013-15	2015-17	2017-19	2019-21	2021-23 Executive Budget
Ongoing general fund appropriations	\$9,519,217	\$9,961,137	\$9,109,101	\$10,700,429	\$10,887,647
Increase (decrease) from previous biennium	N/A	\$441,920	(\$852,036)	\$1,591,328	\$187,218
Percentage increase (decrease) from previous biennium	N/A	4.6%	(8.6%)	17.5%	1.7%
Cumulative percentage increase (decrease) from 2013-15 biennium	N/A	4.6%	(4.3%)	12.4%	14.4%

### Major Increases (Decreases) in Ongoing General Fund Appropriations

**2015-17 Biennium**

- 1. Added funding for monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues \$82,297
- 2. Added funding for Information Technology Department desktop support services \$352,912

**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 the Agriculture Products Utilization Commission (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 (Executive Budget Recommendation)**

- 1. Unfunds 1 FTE Pride of Dakota administrative assistant I position. **The House did not unfund this position.** (\$152,521)
- 2. Adds funding for the state agency Capitol grounds rent proposal. **The House did not add funding for this purpose.** \$166,440
- 3. Transfers funding from the Department of Commerce for the North Dakota Trade Office, resulting in \$750,000 for the program in the Department of Commerce budget and \$850,000 for the program in the Agriculture Commissioner budget. **The House transferred the entire \$1.6 million from the general fund for the program from the Department of Commerce to the Agriculture Commissioner.** \$850,000

- 4. Adjusts funding for the Wildlife Services program from the general fund to the environment and rangeland protection fund. **The House did not adjust funding sources for the Wildlife Services program.** (\$398,600)

**GOVERNOR'S RECOMMENDATION FOR THE  
AGRICULTURE COMMISSIONER AS SUBMITTED  
BY THE OFFICE OF MANAGEMENT AND BUDGET**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2021 and ending June 30, 2023, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$14,232,746	\$ 3,076	\$14,235,822
Operating Expenses	6,592,780	1,156,060	7,748,840
Capital Assets	15,000	0	15,000
Grants	13,823,774	(347,000)	13,476,774
Ag Products Utilization Program	1,760,417	0	1,760,417
Board of Animal Health	865,718	(78,000)	787,718
Wildlife Services	1,457,400	0	1,457,400
Pipeline Reclamation	200,000	0	200,000
Crop Harmonization Board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total All Funds	\$39,022,835	\$ 734,136	\$39,756,971
Less Estimated Income	<u>28,322,406</u>	<u>366,918</u>	<u>28,689,324</u>
Total General Fund	\$10,700,429	\$ 367,218	\$11,067,647
Full-Time Equivalent Positions	78.00	0.00	78.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY- EIGHTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty- sixth legislative assembly for the 2019-21 biennium and the 2021-23 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2019-21</u>	<u>2021-23</u>
Master Customer Database	\$ 110,000	\$ 0
Agricultural Products Utilization Commission	2,000,000	0
Mediation Service Database Replacement	0	90,000
Meat Inspection and Dairy Database Replacement	<u>0</u>	<u>90,000</u>
Total All Funds	\$2,110,000	\$180,000
Total Special Funds	<u>2,000,000</u>	<u>0</u>
Total General Fund	\$ 110,000	\$180,000

The 2021-23 one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND – MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

The estimated income line item in section 1 of this Act includes the sum of \$7,046,124, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$624,136, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2021 and ending June 30, 2023.

**SECTION 6. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 7. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 8. ESTIMATED INCOME – PIPELINE RESTORATION AND RECLAMATION.** The estimated income line item in section 1 of this Act includes the sum of \$200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program, for the biennium beginning July 1, 2021, and ending June 30, 2023.

**SECTION 9. AMENDMENT.** Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

**4-01-21. Salary of agriculture commissioner.** The annual salary of the agriculture commissioner is ~~one hundred sixteen thousand eight hundred thirty-six dollars through June 30, 2020~~ one hundred twenty-two thousand one hundred fifty-two dollars through June 30, 2022, and one hundred nineteen thousand seven hundred fifty-seven one hundred twenty-four thousand five hundred ninety-five dollars thereafter.

**SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The operating line item and the general fund appropriation in section 1 of this Act include \$850,000 of funding relating to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2021 and ending June 30, 2023. 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.

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1009  
3/8/2021  
Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner.
---

**Senator Holmberg** opened the hearing at 2:21 pm.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

**Discussion Topics:**

- Full containment systems
- Buffalo herds on federal lands
- Beef Commission

**Doug Goehring, Commissioner, State Department of Agriculture** – testified in favor and submitted testimony #7934 and #7935.

**Julie Ellingson, Exec. Director, North Dakota Stockmen’s Association** – testified in favor.

**Kerry Dockter, Denhoff, ND** – testified in favor of IBAND and submitted testimony #8015

**Stephanie Maher, Morrystown, SD** – testified in favor and submitted testimony # 8014.

**Steve Tomac, rancher in SW ND** – testified in support of Section 17.

**Additional written testimony:** #7606, #7715, #7839, #7896

**Senator Holmberg** closed the hearing at 3:12 pm.

*Rose Laning, Committee Clerk*

# Budget of the Agriculture Commissioner



ENGROSSED HOUSE BILL No. 1009  
SENATE APPROPRIATIONS  
SENATOR RAY HOLMBERG, CHAIRMAN  
MONDAY, MARCH 8, 2021

Doug Goehring  
Agriculture Commissioner

# Table of Contents

---

	<u>Page</u>
Purpose/Mission/Vision/Core Values Statement	3
Statutory Authority & Major Statutory Responsibilities	4
Organizational Chart	5
Administrative Services Division	6
Plant Industries Division	7
Livestock Industries Division	8
Grain & Livestock Licensing Division	9
Animal Health Division	10
Pesticide & Fertilizer Division	11
Business, Marketing & Information Division	12
Engrossed HB 1009 Budget Summary	14
Highlights & Accomplishments	15
Executive Budget Optional Requests	19
Engrossed HB 1009 Version Comparison	23
CARES Act Funding	24
2019-2021 One-time Funding Reports	25
General Fund Collections	26
Special Fund Collections	27
Audit Report of Biennium Ended June 30, 2019	28
Century Code Amendment	29
Other Related Bills	30
Summary	31



# Purpose

---

“Government is instituted for the protection, security, and benefit of the people, and they have a right to alter or reform the same whenever public good may require.”

North Dakota Constitution, Article 1, Section 2

# Mission

---

Serve, advocate, protect and promote agriculture to benefit everyone.

# Vision

---

We support agriculture by embracing diversity, innovation, research and trade.

# Core Values

---

Transparency, Respect, Integrity, Consistency

# Statutory Authority

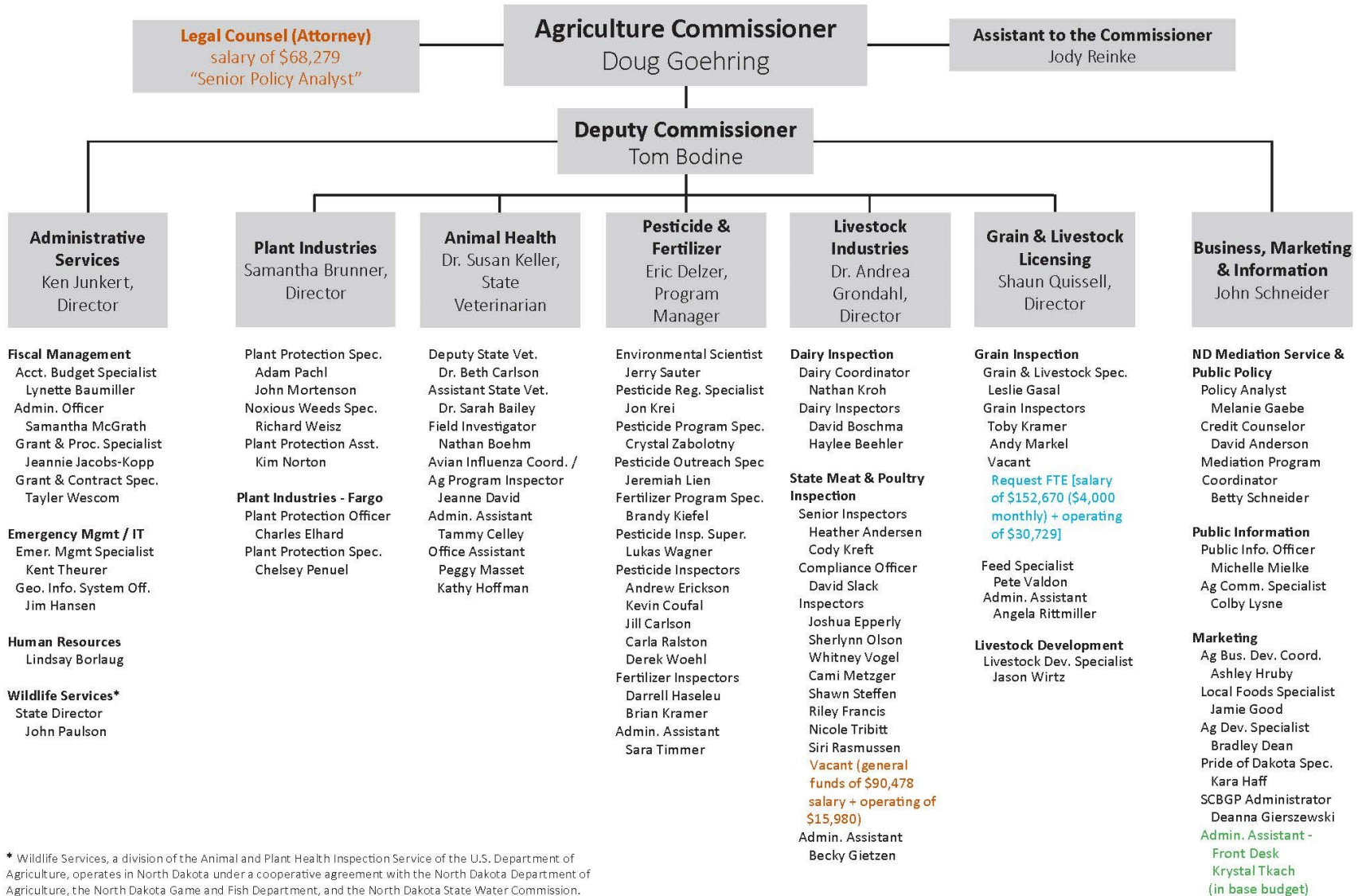
---

North Dakota Century Code Chapters 4.1-01, 4.1-01.1, 4.1-02, 4.1-03, 4.1-04, 4.1-05, 4.1-06, 4.1-07, 4.1-08, 4.1-09, 4.1-10, 4.1-11, 4.1-12, 4.1-13, 4.1-14, 4.1-15, 4.1-16, 4.1-17, 4.1-18.1, 4.1-19, 4.1-20, 4.1-22, 4.1-23, 4.1-25, 4.1-26, 4.1-27, 4.1-28, 4.1-30, 4.1-31, 4.1-32, 4.1-33, 4.1-34, 4.1-35, 4.1-36, 4.1-37, 4.1-38, 4.1-39, 4.1-40, 4.1-41, 4.1-43, 4.1-44, 4.1-45, 4.1-47, 4.1-48, 4.1-52, 4.1-53, 4.1-54, 4.1-55, 4.1-56, 4.1-57, 4.1-72, 4.1-73, 4.1-74, 4.1-75, 4.1-83, 4.1-88, 6-09.10, 36-14, 36-14.1, 36-15, 36-21.1, 36-25, 36-26, 60-01, 60-02, 60-02.1, 60-04, 60-05, 60-06, 60-10, and 61-31.

## Major Statutory Responsibilities

---

The agriculture commissioner is statutorily responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, livestock sales, dairy production, noxious weed control, plant export certification, and beekeeping. The commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds, and veterinary medicines; the administration of fair and timely mediation services to agriculture producers, creditors, and energy related issues; the collection and elimination of unusable pesticides; the promotion and marketing of North Dakota products; and the administration of a state meat inspection program. The responsibilities have expanded to include a leadership role in the formation of policies effecting the state's agricultural industries; the advocacy of the needs and concerns of farmers and ranchers on state and national levels; and the distribution of information concerning agricultural issues to the governor, legislature, and the general public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock of the state.



\* Wildlife Services, a division of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, operates in North Dakota under a cooperative agreement with the North Dakota Department of Agriculture, the North Dakota Game and Fish Department, and the North Dakota State Water Commission.

# Kenneth Junkert, Director

## Administrative Services Division

Administrative Services includes fiscal management, risk and emergency response, human resources, and information technology. This division also oversees the cooperative agreement and funding for the USDA Wildlife Services Program.

### Fiscal Management

- Oversees the development and tracking of the department's budget.
- Processes payroll.
- Pays all bills and deposits all revenues.
- Reviews and approves contracts and grants.
- Ensures compliance with state and federal laws relating to the department's finances; including expenditure tracking and filing of required reports to federal agencies.
- Responsible for procurement of goods and services for the department.

### Risk Management & Emergency Response

- Plan, implement, and evaluate strategic emergency management plans.
- Develop and conduct training and education on risk management, loss control, and general safety issues.
- Coordinate with Department of Emergency Services.

### Human Resources

- Responsible for human resource activities, including recruitment and training.
- Responds to public information requests.

### Information Technology

- Maintains desktop support contract with NDIT.
- Maintains all desktop and wireless phones.
- Maintains department websites, email and intranet.
- Conducts GIS mapping and works with local government agencies to provide GIS mapping technology and expertise.

<b>HB 1009</b>	
Salaries	\$3,815,109
Operating	1,036,607
Capital Assets	15,000
Grants	300,000
Pipeline Reclamation	200,000
Wildlife Services	1,457,400
<b>Total</b>	<b>\$6,824,116</b>
General	\$3,946,807
Federal	563,888
Special	2,313,421
<b>Total</b>	<b>\$6,824,116</b>
FTEs	11

### Wildlife Services

- Reduces wildlife depredation and damage to property (conducted by USDA Wildlife Services in cooperation with NDDA, State Water Commission and ND Game and Fish Department).

### Pipeline and Wind Energy Restoration and Reclamation Programs

- Connects landowners and tenants experiencing pipeline and wind energy reclamation issues with an ombudsman to help reach reasonable resolutions.
- Provides technical education, support, and outreach on pipeline and wind energy related matters.
- Facilitating and promoting fairness on site when resolving reclamation and restoration issues, concerns, and disputes.

# Samantha Brunner, Director

## Plant Industries Division

Plant Industries includes the noxious weeds, plant protection, hemp, and apiary programs.

### Noxious Weeds

- Distributes state and federal funds for noxious weed control to weed boards.
- Manages federal funds for noxious and invasive weeds.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents.
- Assists county and city weed boards in field days and weed management.
- Assists the general public with weed identification and control.
- Trains and assists weed boards with GPS/GIS mapping technology.
- Administers the weed seed free forage program.

### Plant Protection

- Surveys for exotic pests such as moths, nematodes, emerald ash borer, and other wood borers that threaten North Dakota agriculture, forestry, and horticulture.
- Surveys for pests, various diseases, insects, and nematodes including: Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, and potato cyst nematodes to enable export of agricultural products.
- Licenses and inspects nursery dealers and growers.
- Provides export certification/phytosanitary services for export of agricultural products.
- Reviews biotechnology permits.
- Conducts plant pest outreach.

### Hemp Program

- Licenses and inspects all hemp growers and processors.
- Inspects and samples hemp fields to ensure compliance with state and federal law.

<b>HB 1009</b>	
Salaries	\$1,193,347
Operating	902,762
Grants	1,500,274
<b>Total</b>	<b>\$3,596,383</b>
General	\$782,484
Federal	670,999
Special	2,142,900
<b>Total</b>	<b>\$3,596,383</b>
FTEs	7.4

### Apiary

- Licenses beekeepers.
- Registers and maps apiary locations.
- Inspects bees and issues health certificates for migratory movement.
- Investigates and responds to bee complaints.
- Visits apiaries and ensures compliance with the bee law.
- Administers the Honey Fund.
- Oversees the pollinator plan to enhance communication and emphasize best management practices for stakeholders.
- Conducts health inspections and assays with the National Agriculture Genotyping Center.
- Inspects bee shipments to California.

Dr. Andrea Grondahl, Director

# Livestock Industries Division

Livestock Industries includes dairy/poultry, state meat, and poultry inspection.

**Dairy/Poultry**

- Inspects dairy farms for equipment, facilities, sanitation, water purity, and proper drug usage and storage.
- Inspects dairy processing plants and milk transfer stations for equipment, facilities, and sanitation.
- Samples dairy products.
- Monitors financial conditions of milk buyers.
- Conducts Grade A survey work.
- Inspects manufacturing grade plants and transfer stations under agreement with USDA.
- Inspects distribution facilities, milk bulk trucks, and samplers/haulers.
- Inspects licensed commercial egg producers.
- Licenses and sets bonds for hatcheries.

**State Meat & Poultry Inspection**

- Trains, certifies, and inspects meat processing facilities.
- Inspects custom-exempt processing plants.
- Inspects retail outlets for country-of-origin labeling.
- Enforces meat and poultry processing regulations.
- Grades livestock carcasses at official state and/or federal establishments.
- Provides consultation and education to the meat and poultry industry.
- Ensures proper label use by the industry.

<b>HB 1009</b>	
Salaries	\$2,759,466
Operating	1,386,194
<b>Total</b>	<b>\$4,145,660</b>
General	\$2,132,004
Federal	2,003,656
Special	10,000
<b>Total</b>	<b>\$4,145,660</b>
FTEs	17

# Grain & Livestock Licensing Division

Grain and Livestock Licensing includes the grain inspection and feed programs.

## Grain Inspection

- Oversees licensing and bonding of all grain warehouses, facility-based grain buyers, and roving grain buyers.
- Administers the Credit-Sale Contract Indemnity Fund.
- Monitors financial condition of all warehouses and grain buyers.

## Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets.
- Contracts market reporters at sales barns to collect market data for the USDA.

## Livestock Pollution Prevention

- Cost-share funding assistance for livestock producers to install manure containment systems.
- Advises producers on nutrient management, project planning, regulations, and manure containment.
- Conducts age and source verification.
- Reviews livestock zoning.

## Feed

- Registers all pet food sold in the state.
- Maintains a label file of commercial feeds sold in the state.
- Licenses commercial feed manufactures and retailers.
- Samples feed products to ensure that nutritional content matches the label claims.
- Inspects medicated feed plants.

<b>HB 1009</b>	
Salaries	\$1,516,803
Operating	370,722
Grants	1,050,000
<b>Total</b>	<b>\$2,937,525</b>
General	\$1,315,253
Federal	1,235,020
Special	387,252
<b>Total</b>	<b>\$2,937,525</b>
FTEs	9

- Verifies manufacturer and producer compliance with federal requirements to prevent bovine spongiform encephalopathy (BSE).
- Provides producer outreach for the Veterinarian Feed Directive.

# Dr. Susan Keller, State Veterinarian

## Animal Health Division

The Animal Health Division protects the health of domestic animals and non-traditional livestock, and administers all rules and orders of the State Board of Animal Health.

- Monitors and regulates animal imports and exports.
- Traces animal movements as part of disease investigations.
- Issues and maintains records of official USDA tags and official state certificates of veterinary inspection.
- Conducts a Johne's disease control program.
- Conducts the National Scrapie Eradication program.
- Conduct investigations on suspected cases of transboundary/foreign animal diseases, tuberculosis, brucellosis, emerging diseases, and other investigations.
- Responds to inhumane treatment complaints.
- Coordinates pet sheltering during disasters.
- Conducts tuberculosis, brucellosis and other disease investigations.
- Reviews testing information and grants status for tuberculosis-accredited herds, brucellosis certified herds and brucella ovis-free flocks.
- Administers non-traditional livestock and farmed elk regulations.
- Issues permits to possess, propagate or domesticate live protected birds or animal species for North Dakota Game and Fish Department.
- Provides chronic wasting disease testing training and oversight
- Oversees feral swine investigations.
- Conducts risk assessments prior to issuing permits for importation of farmed cervids.
- Works with ND Department of Health on zoonotic and anthrozoönotic disease issues.
- Provides oversight on proper carcass disposal.
- Inspects auction markets and approves veterinarians to provide auction market services.
- Monitors for novel swine enteric coronavirus diseases, such as porcine epidemic diarrhea virus.

<b>HB 1009</b>	
Salaries	\$1,609,349
BOAH	865,718
<b>Total</b>	<b>\$2,475,067</b>
General	\$1,513,499
Federal	685,064
Special	276,504
<b>Total</b>	<b>\$2,475,067</b>
FTEs	7.6

- Provides inspection services at the ND State Fair.
- Registers restricted feedlots.
- Licenses rendering facilities.
- Registers veterinary medicines used in the state.
- Licenses dealers of modified live vaccines sold in state.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Coordinates the National Poultry Improvement Plan in the state.
- Trains and coordinates a Reserve Veterinary Corps to assist in emergency situations and assist with disease investigations.
- Participates in animal emergency preparedness and response on state, regional and national levels.
- Communicates with other state and federal animal health officials regionally and nationally to guide national animal health policy.
- Monitors and reports diseases on state and national levels.
- Provides education and outreach for practicing veterinarians and the livestock industry.
- Maintains the state's animal health/disease related traceability database (USAHERDS).



# Eric Delzer, Director

## Pesticide & Fertilizer Division

The Pesticide and Fertilizer Division oversees and regulates pesticides, fertilizers, and anhydrous ammonia to protect human health and the environment.

### Pesticides

- Conducts inspections of pesticide dealers, users and repackaging facilities to ensure compliance with state and federal laws.
- Provides outreach to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency and special local needs exemption requests to ensure ND producers have access to necessary pest management tools including Section 18 and 24 (c) requests.
- Registers all pesticides including herbicides, fungicides, rodenticides, insecticides, avicides and disinfectants that are sold in ND and approves product labeling.
- Conducts Project Safe Send; an annual, statewide collection of unusable pesticides.
- Works with EPA on national pesticide regulatory and policy issues.
- Conducts risk assessments, receives public input, and offers data and recommendations to EPA to mitigate risk of pesticides to threatened and endangered species as part of the ND Endangered Species Protection Plan.
- Investigates and responds to pesticide contamination of groundwater and surface water resources.
- Investigates complaints of pesticide misuse and other violations.
- Administers and enforces the federal Worker Protection Standard to protect workers who handle and use pesticides.

<b>HB 1009</b>	
Salaries	\$2,480,325
Operating	1,636,095
Crop Harmonization Board	75,000
<b>Total</b>	<b>\$4,191,420</b>
General	\$0
Federal	837,402
Special	3,354,018
<b>Total</b>	<b>\$4,191,420</b>
FTEs	15

### Fertilizer and Anhydrous Ammonia

- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licenses anhydrous ammonia storage facilities.
- Conducts inspections of anhydrous ammonia storage facilities and nurse tanks to ensure compliance with federal regulations.
- Administers the Risk Management Program for agricultural anhydrous ammonia facilities and inspects facilities to ensure compliance with federal regulations.
- Provides outreach and compliance assistance to the fertilizer industry and anhydrous ammonia users.
- Audits fertilizer distributors to ensure compliance with fertilizer tonnage reporting.
- Conducts the state waterbank program.

# John Schneider, Director

## Business, Marketing & Information Division

The Business, Marketing, and Information Division monitors and develops policy and provides education, promotion, and market enhancement to increase sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic, and local markets.

### Pride of Dakota

- Administers Pride of Dakota (POD), including holiday showcases, annual meetings, and other events.
- Provides trade show assistance to ND companies.
- Maintains membership of over 500 POD Companies.

### Specialty Crop Block & Organic Grants

- Administers specialty crop grants.
- Administers organic certification reimbursement grants.

### Policy Development

- Researches and analyzes agriculture, energy, water, infrastructure, and trade policy for the agriculture commissioner.

### Public Information

- Writes and edits department publications, including news releases, brochures, and reports.

### North Dakota Mediation Service

- Offers mediation services to resolve differences among creditors, farmers, and others.
- Provides financial counseling.
- Offers assistance for beginning farmer loan applications and farm program paperwork.
- Offers mediation to address energy-related issues.
- Offers conflict resolution services to resolve deer depredation disputes.
- Recent Farm Bill authorizes work on lease issues, family farm transitions, farmer/neighbor conflicts, organic certification issues, and other issues.

<b>HB 1009</b>	
Salaries	\$2,345,902
Operating	1,515,672
Grants	6,681,500
APUC	4,460,417
ND Trade Office	1,600,000
<b>Total</b>	<b>\$16,603,491</b>
General	\$3,768,777
Federal	6,642,967
Special	6,191,747
<b>Total</b>	<b>\$16,603,491</b>
FTEs	12

### Agriculture in the Classroom

- Helps K-12 teachers integrate agriculture information into science, math, social studies, and language curricula.
- Provides hands-on lessons to help students better understand the relationships between the world's environment, agriculture, and people.
- Publishes the Ag Mag three times a year for third-, fourth- and fifth-graders.
- Underwrites FFA Foundation mini-grants for agriculture-related projects, units, and lessons used by school-age children.

### Livestock Development

- Assists producers and processors in expanding and promoting the state's livestock industry.
- Identifies and assists livestock friendly counties in developing animal agriculture.

### International Trade

- Conducts and participates in international trade events.
- Supports and coordinates with Food Export

# Business, Marketing & Information Division

---

## **Environmental Impact Mitigation**

- Administers the Environmental Impact Mitigation Fund.
- Provides grants and contracts for consultation with environmental scientists or engineers to implement mitigation for impacts of a proposed site, corridor, route, or facility.

## **Bioscience Innovation Grant Program**

- Administers the Bioscience Innovation Grant Fund.
- The Bioscience Innovation Grant Program supports biotechnology innovation and commercialization in areas including crop genetics, biofuels, biomaterials, biosensors, and biotechnology in relation to food, nutrition, animals, human, equipment, medical, and health products and services, medical diagnostics, medical therapeutics, and farm-based pharmaceuticals.

## **Agricultural Products Utilization Commission (APUC)**

- Administers the Agricultural Products Utilization Fund.
- APUC creates new wealth and employment opportunities through the development of new and expanded uses of agricultural products.

# Engrossed HB 1009 Budget Summary

---

## Engrossed HB 1009 Budget Summary

General Funds	\$13,458,824	33%
Federal Funds	12,638,996	31%
Special Funds	14,675,842	36%
<b>Total</b>	<b>\$40,773,662</b>	
FTEs		79

## Engrossed HB 1009 Budget By Line Item

Salary & Wages	\$15,720,301
Operating Expenses	6,848,052
Capital Assets	15,000
Grants	9,531,774
Trade Office	1,600,000
Agricultural Products Utilization Commission	4,460,417
Board of Animal Health	865,718
Wildlife Services	1,457,400
Pipeline Restoration & Reclamation Oversight Program	200,000
Crop Harmonization Board	75,000
<b>Total</b>	<b>\$40,773,662</b>

# Highlights & Accomplishments

---

## Administrative Services

- Processed 116 emergency feed transportation payments totaling \$250,000 (March 2020).
- Processed more than 500 contracts. Of that number, 172 grant contracts are related to the CARES Act.
- Pipeline Restoration and Reclamation Program
  - ◆ Total pipeline reclamation cases: 82
    - ◆ Active: 17
    - ◆ Monitoring: 17
    - ◆ Closed: 44
    - ◆ Not assigned due to type of line or date of pipeline construction: 4
- Streamlined user interface for LARS (Grain Inspection Licensing) including automatic reminders for users and online reporting for items that were required to be mailed previously. We added this system to the existing NDDA payment gateway with JPM, consolidating NDDA's electronic payment gateways to two.
- Added livestock licensing to LARS to allow for future online application, payments and processing to allow licensees to see the status, and make application easier, as well as speeding up the review process for staff to approve or request additional information.
- Transitioned staff to Teams in order to consolidate some functions that were completed under other software or processes and lays the groundwork for future changes in file storage.
- Transitioned VPN with NDIR to Global Protect to allow more dependable VPN connections, especially with video and voice to allow staff to serve the state from their offices, or other temporary locations.
- Assisted with implementation of USAHERDS including transition of a number of legacy data sources, and increased capability to process electronic health certificates for faster disease traceability.
- Assisted with transition of the server from legacy hardware for OLE (Plant Industries/Marketing) including a new build of the local foods map. This build will provide a number of consumer based features and allow producers to maintain their product info.
- Worked closely with DES, DEQ and DMR on Hazconnect to coordinate accurate and timely notification for items that impact areas in the agriculture industry and Department.
- Worked with NDIR to test AutoPilot deployment of laptops to office staff including both laptops and phones via Intune.

## Plant Industries

- Maintained inspections in nursery and export certification including a record 400 acres of seed field inspections for export and 1,000 acres of nursery stock.
- Issued a record 4,646 federal phytosanitary certificates for export.
- State of Origin certificates for cereal grains to Canada has increased 329 percent over the last two years.
- Collected and removed from commerce over 200 packages of seeds sent unsolicited to citizens from China.
- Investigated and removed from commerce potentially *Ralstonia solanacearum* race 3 biovar 2 infested geraniums from greenhouses.
- Conducted 11 plant pest surveys with very little interruptions from COVID-19.
- Conducted a record number of California pre-inspections and certified 77,804 apiary colonies.
- Submitted a State Hemp Plan and continued communication with USDA on the concerns with their hemp rules.

## Highlights & Accomplishments (2)

---

- Released a new leafy spurge beetle that is more suitable for areas that the other biocontrol agents don't establish in (*Spurgia capitigena*).
- Continue to work with and release Canada thistle rust fungus to determine its viability in the state.
- Continue monitoring for Palmer Amaranth and offering assistance for landowners who received noxious weed seeds in animal feed.
- Apiary colony registrations are up to 691,665 colonies with 300 beekeepers.
- Inspected 325 apiaries for health certification and an additional 271 for compliance with state law.
- Hemp grower licenses increased by 25 percent and processor licenses increased from 9 in 2019 to 20 in 2020.

### **Livestock Industries**

- Fielded many phone calls/emails from individuals wanting information on starting new slaughter/processing establishments.
- Assisted many individuals starting new slaughter/processing establishments. Expect to have three new official state slaughter establishment within the next two months (Berthold, Carrington and Devils Lake), another new official slaughter establishment by the end of 2021 (Bowman); and, one new official processing plant within the next two months (Fargo). Also have been assisting K 2 new establishments planning to be official federal slaughter establishments (Mott and New Salem).
- Transitioning to electronic reporting to Federal State Audit Branch.
- Purchase of Bismarck Dairy plant – Prairie Farms – has been operating very successfully.
- Added several new egg dealers for a total of 27.

### **Grain & Livestock Licensing**

- Transfer of Grain inspection program from PSC.
  - ◆ Inspected all licensed state warehouses in first year of transfer.
  - ◆ Inspected all roving grain buyers.
- Completed two LP3 full containment systems with another two to be complete during the summer of 2021.
- Transferring livestock licensing to electronic licensing.
- Reviewed 4,029 commercial feed labels and 12,096 pet food labels.

### **Animal Health**

- The USAHERDS animal health and licensing database program was implemented in December 2020. The Program allowed the combination of around 12 different programs, databases, and spreadsheets, as well as providing the ability to automatically receive most electronic Certificate of Veterinary Inspection (CVI) information in the case of an animal health emergency or a disease investigation.
- Each year around 8,000 incoming and 12,000 outgoing CVIs are reviewed by staff, representing the movement of over 160,000 animals into the state and over 1.2 million animals leaving the state.
- In 2019 and 2020, 454,500 official USDA ear tags were issued to accredited veterinarians, 394,000 metal NUES, and 60,500 electronic RFID tags.

## Highlights & Accomplishments (3)

---

- There are currently 62 nontraditional livestock facilities and 46 farmed elk facilities under the oversight of the AHD. Additionally, the AHD oversees 234 permits to possess, propagate, and domesticate protected wildlife on behalf of the ND Game and Fish Department.
- Annual training was provided to 175 modified live vaccine agents representing 75 licensed and inspected facilities.
- Over 1,400 products and 43 companies are currently registered under the livestock medicine program.
- Three continuing education seminars were held, providing up to 10.5 hours of continuing education for 81 veterinarians regarding animal disease traceability and Johnne's disease, and for 22 veterinarians regarding regulatory cervid health programs.
- In 2020, 10 incidents of feral swine were investigated and responded to, in cooperation with USDA Wildlife Services.
- In the 2017-19 biennium, over 30 cattle herds were investigated and around 5,500 cattle were tested in the state as part of three separate TB investigations. One of those investigations led to the identification of a positive herd in the state which was successfully depopulated with the cooperation of the owner.
- There are 195 herds participating in the Johnne's disease control program; of these, 19 herds tested for the first time in 2019-21.

### **Pesticide & Fertilizer**

- Achieved all goals, remained reachable, and responsive during the pandemic.
- Honored all federal commitments and still performed almost double the amount of inspections required in the federal cooperative agreement during the pandemic.
- Renewed all fertilizer licenses and registrations that expired June 30<sup>th</sup>, 2020.
- Completed all required anhydrous ammonia inspections as well as assisted in getting several new facilities up and running.
- Addressed pesticide certifications expiring on April 1, 2020, as well as certifying new commercial applicators during the initial pandemic shutdown. The Department was able to obtain a venue that we could socially distance people properly and were able to have staff present to proctor certification exams. We were also able to renew all the commercial certifications by the expiration date as well as certify all the new commercial applicators before spring work began.
- The Department also visited vulnerable population centers that like daycares, hospitals, nursing homes, and schools where disinfectants and other general use pesticides are being used to provide outreach on safe use and storage, and potential health dangers to exposure.
- The Department also was able to renew our grant and have federal funding through FY 23. Despite spending all our budgeted funds for project safe send last year, the Department was still able to find enough funding to operate the program this year.

# Highlights & Accomplishments (4)

---

## **Business, Marketing & Information**

- Updated Specialty Crop Block Grant marketing materials including brochures and our website.
  - ◆ USDA selected ND SCBGP project as a feature project - Automatic sensor-controlled drip irrigation under mulches for tomato and watermelon productions.
- Issued \$3,500,000 of grants to 14 federal meat plants – CARES Act.
- Hosted two in-person farmers market events at a new State Capitol location.
- Issued guidance for ND Farmers Markets to continue commerce for consumers and producers during the pandemic.
- Awarded \$65,000 to four orchard grant projects and \$65,000 to five high tunnel grant projects.
- Held all APUC board meetings in-person..
- Received Attorney General opinions for township zoning boards that align with Department review of their zoning ordinances.
- Awarded \$500,000 to seven projects in Bioscience Innovation Grant funds.
- Awarded \$80,000 to three projects in Grape & Wine Grants.
- North Dakota Mediation Service assisted with successful outcomes in two high-profile cases referred by Senator Cramer’s Office.
- The Department is being recognized with an award for most increased participation in the Wellness Program.
- Implemented new POD Rules, effective July 1, 2020.
- Successfully held four in-person showcases, making many adjustments to follow COVID-19 guidance.
- Ag in the classroom was awarded a SCBG to provide educational resources on specialty crops to classrooms and made the transition to all digital Ag Mags to ensure that all students continue to have access to the resource regardless of classroom location.
- Drafted policy letters or comments on over 20 federal issues.
- Developed a chickpea video.
- Assisted with state Joint Information Center during beginning of COVID crisis.
- Assisted with ND Agriculture magazine planning.
- Developed the Agricultural Products Utilization Commission Annual Report.
- Member of Blue Book Committee and currently working on Blue Book chapter highlighting the apiary industry.
- Applied for a two-year grant/project with Agriculture in the Classroom for more specialty crop projects for students.
- Worked to organize the National Association of State Departments of Agriculture annual meeting in Medora and then worked to ensure a virtual event went off seamlessly.



# Executive Budget Optional Requests

---

## **Priority 1 – Restore FTE and Funding: Administrative Assistance**

This requests one FTE and funding for a front desk and Pride of Dakota program administrative assistant. The front desk position is NDDA's first public contact, answering all phone calls and directing general public questions and requests to the proper department resources. The position also provides valuable assistance to Pride of Dakota. The program membership is more than 525 companies and continues to grow. The position provides support with managing the program member database, nine major showcase events each year and general assistance to the membership.

**Total request: \$163,079 (General Funds):**

**Executive Recommendation:** FTE restored, no funding.

**House included.**

## **Priority 2 – Restore Funding: Apiary Research Grants**

This requests funding for the apiary research grant program. North Dakota is the number one honey producing state in the nation and each summer is the home to over 670,000 honey bee colonies. Honey bee populations have been under a lot of pressure over the past 10 years. Research is crucial to mitigating losses and is vital to trying to develop solutions to the problems the industry faces such as Varroa mites, poor nutrition, viruses, and diseases.

**Total request: \$75,000 (General Funds):**

**Executive Recommendation:** Not included.

**House included.**

## **Priority 3 – Restore Funding: Grape and Wine Grants**

This requests funding for the grape and wine grant program. The greatest difficulty facing new and existing wineries in North Dakota is a reliable supply of domestically-produced grapes suitable for quality wines. The grape and wine grants allow for continued research and evaluation of new cold-hardy selections for wine potential and commercial release in ND. The grants address research, production, management, and promotion issues that threaten the sustainability and growth of the grape and wine industry.

**Total request: \$80,000 (General Funds):**

**Executive Recommendation:** Not included.

**House included.**

# Optional Requests Comparison to Executive Budget (2)

---

## Priority 4 – Restore Funding: Johne’s Disease Control

This requests funding for the Johne’s disease control program. This program has been instrumental in identifying and reducing the incidence of Johne’s disease in the state. The funds encourage and enable cattle producers to test when a problem is suspected and where the cost might otherwise be prohibitive. This program is helping producers understand the disease and learn how to manage and test animals so that disease prevalence can be dramatically reduced.

**Total request: \$68,000 (General Funds)**

**Executive Recommendation:** Not included.

House included.

## Priority 5 – Salary Compression Compensation

NDDA’s salary compa ratio continues to fall below other agencies and creates a significant challenge to recruit and retain qualified and experienced employees. The Legislature continues to express confidence in NDDA by adding programs because we are efficient and effective operators. This request provides an employee equity raise on July 1, 2021.

**Total request: \$702,500 (\$369,866 General Funds, \$174,150 Special Funds, & \$158,484 Federal Funds)**

**Executive Recommendation:** Not included.

House included.

## Priority 6 – Staff Attorney

This requests funding to reclassify a current policy FTE to a staff attorney FTE. This reclassified position will assist the commissioner on national, state, and local laws, rules, policy, and regulation impacting the agriculture industry and all other programs under the commissioner’s portfolio. This position will aid the commissioner in providing legal review and recommendations for all regulatory divisions including Animal Health, Pesticide and Fertilizer, Grain, Feed, and Livestock, Meat and Dairy Inspection, and Plant Industries. The attorney will also assist with reviewing livestock zoning ordinances and providing support for the Federal Environmental Law Impact Review Committee, as well as reviewing all contracts, agreements, and grants.

**Total request: \$68,279 (General Funds)**

**Executive Recommendation:** Not included.

House included.

## Priority 7 – Grain Insolvency Legal Services

This requests funding for grain inspection insolvency legal services. This program must use outside legal resources to litigate insolvencies and bankruptcies. Funding is essential to protect bonded assets, accounts receivable, and asset recovery from failed grain dealers.

**Total request: \$230,000 (General Funds)**

**Executive Recommendation:** Not included.

# Optional Requests Comparison to Executive Budget (3)

---

## Priority 8 – Meat Inspector

This requests general funds (state match) for a meat inspector. The State Meat and Poultry Inspection Program is required to adhere to USDA standards including daily inspections at official establishments. Presently, SMPIP staff are fully scheduled and we are unable to provide state inspection service to additional official establishments and/or additional days/hours to existing establishments. The demand for state inspection service is currently high due to individuals wanting to start new meat processing businesses or existing processors wanting to expand into the wholesale market. The demand is particularly high now due to meat shortages experienced during the COVID-19 pandemic. Locations of processors currently requesting initial or addition state inspection service include Devils Lake, Carrington, Moffit, Berthold, and Bowman.

**Total request: \$106,458 (General Funds)**

**Executive Recommendation:** Not included.

**House included.**

## Priority 9 – Grain Inspector FTE

This requests one FTE and funding for a grain inspector. The presence of the NDDA grain inspection program has been cited by our industry as the number one thing we can do to prevent problems with fraudulent activity and bad actors. This position would create a more robust inspection program, allowing for semi-annual inspections, both forensic and onsite. It would help to identify watchlists, new licensee detection, financial capacities of licensees; it would provide valuable support to assist and educate on compliance of regulatory matters in the field. The position would create logistical solutions to long travel times and overnight road expenses. Net effect of the position creates efficiencies to lower insolvencies, costs associated thereof and less potential loss to our farmers who rely on the NDDA to provide a fair business environment.

**Total request: \$183,399 (General Funds)**

**Executive Recommendation:** Not included.

**House included.**

## Priority 10 – ND Mediation Service State Match

This requests funding for state match and nonallowable expenses. NDMS' primary purpose is to help financially distressed farmers and ranchers by aiding in credit and financial matters and resolving disputes. The goal of the NDMS credit counseling program is to provide clients with a clear picture of the state of their operation, provide them with possible options to address their situation, and prepare them for mediation when necessary.

**Total request: \$120,000 (General Funds)**

**Executive Recommendation:** Not included.

**House included.**

# Optional Requests Comparison to Executive Budget (4)

---

## **Priority 11 – Combined Information Technology Request (Total: \$285,000 General Funds)**

### **Funding for Centralized Invoice Processing Information Technology**

This requests funding of \$80,000 for technology to improve the paper accounts payable and receivable processing system currently in place. This technology will provide a single tracking system for all invoices sent and received to aid in overcoming inefficiencies to more quickly and accurately receive, pay, and track invoices within the entire department. It also allows for invoice receivables to be paid using our current e-commerce

**Executive Recommendation:** Not included.

### **Funding for ND Mediation Service Information Technology**

This requests funding of \$90,000 to replace an outdated Access database that was developed and maintained by Vision Technology, which has since closed. A modern, integrated database will help improve efficiency and time productivity for the client base. The new database will allow for new function features allowing for rapid analytic reporting and tracking of mediation service information. The new system will allow for integration within the agency.

**Executive Recommendation:** Included.

### **Funding for Meat Inspection and Dairy Information Technology**

This requests funding of \$90,000 for new software that will replace the outdated Access databases. These databases were developed and maintained by Vision Technology, which has since closed. The new database will allow for new function features allowing for rapid analytic reporting and tracking for these programs.

**Executive Recommendation:** Included.

### **Funding for Pesticide Program Information Technology Exploration**

This requests funding of \$25,000 for contractual services with North Dakota Information Technology to assess our current database systems. The database systems we currently utilize through an outside vendor are getting outdated and do not allow for ecommerce transactions through the Department ecommerce portal. This enhancement would help us determine whether it would be more cost effective to upgrade our current systems or if there are other options available that would better meet our needs and offer a better customer experience to the public.

**Executive Recommendation:** Not included.

## **Priority 12 – Reserve Corps Veterinarians Information Technology**

This requests funding for three laptops under desktop support to be included in go-pack kits for Reserve Corps Veterinarians to rapidly deploy personnel and assets to investigate and respond to weather-related events such as flooding, foreign animal disease threats, and animal health investigations.

**Total request: \$14,910 (General Funds)**

**Executive Recommendation:** Not included.

## Engrossed HB 1009 Version Comparison

Engrossed House Bill No. 1009 Agriculture Commissioner's Budget Request	Base Level	Engrossed HB 1009
<b>Salaries and Wages</b>		
Salaries and wages budget authority	\$ 14,232,746	\$ 14,232,746
Salary compression adjustment	\$ -	\$ 702,500
Cost to continue 19-21 Salaries	\$ -	\$ 125,067
Meat inspector matching funds	\$ -	\$ 90,478
Reclassify position to an attorney	\$ -	\$ 68,279
Grain inspector	\$ -	\$ 152,670
Compensation package and health insurance	\$ -	\$ 348,561
<b>Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 15,720,301</b>
<b>Operating Expenses</b>		
Operating budget authority	\$ 6,592,780	\$ 6,592,780
Meat inspector matching funds	\$ -	\$ 15,980
Grain inspector	\$ -	\$ 30,729
HB 1045 industrial hemp	\$ -	\$ 36,250
HB 1026 state warehouse grain and other licenses	\$ -	\$ 43,500
ND Mediation Service matching funds	\$ -	\$ 120,000
Office 365	\$ -	\$ 8,813
<b>Operating Expenses</b>	<b>\$ 6,592,780</b>	<b>\$ 6,848,052</b>
<b>Capital Assets</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b>		
Grants budget authority	\$ 8,823,774	\$ 8,823,774
Noxious weeds grants	\$ -	\$ 50,000
USDA specialty crop block grants	\$ -	\$ 158,000
Soil health	\$ -	\$ 500,000
<b>Grants</b>	<b>\$ 8,823,774</b>	<b>\$ 9,531,774</b>
<b>Environmental Impact Mitigation</b>		
Environmental impact mitigation line item budget authority	\$ 5,000,000	\$ 5,000,000
Remove environmental impact mitigation line item	\$ -	\$ (5,000,000)
<b>Environmental Impact Mitigation</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>
<b>Ag Products Utilization Commission</b>		
APUC line item budget authority	\$ 1,760,417	\$ 1,760,417
Bank of ND funding	\$ -	\$ 2,700,000
<b>Ag Products Utilization Commission</b>	<b>\$ 1,760,417</b>	<b>\$ 4,460,417</b>
<b>North Dakota Trade Office</b>		
ND Trade Office line item budget authority	\$ -	\$ -
North Dakota Trade Office funding	\$ -	\$ 1,600,000
<b>North Dakota Trade Office</b>	<b>\$ -</b>	<b>\$ 1,600,000</b>
<b>Board of Animal Health</b>	<b>\$ 865,718</b>	<b>\$ 865,718</b>
<b>Wildlife Services</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>Pipeline Restoration and Reclamation</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>Crop Harmonization Board</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>Total all funds</b>	<b>\$ 39,022,835</b>	<b>\$ 40,773,662</b>
<b>Less estimated income</b>	<b>\$ 28,322,406</b>	<b>\$ 27,314,838</b>
<b>Total general fund</b>	<b>\$ 10,700,429</b>	<b>\$ 13,458,824</b>
<b>Full-time equivalent positions</b>	<b>78</b>	<b>79</b>

# CARES Act Funding

---

## **Meat Processor Cost Share Program: \$6,200,000**

This cost share program was implemented to address increased demand for retail meat products and slaughter of livestock. Meat processing plants have been significantly impacted by the pandemic due to increased consumer demand for retail meat products. This cost share program provides meat processing plants increased capability to meet the growing demand for meat. Funded 76 federal plants.

## **Charitable Food Organizations Grant Program: \$2,000,000**

This program offers grants to help charitable food organizations and small grocers make necessary investments in tools to extend the shelf life of perishable foods. Charitable food organizations include any organization that provides food and/or services, including food pantries, soup kitchens, senior citizen centers, food distribution centers and hubs, churches, and donation centers. Small grocers include any grocer located in a community of 750 or less. Funded 83 organizations.

## **Bioscience Grant Program: \$5,000,000**

This programs provides grants to support biotechnology innovation and commercialization, promote the creation of bioscience jobs in the state, and promote bioscience research and development in the area of coronavirus research. Grant recipients are companies expressing the ability to partner, assist, and develop techniques to benefit coronavirus research, virus screening technologies, antibody therapies, immunotherapies and sanitation technologies. Funded 8 companies.

## **Information Technology Projects to Improve Data Management Effectiveness Due to Covid-19 Impacts: \$356,000**

**Grain Inspection Program Database Enhancement:** This enhancement allowed for the electronic collection of credit sale indemnity fund, monthly grain reporting, and allowed producers access to license information.

**Livestock Auction Markets and Dealers Program Development:** This funding replaced a paper based process with an electronic process for licensing and provided producers access to license information.

**Local Foods Map:** This funding created a producer updatable map that provides the public access to information regarding categories of locally produced food.

**USAHERDS Computer Database:** USAHERDS is a computerized database to gather and organize animal health data needed to prevent, detect, contain, and eradicate outbreaks of dangerous diseases in animals. The purchase of USAHERDS will allow monitoring and containment of animal diseases quickly and effectively, protecting our food supply and local economies.

**Total CARES Act federal fund authority: \$13,556,000**

**Total expended grant line: \$13,190,773.05 (as of January 2021)**

**Total expended operating line: \$207,530.50**

**Total remaining: \$157,696.45**

# 2019-2021 One-time Funding Reports: APUC & Master Customer Database

---

## APUC

### Financials as of January 31, 2021:

#### APUC Revenue

APUC Fund balance: July 2019	\$1,515,338.71
Bank of ND	2,000,000.00
ND Mill & Elevator	570,930.59
APUC Fund Interest	7,929.90
Motor Fuel Tax	1,090.14
<b>Total Revenue</b>	<b>\$4,095,289.34</b>

#### Expenditures

Operating Expenditures	\$30,192.46
Grant Expenditures	1,490,773.33
Grant Commitments	1,112,883.00
<b>Remaining Fund Balance</b>	<b>\$1,461,440.55</b>

In total APUC funded 49 projects at \$2,430,598.50 through March 5, 2021.

#### Grant Types

Basic & Applied Research	11
Farm Diversification	3
Marketing & Utilization	25
Nature Based Agri Tourism	3
Prototype & Technology	5
Technical Assistance	2
<b>Total</b>	<b>49</b>

## Master Customer Database

- On September 10, 2020, the Department submitted a work request to NDIT.
- On November 5, 2020, the Department met with NDIT software development staff to review two database options. The Department determined a custom application was the appropriate approach for the current IT environment. The NDIT estimate request was approved and issued by NDDA on December 3, 2020.
- The master customer database is currently estimated by NDIT to be completed in April 2021.

**GENERAL FUND COLLECTIONS**  
602 DEPARTMENT OF AGRICULTURE

	<b>Source of Collections</b>	<b>Statutory Authority</b>	<b>2019-2021 Es- timated Col- lections</b>	<b>2021-2023 Es- timated Col- lections</b>	<b>2021-2023 In- crease/ (Decrease)</b>	<b>Division</b>
1	ANHYDROUS AMMONIA LICENSE	NDCC Chapter 4.1-37-04	\$ 1,200	\$ 1,200	\$ -	Pest/Fert
2	AUCTION MARKET	NDCC Chapter 4.1-27-03	\$ 5,800	\$ 5,800	\$ -	Grain License
3	COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	\$ 1,116,500	\$ 1,120,000	\$ 3,500	Grain License
4	CREAMERY-CREAMERY STATE LIC.	NDCC Chapter 4.1-25-02	\$ 11,200	\$ 11,000	\$ (200)	Livestock
5	GRAIN STOREHOUSE LIC.	NDCC Chapter 60-02	\$ 440,500	\$ 440,500	\$ -	Grain License
6	LIVESTOCK DEALERS	NDCC Chapter 4.1-83-04	\$ 12,000	\$ 12,000	\$ -	Grain License
7	LIVESTOCK MEDICINES	NDCC Chapter 4.1-43-02	\$ 61,000	\$ 61,000	\$ -	Animal Health
8	MILK - CREAM TESTERS LIC.	NDCC Chapter 4.1-25-22	\$ 1,500	\$ 1,500	\$ -	Livestock
9	NON-TRADITIONAL LIVESTOCK LIC.	NDCC Chapter 36-01-08.1	\$ 2,700	\$ 2,700	\$ -	Animal Health
10	NURSERY LIC.	NDCC Chapter 4.1-22-06	\$ 22,000	\$ 22,000	\$ -	Plant
11	POULTRY FEES	NDCC Chapter 4.1-19-04	\$ 520	\$ 550	\$ 30	Livestock
12	RENDERING PLANTS	NDCC Chapter 4.1-32-03	\$ -	\$ -	\$ -	Animal Health
13	WOOL DEALERS	NDCC Chapter 4.1-88-04	\$ 20	\$ 20	\$ -	Animal Health
14	FINES-FORFEITURES-ESCHEAT	Multiple	\$ 14,000	\$ 14,000	\$ -	Multiple
15	INSPECTION FEES-NOT CLASS	NDCC Chapter 4.1-23-12	\$ 165,000	\$ 170,000	\$ 5,000	Multiple
	<b>TOTAL</b>		<b>\$ 1,853,940</b>	<b>\$ 1,862,270</b>	<b>\$ 8,330</b>	



**SPECIAL FUND COLLECTIONS**  
602 DEPARTMENT OF AGRICULTURE

	<b>Source of Collections</b>	<b>Statutory Authority</b>	<b>Fund</b>	<b>2019-2021 Es- timated Col- lections</b>	<b>2021-2023 Es- timated Col- lections</b>	<b>2021-2023 Increase/ (Decrease)</b>	<b>Division</b>
1	APIARY LICENSE	NDCC Chapter 4.1-16	308	\$ 200,000	\$ 200,000	\$ -	Plant
2	COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	376	\$ 727,500	\$ 727,500	\$ -	Grain License
3	FERTILIZER REG. & TONNAGE	NDCC Chapter 4.1-40	376	\$ 1,300,000	\$ 1,400,000	\$ 100,000	Pesticide
4	HEALTH CERT/BRUC TAGS	NDCC Chapter 36-01-08	308	\$ 15,000	\$ 15,000	\$ -	Animal Health
5	HEMP LICENSE	NDCC Chapter 4.1-18	308	\$ 25,000	\$ 25,000	\$ -	Plant
6	MEDIATION USER FEES	NDCC Chapter 6-09.10	308	\$ 10,000	\$ 10,000	\$ -	Marketing
7	PESTICIDE REGISTRATION	NDCC Chapter 4.1-34	376	\$ 4,900,000	\$ 5,000,000	\$ 100,000	Pesticide
8	PRIDE OF DAKOTA MEMBERSHIP	NDCC Chapter 4.1-01-08	308	\$ 55,000	\$ 55,000	\$ -	Marketing
9	PRIDE OF DAKOTA SUPPLIES	NDCC Chapter 4.1-01-08	308	\$ 6,000	\$ 6,000	\$ -	Marketing
10	WEED SEED FREE FORAGE FEES	NDCC Chapter 4.1-14-04	376	\$ 40,000	\$ 40,000	\$ -	Plant
11	CONFERENCE REGISTRATION FEES	NDCC Chapter 4.1-01-08	308	\$ 140,000	\$ 500,000	\$ 360,000	Marketing
	<b>TOTAL</b>			\$ 7,418,500	\$ 7,978,500	\$ 560,000	

# Audit Report of Biennium Ended June 30, 2019

## CONCLUSION

The Department of Agriculture appeared to have overspent their appropriation from the general fund by \$25,529.

## Department Response

**NDDA does not agree with the audit finding.** NDDA received funding from the Outdoor Heritage Fund in 2015 and worked with the Legislature to add language in our appropriation bill to be in compliance with NDCC 54-17.8-05(2) regarding the use of general funds as match. The intention in the grant application and our budget bill was to have the authority to match “up to” and not encumber \$50,000 of funds. We only requested authority to apply time for match that was directly spent working on this grant. Also, NDDA did not receive any additional general funds to cover this match.

## Action

Section 15 of Engrossed HB 1009 addresses the audit finding.

**SECTION 15. AMENDMENT.** Section 7 of chapter 34 of the 2019 Session Laws is amended and reenacted as follows:

**SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

# Century Code Amendment

---

The Title 4.0 rewrites were completed during the Sixty-fifth Legislative Assembly of North Dakota (2017) and SB 2026 was part of the rewrites. SB 2026 passed after SB 2236 passed nullifying the amendments made by SB 2326 to Chapter 4-01. SB 2026 repealed Chapter 4-01 and enacted Chapter 4.1-01. Legislative Council informed the Department that due to the timing of the passage of SB 2026, the amendments passed by SB 2236 were not placed into law. Section 13 of Engrossed HB 1009 adds back the intent of SB 2236.

**SECTION 13. AMENDMENT.** Section 4.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-17. Pipeline restoration and reclamation oversight ~~pilot~~ program - Generally.**

1. The commissioner shall establish a ~~pilot~~ program providing technical assistance and support to surface owners and surface tenants on pipeline restoration and followup support to surface owners and surface tenants on pipeline reclamation.
2. The commissioner may contract for ombudsmen to be a resource for technical assistance and followup on pipeline issues. The ombudsmen may not investigate or assist with any pipeline installed before January 1, 2006, or regulated by the public service commission under title 49, and may not assist in easement negotiations.
3. The ~~pilot~~ program may provide technical education, support, and outreach on pipeline-related matters in coordination with other entities.
4. The commissioner may contract with local individuals, deemed trustworthy by the surface owners and surface tenants, to be ombudsmen. The commissioner is not subject to the provisions of chapter 54-44.4 when contracting for the services of ombudsmen.
5. The names of surface owners and surface tenants who receive assistance under the program are exempt records as defined under section 44-04-17.1.

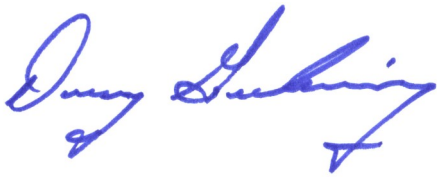
### Other Related Bills with Fiscal Impacts to Engrossed HB 1009

- Engrossed HB 1026: State warehouse grain and other licenses.
- Engrossed HB 1045: Industrial hemp fees.
- Engrossed HB 1394: HR 133 federal grant awards
- HB 1395: Adjust agency funding from previous COVID relief funds.
- Engrossed SB 2018: Commerce Department— transfer of North Dakota Trade Office duties.

## Summary

---

The work of the North Dakota Department of Agriculture is vital to our state's most important industry. This budget presentation was designed to provide transparency and to assist the Legislative Assembly determine spending priorities for the 2021-2023 biennium.



Doug Goehring  
Agriculture Commissioner



7935

# AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

GRANT REPORT 2019-2020



Agriculture Commissioner  
Doug Goehring



# TABLE OF CONTENTS

Administration .....	5	Invigoils, LLC.....	12
Project Map.....	6	<b>FARM DIVERSIFICATION</b>	
<b>BASIC &amp; APPLIED RESEARCH</b>		Cows and Co Creamery .....	13
Maximizing Honeybee Pollination to Increase Sunflower Oil Yield and Oil Quality .....	7	701 Meats, LLC .....	13
Semi-Mechanization of Early-Season Vineyard Management .....	7	Lakeside Meats Business Opening Plan.....	14
Testing of Two Novel Anti-Microbials On Meat .....	8	Quandt Barn .....	14
Scaling Up Soy-Based Monomers Synthesis for Commercial Acceptance.....	8	<b>MARKETING &amp; UTILIZATION</b>	
Examination of 10 Photoperiod and 2 Autoflower Hemp CBD Cultivars.....	8	Food First Marketing of Probioteins Bars .....	15
A New High Value Market for Plant-Based Products for Health and Anticancer Therapy .....	9	Houweling’s Dakota.....	15
Bio-Based Innovations for Commercialization from Chickpeas.....	9	Tuttle Fresh Artisan Pasta with Local Grown Vegetables and Sauces .....	16
Optimizing Intercropping Practices for the Production, Preservation and Utilization of Silage Feed.....	10	CoJACK Snack and Pack Marketing Kickoff.....	16
The Effects of Feeding Hempseed Cake on Ruminant Fermentation and Site Digestion in Cattle .....	10	Deep Winter Greenhouse Education and Fertilizer Demo Site.....	16
Valorization of Brewers’ Spent Grain Using Simultaneous Co-Fermentation to Enhance Nutritional Value .....	10	Dealer Expansion of Dyna-Flo Pumps.....	16
Evaluation of Small-Scale Vegetable Planting Technologies and Techniques .....	11	Golden Valley Ingredients Market Expansion.....	17
Early Identification of Soybean Cyst Nematode Disease .....	11	Nome Schoolhouse .....	17
GWAS and Transcriptome Analysis .....	12	Marketing for Gideon’s Brewing.....	17
		Feasibility of a Multi-Species Abattoir and Processor in Edgeley, ND .....	17
		Two Track Malting .....	17
		Prairie Products Cold Ethanol Hemp Extract Market and Promotions Project.....	18
		Website Design and Marketing Campaign with Redesign of Manufacturing.....	18
		Three Farm Daughters LLLP .....	18



BisMan Community Food Co-op Marketing Support .....	19
Ringside .....	19
Consumer Ed-Ewe-Cation.....	19
Marketing Implementation.....	20
Marketing Thaw-And-Serve Donuts .....	20
QueBitz - A Livestock Logistics App .....	20
Blue Flint Re-Power Engineering .....	20
Site Design Services .....	21
Development of a North Dakota Beef Slaughter and Processing Facility.....	21
South 40 Beef .....	21
Marketing Plan - Bueche LLC.....	22
Expansion of Hill Top Meats in Hazen .....	22
Minn Dak Market Holiday Promotion.....	22
<b>NATURE-BASED TOURISM</b>	
Hygge Hills Train .....	24
Agritourism Expansion Through Value Added Niche Market Crop Production .....	24
<b>PROTOTYPE &amp; TECHNOLOGY</b>	
VRT Renegade Market Acceleration.....	25
Bacon Yield Improvement Process .....	25
Bacon Yield Improvement Process, Phase III .....	26
Patent-Pending Belting Technology .....	26
Leaf and Bud Stripper (Strip It Good) .....	26

## **TECHNICAL ASSISTANCE**

Improvement Project for Efficiency and Production Increase.....	27
Nutritional Assessment of Hemp Byproducts for Inclusion in Animal Feed .....	27
Water Service to Blue Flint Ethanol .....	28

## **SPONSORSHIPS**

ND FFA Foundation, Inc. Sponsorship 2018 .....	29
NASDA Annual Meeting Sponsorship 2020.....	29

<b>FUNDING SOURCES</b> .....	30
------------------------------	----

# ADMINISTRATION

## APUC COMMISSIONERS



DAN KALIL, CHAIRMAN  
Commissioner's Appointee



RACHEL RETTERATH, VICE CHAIR  
Commissioner's Appointee



MATTHEW GLESSNER  
Commissioner's Appointee



KEITH PELTIER  
Commissioner's Appointee



BILL ONGSTAD  
Commissioner's Appointee



DENNIS MING  
Governor's Appointee



DOUG GOEHRING  
Agriculture Commissioner



DEAN BRESCIANI  
NDSU President



KEVIN SONSALLA  
Commerce Designee

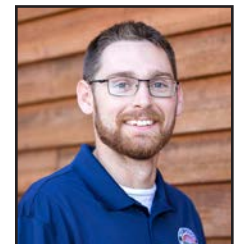
The North Dakota Agricultural Products Utilization Commission (APUC) consists of nine board members. The Agriculture Commissioner appoints five members and the Governor appoints one member.

The board also includes three statutory members: the North Dakota Agriculture Commissioner, the Director of the Department of Economic Development & Finance, and the President of North Dakota State University, or their designees.

## APUC STAFF



JOHN F. SCHNEIDER  
Business, Marketing  
& Information Division  
Director



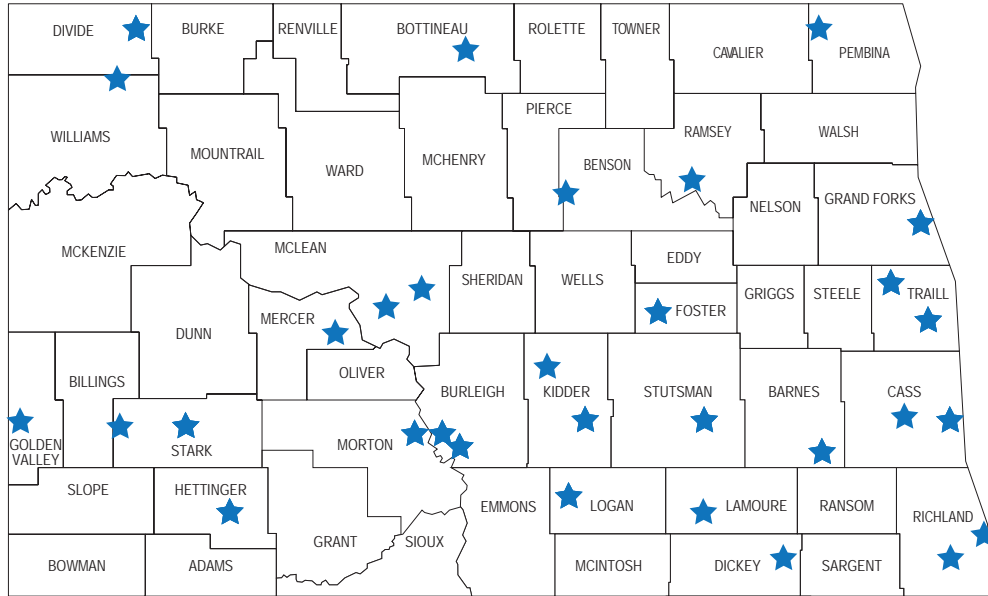
BRADLEY DEAN  
Administration



BETTY SCHNEIDER  
Administration

# PROJECT MAP

Between December 2018 and December 2020, APUC funded 57 projects in 31 North Dakota communities, totaling over \$2.6 million in grants and sponsorships.



APUC is a program within the North Dakota Department of Agriculture.

- Beach - Golden Valley Ingredients
- Beach - Ringside LLC
- Belfield - 701 Meats, LLC
- Bismarck - BisMan Community Food Cooperative
- Bismarck - Black Bison Organics, LLC
- Bismarck - Invigoils LLC
- Bismarck - Gideons Brewing Company Inc.
- Bismarck - NASDA
- Bismarck - North Dakota FFA Foundation
- Bottineau - Dakota College at Bottineau
- Carrington - Healthy Oilseeds
- Carrington - Cows and Co Creamery
- Carrington - NDSU Carrington Research Extension Center
- Casselton - Bueche LLC
- Casselton - Identity Ag Processing LLC
- Casselton - Minn Dak Market
- Devils Lake - Engstrom Bean & Seed
- Devils Lake - Summers Manufacturing Co LLC
- Dickinson - Baker Boy Bake Shop, Inc.
- Edgeley - Tim Moch/Meat Plant
- Esmond - gardendwellers FARM
- Esmond - gardendwellers RANCH
- Fargo - NDSU Dept. of Plant Sciences (4)
- Fargo - NDSU Dept. of Microbiological Sciences
- Fargo - NDSU Dept. of Coatings and Polymeric Materials
- Fargo - Prairie Products LLC
- Fargo - NDSU (2)
- Grand Forks - Three Farm Daughters LLLP
- Grand Forks - Minn-Dak Growers Ltd.
- Grand Forks - UND
- Grand Forks - UND Odegard School of Aerospace Sciences
- Hankinson - Hankinson Renewable Energy LLC
- Hatton - 4 Family Farms Alliance, LLC
- Hazen - J & J Hazen Meats, Inc.
- Hillsboro - Total Ag Industries Inc.
- Jamestown - North Dakota Farmers Union
- Lincoln - Two Track Malting, LLC
- Mandan - Cloverdale Foods Company (2)
- Mott - South 40 Farms LLC
- Napoleon - Bitz 4 Solutions
- Nome - Shepherd Industries
- Noonan - Hygge Hills
- Oakes - Dyna-Flo Pump Co.
- Oakes - Quandt Farm
- Tappen - Rapha Global Corporation
- Turtle Lake - McLean-Sheridan County Rural Water District
- Tuttle - Tuttle Community Development Corporation
- Underwood - Houweling's Tomatoes
- Underwood - Blue Flint Ethanol LLC
- Wahpeton - WCCO Belting Inc.
- Walhalla - Food First LLC
- Wildrose - In the Potter's Hand Inc.

# BASIC & APPLIED RESEARCH



*The UND-Bee Innovative team*

Basic & Applied Research Grants assist in research for processing agricultural products and byproducts in North Dakota. These grants cannot be aimed at business expansion or creation without regard to agricultural products, must not include research that cannot reasonably be expected to result in a marketable product, or cannot have been duplicated by other research efforts.

## **MAXIMIZING HONEYBEE POLLINATION TO INCREASE SUNFLOWER OIL YIELD AND OIL QUALITY**

UND - Odegard School of Aerospace Sciences  
Paul Snyder, Grand Forks

Grant Amount: \$59,113  
Total Budget: \$77,907

Australian technology startup Bee Innovative and the University of North Dakota (UND) are partnering to unlock an entirely new market for agricultural drones in the United States by combining Bee Innovative's extensive experience in tracking honeybees in real time for precision pollination in Australia with UND's global leadership in unmanned aircraft systems (UAS). Agriculture and honey production are important parts of North Dakota's economy, of which UND, as the state's flagship university, is a big driver through research and technology innovation. "As we grapple with global challenges around food

security and doing more with less, any innovation that delivers increased certainty, predictability and outputs for farmers is a welcome innovation." "We're excited to work with UND to leverage their experience in unmanned autonomous vehicles to enhance our current BeeDar capability and make this solution a reality for the local and global agriculture market."

## **SEMI-MECHANIZATION OF EARLY-SEASON VINEYARD MANAGEMENT**

NDSU Department of Plant Sciences  
Harlene Hatterman-Valenti, Fargo

Grant Amount: \$23,550  
Total Budget: \$29,438

Grant funding will be utilized to obtain, evaluate, and disseminate findings regarding the application of mechanized and semi-mechanized tools for new and expanding regional grape

growing operations. Evaluation of traditional and powered grapevine pruners and training tools will enable comparison and isolation of tools that can empower farmer decision making for best use of resources. Demonstrations to farmers will be conducted to disperse knowledge of safe and precise handling of tools, strengthening regional vineyard owners' capacity to manage and train a new, more efficient workforce, capable of maintaining greater acreage with fewer labor hours leading to more fruit production with less expenditures.

### **TESTING OF TWO NOVEL ANTI-MICROBIALS ON MEAT**

NDSU Department of Microbiological Sciences  
Birgit Pruess, Fargo

Grant Amount: \$45,765  
Total Budget: \$57,756

The proposal's main goal is to bring a submitted patent closer to commercialization by testing two novel antimicrobials (AM) on chicken. Previous research has established that both AM reduce live counts of spoilage and pathogenic bacteria when the AM are mixed with ground beef. The proposed research uses the AM as processing aid instead of treatment. The project will inoculate chicken breasts with specific levels of Salmonella or Campylobacter in PBS suspension. Contaminated meat will consecutively be treated with one of the AM by dipping into a water bath containing a 1% solution of the AM. The meat will be stored at 7 degrees C for a maximum of 3 days. Live counts of Salmonella and Campylobacter will be determined on selective agar plates. In addition, the project will determine live counts of several spoilage bacteria that are commonly associated with chicken. The research will broaden the range of applications that our AM are effective in.

### **SCALING UP SOY-BASED MONOMERS SYNTHESIS FOR COMMERCIAL ACCEPTANCE**

NDSU Department of Coatings and Polymeric Materials  
Andriy Voronov, Fargo

Grant Amount: \$56,493  
Total Budget: \$70,616

This project is based on the already obtained and published experimental results that demonstrated strong commercial promise of technology entitled Biobased Acrylic Monomers developed and patented at the Coatings and Polymeric Materials Department of North Dakota State University (NDSU). The goal of this project is to scale up synthesis of soybean oil-based acrylic monomer (SBM) to enable larger products volume and extensive further testing of latexes from SBM at industrial partner facilities. The projects main objective is to demonstrate feasibility of SBM synthetic process to produce monomers in larger volume (10 - 100 gallons). Before scaling up, synthetic reaction parameters and process characteristics need to be optimized in terms of monomer quality and reaction control with a main target of introducing these new materials to the market. The long term goal of this study is to replace petroleum-based monomers in polymer latexes with monomers based on soybean oil, at a price point that is comparable, and with the same equipment and processes, and with identical or better performance of the end product.

### **EXAMINATION OF 10 PHOTOPERIOD AND 2 AUTOFLOWER HEMP CBD CULTIVARS**

Dakota College at Bottineau  
Keith Knudson, Bottineau

Grant Amount: \$37,553  
Total Budget: \$46,941

The grant funds will be used to set up an applied research project to identify and develop varieties

of industrial CBD hemp cultivars that will perform well under North Dakota climate including controlled environmental conditions. The grant fund will be utilized to purchase industrial hemp cultivars, set up experimental plots, providing internships to students for conducting applied research, materials and supplies for conducting experimental trials and extraction of CBD, and hosting field days and workshop for producers to demonstrate good agricultural practices and hemp production in outdoor field as well as an environmentally controlled agricultural environment.

**A NEW HIGH VALUE MARKET FOR PLANT-BASED PRODUCTS FOR HEALTH AND ANTICANCER THERAPY**

NDSU  
Kalpana Katti, Fargo

Grant Amount: \$55,540  
Total Budget: \$80,553

The goal of the proposed research is to develop health target high value crops for North Dakota by evaluating the nutritional and anticancer properties of compounds from the extracts of oregano and related high phenolic crop, targeting effectiveness in treating prostate and breast cancer at the bone sites, which are considered terminal stage for these cancers. The research will combine the expertise of the Katti and Shetty groups to study the efficacy of the extracts from oregano and related high phenolic crops using the bone mimetic cancer testbeds with four cancer cell lines, highly metastatic and low metastatic prostate and breast cancer. Parallel studies will also be conducted to evaluate the effect of the natural extracts on healthy bone cells and bone regeneration. The ultimate goal of this research is to identify new uses and add value for oregano and related high phenolic crop grown in North Dakota, create health targeted high value markets for the products through discovery

and dissemination of the research to business, scientific communities and the public, build partnerships with local farmers, initiate patents and advance spin-off companies for job creation. The proposed research has a strong potential to increase employment in North Dakota, improve the health targeted markets through added value, develop new manufacturing capability in the agriculture sector in the state at the nexus of food, nutrition and medicine.

**BIO-BASED INNOVATIONS FOR COMMERCIALIZATION FROM CHICKPEAS**

NDSU Department of Plant Sciences  
Kalidas Shetty, Fargo

Grant Amount: \$44,902  
Total Budget: \$56,128

To advance bio-based innovation for commercialization of high value ingredients from ND chickpeas to support pulse growers, local food and nutrition industry and to provide NCD-linked health benefits to consumers of ND. To achieve this broad objective, initially we will screen North Dakota grown desi and Kabuli chickpea cultivars with high protein and high human health relevant bioactive content and will further target them as high value nutraceuticals and health ingredients by better defining their NCD-linked health benefits. Additionally, we will advance bio-based innovations such as pre-harvest foliar elicitation strategy with natural bioprocessed elicitors and post-harvest processing strategy to enhance such NCD-linked health benefits in targeted novel health targeted ingredients which will be derived from high value North Dakota chickpea. Furthermore, we will also advance commercialization efforts for high value chickpea-based ingredients by using NDSU driven new spin-off, research kitchen initiative and a potential collaboration with local food, nutrition, and health industries such as Sanford Profile. This proposed APUC grant initiative will

help to develop new health targeted functional ingredients from North Dakota chickpea and other legumes and will provide clear path for potential commercialization efforts for such high value agricultural products. Overall, development of such high value ingredients and advancement of its commercialization will contribute to the growth and long term stability of North Dakota economy.

### **OPTIMIZING INTERCROPPING PRACTICES FOR THE PRODUCTION, PRESERVATION, AND UTILIZATION OF SILAGE FEED**

NDSU Carrington Research Extension Center  
Bryan Neville, Carrington

Grant Amount: \$48,332  
Total Budget: \$60,415

The Carrington Research Extension Center researched three project objectives. 1) Maximize forage productivity of intercropped corn/legumes for the production of silage as livestock feed. 2) Determine the impacts of silage inoculant use on pH, nutrient content, and fermentation characteristics of intercropped corn/legume silages. 3) Compare feeding value of intercropped corn/legume silages to corn silage for backgrounding rations for beef heifers. In 2019, the corn production was much better previous research. It was believed that this would lead to better intercropping performance. However, field pea inclusion had a large negative impact on corn biomass production. The corn plants were shorter for much of the year which had cascade effects. First, the stunted corn did not yield well, but it also created more lanes for sunlight which created a more robust field pea crop. This was further compounded by heavy lodging and most field peas were not harvestable with silage chopping equipment. It is estimated that only 25% of the field pea biomass was harvested. It is possible that the unharvested field pea residue may have offset the loss in

forage production corn. Soybean production had minimal impacts on corn yield, however the corn was too robust in the mix. This resulted in a poor environment for soybeans to contribute much seed production. The best advantage with soybeans was a 5% increase in tons/acre fresh weight at the 145,200 soybean seeding rate compared to corn alone.

### **THE EFFECTS OF FEEDING HEMPSEED CAKE ON RUMINAL FERMENTATION AND SITE DIGESTION IN CATTLE**

NDSU  
Kendall Swanson, Fargo

Grant Amount: \$63,600  
Total Budget: \$79,500

This project is designed to determine the feeding value of hempseed cake in finishing cattle diets. Specifically, in situ and in vitro ruminal digestibility experiments will be used to examine the ruminal protein degradability of hempseed meal as compared to other common protein sources used for cattle finishing diets using in situ and in vitro digestion approaches, 2) influence of hempseed meal supplementation on ruminal fermentation, nitrogen balance, and site of digestion in cattle, and 3) preliminary economic analysis and value discovery of hempseed cake as a protein supplement for cattle fed finishing diet.

### **VALORIZATION OF BREWERS' SPENT GRAIN USING SIMULTANEOUS CO-FERMENTATION TO ENHANCE NUTRITIONAL VALUE**

NDSU Department of Plant Sciences  
Paul Schwarz, Fargo

Grant Amount: \$35,090  
Total Budget: \$43,862.50

The microbial fermentation of brewers' spent grains is an environmentally friendly and

economical operating process, which benefits the sustainability of barley growing in ND. The utilization of brewers' spent grains as livestock feed is limited (with an addition of less than 5% in the total feed) because of the non-digestive fibers and proteins. The current project is designed to use the microbial fermentation to break down the crude fiber and protein of BSG into sugars, peptides, amino acids, fatty acids, and prebiotics conducive to the digestion of livestock. The operating process is to be conducted under the air condition, which prepares for a large-scale implementation in practice. The solid state fermentation does not produce waste water. The process is relatively costless because of the convenient operation, inexpensive microbial strains, and no waste production. In addition, the process saves energy costs because the moisture content of BSG is expected to dramatically decrease with the heat produced during the microbial fermentation. The nutritional value of fermented BSG would be significantly increased, compared to the untreated BSG. The shelf life of fermented BSG would be longer due to the inhibition of spoilage microbes by beneficial fungus and bacteria applied in the fermentation process. The improvement of nutrients of fermented BSG would potentially enlarge the utilization of BSG as feed, which would reimburse the malting barley growers and promote the sustainability of barley growing.

**EVALUATION OF SMALL-SCALE VEGETABLE PLANTING TECHNOLOGIES AND TECHNIQUES**

NDSU Department of Plant Sciences  
Chiwon Lee, Fargo

Grant Amount: \$17,517  
Total Budget: \$21,896.25

With the increase of small-scale vegetable production in North Dakota, new and veteran producers continually face the daunting task of

optimizing resources, labor and time. Planting and seed starting are the most crucial and time-consuming aspects of vegetable production. The utilization of commercial seeders provides the opportunity for decreased time and money expenditure, while improving accuracy and adaptability in direct sowing of small seeded high value crops. Utilization of a stale seedbed technique provides the benefit of non-chemical weed suppression, while also reducing need for tillage. Multiple commercial seeders developed for small scale farm operations will be evaluated for time-saving capacity and precision while planting high value small-seeded vegetable crops. A stale seed bed technique and conventional tillage will be used to evaluate weed suppression. Hand and vacuum seeders for indoor seed starting and greenhouse operations will be evaluated for cost and time effectiveness. Vegetable seed used in this project will be diverse and of economic importance to North Dakota producers. This project will address problems faced by short season North Dakota vegetable producers, while showcasing new tillage strategies to improve upon cultural practices. Through evaluation of new technologies, this project will identify where labor costs can be streamlined, enabling producers to invest more time and money into other aspects of their operation. Furthermore, findings will be communicated to stakeholders through grower meetings, field days and extension demonstrations.

**EARLY IDENTIFICATION OF SOYBEAN CYST NEMATODE DISEASE**

University of North Dakota  
Prakash Ranganathan, Grand Forks

Grant Amount: \$62,800  
Total Budget: \$78,500

Soybean Cyst Nematode (SCN) disease is a leading cause of yield loss in North America



soybean farms. It is often difficult to identify the exact symptoms of-SCN. Common below ground symptoms (BGS) include root stunting, discoloration, and fewer nodules in the root. The above ground symptoms (AGS), include less biomass, stunting and early yellowing or browning of leaves. While we understand that SCN Infected soybeans can lose up to 25-30% of their yield before beginning to turn yellow and a number of other diseases also cause yellowing of leaves, the purpose of this study has two fold goals:

Goal 1: To find out whether there are early, subtle signs that SCN infection has occurred before visibly detectable early yellowing by relating large suites of multiple types of remote sensor data to soybean growth conditions.

Goal 2: To find out whether there exists a relationship for early yellowing to SCN disease and mapping exact environmental conditions such as soil moisture and canopy assessment across all seasons. Currently, there is very limited research that integrates both aerial and ground data measurements to map the geo location of this SCN disease that captures variation in plant health, early yellowing and soil health across all seasons, as there is a lack of high fidelity big data in this area. The anticipated outcome of the project will result in a software and remote sensing hardware package that can be used to accurately detect the GPS locations of SCN infested areas in two ND soybean farms.

### **GWAS AND TRANSCRIPTOME ANALYSIS**

Minn-Dak Growers Ltd.

Mala Ganiger, Grand Forks

Grant Amount: \$100,000

Total Budget: \$125,000

The possible outcome of accelerated aging treatments will be to identify the environmental conditions stimulating the darkening of seed coat color in a reasonable time frame. This information

is essential for the phenotypic evaluation of seed coat color browning in buckwheat breeding program and for commercial seed coat color evaluations at MDGL. Indirectly, the optimum storage conditions necessary for retaining the green seed coat color will be revealed. The GWAS study of common buckwheat accessions which will be the first report in relation to the seed coat color of common buckwheat should allow us to identify the gene/s controlling the seed coat color trait in buckwheat. Finally, the mechanism of gene expression at the molecular level with RNA-seq information will provide the comprehensive information of the genes involved in seed coat color development through differential gene expression study. This will help to develop the buckwheat varieties with darker green seed coat color resulting in the increase in acreage for production to meet the customer demand and having higher sales price for. This will create more job opportunities for both buckwheat farmers and buckwheat mill workers improving the overall economy of North Dakota. Moreover, this project will enforce the building and expanding the R&D department of MDGL further creating more job opportunities in buckwheat research field proving it to be more potential for economic growth in different areas such as buckwheat research.

### **INVIGOILS, LLC**

Larry White, Bismarck

Grant Amount: \$49,416

Total Budget: \$108,116

Invigoils will source regional identity preserved oilseed commodities for cold press processing for a commercial market of both human and animal consumption. Oilseeds under consideration are mainly safflower, sunflower, canola, flax and hemp. Additional oilseeds may be crushed for additional markets as the demand may warrant. Toll processing may be used when we have extra capacity.

# FARM DIVERSIFICATION



*Progress on Cows & Co. Creamery*

Farm Diversification Grants give priority to projects dealing with the diversification of a family farm to non-traditional crops, livestock, or on-farm, value-added processing of agricultural commodities. Traditional crops and livestock are generally defined as those that the North Dakota Agricultural Statistics Service maintains statistics on. The project must have the potential to create additional income for the farm unit.

## **COWS AND CO CREAMERY**

Cows and Co. Creamery  
Maartje Murphy, Carrington

Grant Amount: \$148,000  
Total Budget: \$670,000

Cows and Co. Creamery is a micro-creamery located near Carrington, ND. They produce artisan dairy products using milk from their family farm. Currently they are producing Gelato and are looking to develop lines of artisan cheeses with authentic "old-world" production. The vision for the creamery is to have an on-farm location that would serve as a creamery and an agri-destination.

## **701 MEATS, LLC**

701 Meats, LLC  
Roy Krivoruchka, Belfield

Grant Amount: \$97,650  
Total Budget: \$128,650

The project established a meat processing facility in southwest North Dakota. The facility will start out as a custom exempt facility with plans to expand into a state inspected facility. APUC provided funding for the refrigeration system for the meat processing facility. The facility processes North Dakota meat products such as steaks, roasts, burger, sausages, bacon, hams and more. This facility provides local producers with a place to process their animals as well as providing consumers with a place to obtain locally raised meat products.

## LAKESIDE MEATS BUSINESS OPENING PLAN

4 Family Farms Alliance, LLC  
John Jacobson, Hatton

Grant Amount: \$75,000  
Total Budget: \$93,750

An existing meat processing facility has been acquired by 4 Family Farms Alliance, LLC, and the business name will be "Lakeside Meats."

Lakeside Meats intends to provide:

- a) fee-based meat processing services to livestock producers (custom-exempt);
- b) retail and wholesale sales of unprocessed product(s) (state inspected); and
- c) manufacturing/processing of meat products for retail and wholesale sales.

One factor that differentiates Lakeside Meats from its competitors involves the fact that all four owner families are personally in the livestock business, employ best management practices on their respective farms and ranches, provide care for their animals at a level that is unmatched, and remain committed to raising an exceptional product that is safe, affordable, fresh and delicious. Lakeside Meats is located at 307 College Dr S in Devils Lake, ND, in the heart of the business community of Devils Lake.

## QUANDT BARN

Quandt Farm  
Justin & Stephanie Quandt, Oakes

Grant Amount: \$20,500  
Total Budget: \$25,625

This project includes provisions for a 4,800 head finisher swine farm. The facility will consist of one (1) 338.0'x 122.2' finisher barn. The finisher barn will house a total of 4,800 finisher pigs. The barn will be on slatted concrete floors over an 8' deep pit, which will fully contain the manure and waste water to ensure the protection of ground water

and other vital natural resources. All buildings are totally roofed and all extraneous drainage will be drained away from the building and diverted around the site into engineer-designed containment. The hogs will arrive weighing approximately 30 lbs and will be fed using grain from our family farms as well as from other entities. The manure that is collected from the facility will be used to enrich the soil of our fields and those of our neighbors while cutting back on our dependency on chemical fertilizer. This finisher barn will help sustain our family farming operations for future generations. We have been working closely with our engineer to assure adherence to the environmental laws of our state, the health of our animals, and to being good and ethical neighbors.

# MARKETING & UTILIZATION



*Processing equipment at Food First LLC*

Marketing & Utilization Grants provide necessary assistance to the research and marketing needs of the state by developing new uses for agricultural products and by-products, and by seeking efficient systems for processing and marketing these products. These grants are also used to promote efforts that increase productivity, provide added value to agricultural products, stimulate and foster agricultural diversification and encourage processing innovations.

## **FOOD FIRST MARKETING OF PROBIOTEIN BARS**

Food First LLC  
Rob Thornberg, Walhalla

Grant Amount:       \$34,000  
Total Budget:        \$42,500

Now that our prebiotic fiber product -- ProBiotein -- and MicroBiome Bars, for good gut health, are available to large regional retailers from a national distributor, we want to be sure the customers of these retailers are aware our products are in their stores. Food First LLC of Walhalla, ND, has initial sales and commitments from 740 stores (340 Sprouts Farmers Markets and 400 Associated Food Stores). These two retail chains have established customer contact via social media and they also conduct in-store sampling for new products. The focus will be on reaching those customers with social-media-

based advertising, in-store demonstrations and signage. Building brand awareness is the effort and securing the all-important reorders is the goal.

## **HOUWELING'S DAKOTAH**

Houweling's Tomatoes  
Casey Houweling, Underwood

Grant Amount:       \$136,000  
Total Budget:        \$169,000

Houweling's Dakota is conducting a feasibility study and performing market research on the potential to develop a greenhouse industry in North Dakota. The goal is to understand the local, state, and national demands of the tomato market and create a strategic plan to implement the findings. This project could allow options for more locally grown produce while continuing

to develop North Dakota's agriculture industry in a socially responsible and environmentally sustainable way.

### **TUTTLE FRESH ARTISAN PASTA WITH LOCAL GROWN VEGETABLES AND SAUCES**

Tuttle Community Development Corporation  
Eli Hartje, Tuttle

Grant Amount: \$37,013  
Total Budget: \$66,543

This project aims to develop fresh pasta and/or wet products using North Dakota semolina, vegetables, eggs, and dairy products from area farmers.

### **COJACK SNACK AND PACK MARKETING KICKOFF**

Engstrom Bean & Seed  
Gene Hepper, Devils Lake

Grant Amount: \$105,425  
Total Budget: \$133,900

CoJACK is a start up packaging and snack food company offering puffed edible beans, roasted soy nuts, and pumpkin seeds. The project aims to place CoJack snack in front of the biggest buyers for retail stores across the nation. The grant will make it possible to promote identity preserved natural products to a large buying group. The project will not only be promoting the CoJACK brand but also be a large test market for several new products just being researched. The project will assist CoJack's marketing team build relationships with industry people that will help them grow and contribute to its success for many years to come.

### **DEEP WINTER GREENHOUSE EDUCATION AND FERTILIZER DEMO SITE**

Black Bison Organics, LLC  
Derek Lowstuter, Bismarck

Grant Amount: \$49,000  
Total Budget: \$93,000

This project will construct an education and demonstration facility to: (1) showcase the use and effectiveness of Black Bison Organics fertilizers year-round; (2) demonstrate the use of a deep winter greenhouse to allow winter crop production without expensive supplemental heating; and (3) create a regional agroforestry and permaculture training hub. The project will be composed of a "net-zero" greenhouse that allows year-round crop production. The greenhouse will be attached to an annex building to host educational events, for fertilizer storage, and to house the greenhouse utilities. Both buildings will be constructed using the innovative Nordic Steel building system, based out of Mandan, ND; thereby demonstrating the use and effectiveness of two local products. Black Bison Organics fertilizer's main ingredients are ND-sourced flax seed meal and leonardite - instead of relying on inferior, out-of-state ingredients. By greatly extending, or even eliminating, the growing season in North Dakota, the proposed project will allow the business to showcase crop quality and yields impossible or uneconomical to achieve without an energy-intensive traditional greenhouse.

### **DEALER EXPANSION OF DYNA-FLO PUMPS**

Dyna-Flo Pump Co.  
Dana Rosendahl, Oakes

Grant Amount: \$78,750  
Total Budget: \$179,250

Dyna-Flo pump co will be traveling the US pushing their Dyna-Flo irrigation and flood control pumps. The goal is to establish a solid dealer network and to create a chain of dealers to

display their pump. Funding for this project will assist in creating name recognition and help gain a dealer network to market the Dyna-Flo pump.

### **GOLDEN VALLEY INGREDIENTS MARKET EXPANSION**

Golden Valley Ingredients  
Seth Novak, Beach

Grant Amount: \$78,750  
Total Budget: \$187,500

The projects seeks to build global brand recognition for Golden Valley Ingredients and scale the processing facility to a new level with the creation of a marketing campaign. By creating an effective marketing campaign, Golden Valley Ingredients hopes to leverage their processing capabilities to create a positive economic impact in a disadvantaged area of the state and invest back into North Dakota.

### **NOME SCHOOLHOUSE**

Shepherd Industries  
Chris Armbrust, Nome

Grant Amount: \$10,000  
Total Budget: \$257,800

Dakota Fiber Mill and Bear Creek Felting have partnered together to start Shepherd Industries. Together they purchased the Nome Schoolhouse for their fiber mill, education, and event center. The Nome Schoolhouse serves as a mecca for makers everywhere. They will bring folks from all over the world to North Dakota offering North Dakota products, produced with North Dakota raised, processed and produced fiber all over the world on the wholesale market. They have already been contracted by scheels to carry alpaca insoles in all their stores. Funding for this project will go towards advertising from printed materials to social media.

### **MARKETING FOR GIDEON'S BREWING**

Gideon's Brewing Company  
David Duma, Bismarck

Grant Amount: \$4,000  
Total Budget: \$27,062

Gideon's Brewing is develop a new website, advertise on the radio and offer more products to sell at local trade shows in order to increase our sales volumes and the amount of North Dakota malt we purchase.

### **FEASIBILITY OF A MULTI-SPECIES ABATTOIR AND PROCESSOR IN EDGELEY, ND**

Tim Moch, Edgeley

Grant Amount: \$30,000  
Total Budget: \$73,600

A steering committee of livestock producers and local businessmen in the Edgeley, ND area intend to conduct a feasibility study to provide verification of supply and market projections, determine the best location, determine layout and equipment needs and provide size, cost and cash flow projections to determine financial viability of a new meat plant in Edgeley.

### **TWO TRACK MALTING**

Two Track Malting, LLC  
Jared Stober, Lincoln

Grant Amount: \$41,000  
Total Budget: \$116,263.50

Two Track Malting is a craft malting company located in Lincoln, ND producing craft malt for craft brewers across the country. Two Track Malting specializes in producing high quality small batch craft malt which can be traced down to the exact field it was grown on and the farmer who grew it. They provide this information on

each bag through a unique scan code which the brewer can scan to pull up brewing specifications along with the field and farmer information. Two Track Malting has shipped malt to 104 breweries in 25 states across the United States. In 2020, Two Track Malting's goal is to launch a marketing campaign targeting craft brewers to increase our customer base. In the US there are 7,346 breweries with 1,367 breweries located in 11 states in our region. APUC funds will be used to build awareness for our products and create demand for our North Dakota grown craft malt.

### **PRAIRIE PRODUCTS COLD ETHANOL HEMP EXTRACT MARKET AND PROMOTIONS PROJECT**

Prairie Products LLC  
Rose Veronica Michael, Fargo

Grant Amount: \$5,000  
Total Budget: \$177,000

The US hemp derived CBD market is expected to reach \$23.7 billion by 2023. Prairie Products' (PP) primary aim is to capitalize on this burgeoning market for the benefit of North Dakota growers as well as its own extraction business. Prairie Products seeks APUC funding for market research on raw CBD products and to gain better access to existing financial opportunities in these markets. Funds will be used to attend industry conferences and meetings, collect and analyze market data, and to explore all current and emerging CBD crude market trends and product demands. In addition, it would afford Prairie Products the opportunity to develop and implement a marketing plan that increases economic opportunity for all local businesses in our hemp to crude and beyond supply chain. It would also enable us build out a strong, profitable sales network and the infrastructure to consistently sell hemp products in the marketplace. Lastly, grant funding will also help us refine our marketing strategy and product

profile, our pricing, packaging and distribution strategies. We know this additional financial support will not only help us better identify and connect with our clients' product needs, but it will position us for ongoing success by developing a sustainable sales network, excellent account management of existing clients and a marketing brand that is known as reputable and reliable.

### **WEBSITE DESIGN AND MARKETING CAMPAIGN WITH REDESIGN OF MANUFACTURING**

In the Potter's Hand Inc.  
Amy Shaw, Wildrose

Grant Amount: \$35,000  
Total Budget: \$82,008

In the Potter's Hand Inc. intends to redesign its website to properly reflect our current lines of gluten-free specialty skin care and beauty products. The updated website would be eye-appealing and user friendly to search for specific products and ingredients. We will increase marketing efforts by targeting consumers using Google Adwords, Facebook, and through influencer's within our industry. IPH sees the need to restructure our manufacturing process to streamline within our facility. We have an opportunity to significantly grow the business and need to be prepared to increase production efficiently. IPH is also needing to protect our brand name and product lines with trademarking of these items.

### **THREE FARM DAUGHTERS LLLP**

Three Farm Daughters LLLP  
Molli Ficocello, Grand Forks

Grant Amount: \$68,800  
Total Budget: \$570,000

Three Farm Daughters is a majority female

owned business based in Grand Forks, ND, with the mission to produce and deliver high fiber resistant starch and reduced gluten food products in a variety of forms with outstanding quality and taste. Three Farm Daughters looks to fulfill the consumer driven need for healthier food options and truly believes in providing a “better for you” food product for consumers. Their current product line plans include nutrient rich reduced gluten flour and cookies and high fiber resistant starch crackers and pasta; however, Three Farm Daughters does not plan to stop there. Products will be available for purchase soon!

**BISMAN COMMUNITY FOOD CO-OP  
MARKETING SUPPORT**

BisMan Community Food Cooperative  
Beth Kaylor, Bismarck

Grant Amount: \$32,000  
Total Budget: \$65,000

The BisMan Community Food Cooperative (BCFC) is a full service grocery store providing local & natural foods. The BCFC is a valuable retail partner to local food producers in North Dakota. The APUC grant supports marketing efforts and local producers video profiles to attract more consumers to the BCFC.

**RINGSIDE**

Ringside LLC  
Levi Hall, Beach

Grant Amount: \$25,000  
Total Budget: \$125,000

Ringside, LLC is has created an app (“Ringside - Livestock”) that will be used to track and promote livestock as they show and sell across the United States. The app will create a new channel for North Dakotans, and people across the country,

to market their cattle producers will be able to be more precise with their advertising and marketing budgets and therefore will see increased revenues on their operations. Ringside was available for download January of 2020. After a wildly successful launch at the National Western Stock Show in Denver, CO in January, Ringside received excellent response from users across the US and into Canada.

**CONSUMER ED-EWE-CATION**

gardendwellers RANCH  
Adam Mawby, Esmond

Grant Amount: \$3,223  
Total Budget: \$4,986

gardendwellers RANCH will be attending multiple farmers markets across the northern portion of North Dakota, reaching Grand Forks, Devils Lake, Rugby and Minot, to promote the consumption of local lamb meat Focusing on providing information and education, about the health, economic and environmental benefits of consuming sheep meat, to direct consumers and retail professionals. Sample kits containing recipes, seasonings, and one pound local ground lamb meat and self addressed comment card in a reusable market bag will be given to interested consumers for home sampling. gardendwellers RANCH will also be providing the meat source for the entree serving at an annual Farm to Table dinner held in central North Dakota. Representation will also be present to speak about the benefits of consuming lamb. Open house events will also be held at gardendwellers RANCH to provide as transparent of a business as possible. Inviting people out to visit the farm, enjoy a freshly prepared sample of lamb, and see how the animals are raised all to promote the benefits of eating locally sourced lamb and sheep for meat.



## MARKETING IMPLEMENTATION

Rapha Global Corporation  
Lon Cummings, Tappen

Grant Amount: \$10,500  
Total Budget: \$105,319.75

Rapha Global Corporation will implement the marketing plan developed by NDSU in collaboration with funding provided by APUC and Rapha Global to sell Rapha's Flax Hull Lignans and their other innovative flaxseed nutritional products. This will include activities such as website development and improvements, social media marketing through Facebook, Twitter, and Instagram, advertising campaigns on Google, LinkedIn and Amazon, as well as a comprehensive email marketing and re-targeting plan designed to follow up with and retain the valuable customers gained from the various marketing platforms.

## MARKETING THAW-AND-SERVE DONUTS

Baker Boy Bake Shop, Inc.  
Guy Moos, Dickinson

Grant Amount: \$55,650  
Total Budget: \$194,500

Over the past two years, Baker Boy has invested countless time and resources, and millions of dollars into the manufacturing of donuts. This investment led to the creation of Magic Ring Filled Donuts-ring donuts with filling in every bite. Recently, these advances has allowed Baker Boy the ability to launch a new line of Thaw-and-Serve Fully Finished Donuts. APUC provided funding to support marketing and trade show assistance to launch the new product line. Funding supported efforts to reach the objective of creating higher awareness for both the Baker Boy brand and the Thaw-and-Serve fully finished donut brand line. The new product line was introduced at the National Association of Convenience Stores in

Atlanta, Georgia.

## QUEBITZ - A LIVESTOCK LOGISTICS APP

Bitz 4 Solutions  
James Philip Bitz, Napoleon

Grant Amount: \$26,250  
Total Budget: \$370,000

The transportation of livestock continues to have issues with timely movement of livestock. Gaps in communication between sending, transporting, and receiving livestock cause financial loss for transporters and producers in the industry. With a few exceptions, most cattle in North Dakota have to be hauled 500 miles or more for processing. Bitz 4 Solutions has developed an app (QueBitz) for real time pick-up and deliveries of cattle. The platform will connect beef producers, transporters, and processors for real time information on pickups, drop offs, and driver availability. QueBitz is now available in the App Store and Google play where it can be downloaded for use.

## BLUE FLINT RE-POWER ENGINEERING

Blue Flint Ethanol LLC  
Jeff Zueger, Underwood

Grant Amount: \$155,000  
Total Budget: \$1,758,400

Blue Flint Ethanol is a low carbon renewable fuel producer that is reliant on Great River Energy's Coal Creek Station for steam to run the bio-refinery. Great River Energy has announced it does not plan to operate Coal Creek beyond 2022. To continue to operate, Blue Flint will likely need to install a boiler to replace the lost steam supply. Carbon intensity of the ethanol produced is a critical consideration for long term viability of an ethanol plant. Therefore, we are evaluating a boiler and handling system that would use

biomass in the form of wheat straw and/or corn stover as an alternative to natural gas based system. This project will gather feasibility level engineering surrounding the biomass option and allow Blue Flint to select a technology. A second phase of the project will complete detailed engineering and design on the selected technology.

### **SITE DESIGN SERVICES**

Identity Ag Processing LLC  
Robert Sinner, Casselton

Grant Amount: \$17,850  
Total Budget: \$23,550

Identity Ag Processing, LLC (IAP) is a state-of-the-art processing facility that was established in 2004 for the purpose of cleaning, sizing, packaging and shipping contracted North Dakota grown food grade commodities arranged by SB&B Foods, Inc. with headquarters in Casselton, North Dakota. Since the completion of IAP, SB&B Foods, Inc. has grown continually to now a large global market presence with North Dakota grown products. North Dakota producers have not only benefitted with increased profits for their efforts, but also have gained worldwide recognition and reputation for the consistent high quality they produce year after year. More and more, global food companies are contacting SB&B Foods, Inc. for additional quantities produced in North Dakota. This project is to hire professional services to do a civil site design that includes a topographic survey, geotechnical investigation, geometric layout for roadway, site drainage, roadwork makeup and design, and erosion control. When completed, Identity Ag Processing intends secure a contractor for the infrastructure improvements and work. This total project will not only immediately impact our plant efficiency, but more importantly will allow for increased plant capacity and customer confidence for expanded business that will directly and positively benefit

ND producers.

### **DEVELOPMENT OF A NORTH DAKOTA BEEF SLAUGHTER AND PROCESSING FACILITY**

North Dakota Farmers Union  
Mark Watne, Jamestown

Grant Amount: \$27,500  
Total Budget: \$75,000

A feasibility study to determine the possibility of a medium scale, regional, USDA-inspected cattle slaughter and processing facility, with an adjacent rendering facility with the capabilities of receiving rendering from other customers. The project will include a market analysis, processing and business plan, supply plan, management plan, and financial plan.

### **SOUTH 40 BEEF**

South 40 Farms LLC  
John Roswech, Mott

Grant Amount: \$7,275  
Total Budget: \$14,550

South 40 Beef is committed to providing your family with ethically harvested, high quality, angus beef. Our family is building a beef processing plant in Mott, ND that will do the following:

- Sell and market USDA inspected beef direct to consumers that live outside of the Dakotas that reside in east and west coast.

Export ND Beef

- State inspected beef to consumers in the Dakotas
- State inspected custom butchering
- Sell to big box retailers such as Costco and Walmart

South 40 Beef is committed to providing your family with ethically harvested, high quality, angus beef.

## **MARKETING PLAN - BUECHE LLC**

Bueche LLC

Shannon Bueche, Casselton

Grant Amount: \$8,193  
Total Budget: \$10,241.25

The Marketing Plan Project for Bueche LLC will develop and implement a marketing plan for our artisan herbal products. The marketing plan will include development of an eCommerce website, design and creation of a company logo and product-specific logos, bar-coded product label design and printing, electronic and printed marketing materials, marketing strategies for social media and Google advertising, as well as custom signage for sales locations and vehicles. The products are created from organic herbs, berries and other botanicals grown on a North Dakota farm. This project will highlight the traditional and non-traditional crops we are currently growing, and the unique products we create from them. By developing and utilizing a robust marketing plan, consumers will have access to education about the benefits of these plants, how they're used for health and wellness, and availability to purchase North Dakota made products created with them. It will also help to establish North Dakota as a place where beneficial herbs can be grown successfully, both on a family garden scale, and on a scale large enough to accommodate retail and wholesale markets.

## **EXPANSION OF HILL TOP MEATS IN HAZEN**

J & J Hazen Meats, Inc.

Justin Hill, Hazen

Grant Amount: \$29,525  
Total Budget: \$36,906.25

Hill Top Meats is an existing USDA inspected meat processing plant located in Hazen, North Dakota. The company is intending to build a

new facility to increase its inspected processing capacity from 15 head per week to 30-60 head per week. The new plant will be located along Highway 200 between Beulah and Hazen. The existing plant will remain in operation to serve the region's custom and wild game processing needs.

## **MINN DAK MARKET HOLIDAY PROMOTION**

Minn Dak Market


Greg Kempel, Casselton

Grant Amount: \$15,000  
Total Budget: \$18,750

Minn Dak Market proudly promotes and sells locally made products including Pride of Dakota products at its local storefront located in the West Acres mall in Fargo. They also sell via their website [www.minndakmarket.com](http://www.minndakmarket.com). This year, with the pandemic creating cancellations of trade shows such as two of the Pride of Dakota shows and the concern that the other shows may be less in attendance, sales etc. several Pride of Dakota vendors have reached out to see if they could increase their marketing to try and increase holiday sales. In 2019, 30,000 catalogs were printed and mailed out 5,500 of them to current/potential customers throughout the midwest, Florida, Texas, Arizona, and California (former residents). This year by increasing this as well as more advertising in the area will lead to additional sales for these Pride of Dakota companies from Flasher to Burlington to Devils Lake to Esmond to Valley City etc.

In addition to additional catalogs and mailing, an aggressive marketing campaign online with radio presence will help increase sales.

Since opening the store full time on May 15, 2019, Minn Dak Market has seen steady growth. Holiday sales continue to grow. In 2019, a pop up store was used in the Dakota Square Mall for the



holidays from October through January. We are researching opportunities currently in Kirkwood Mall in Bismarck as well as the Dakota Square Mall in Minot to continue to grow the brand of providing local residents access to locally made products.

# NATURE-BASED TOURISM



Nature-Based AgriTourism Grants are for enterprises which seek to attract visitors to a working farm or ranch, or any agricultural, horticultural or agribusiness operation to enjoy, be educated or be involved in activities. Eligible projects include but are not limited to farm or ranch tours, hands-on chores, self-harvesting of produce, hunting operations, fishing operations located on applicants' land, bird watching, trail rides and corn mazes.

## **HYGGE HILLS TRAIN**

Hygge Hills  
Lucy Frandsen, Noonan

Grant Amount: \$20,000  
Total Budget: \$27,350

Hygge Hills is working towards enhancing and growing their events by adding a train feature. This train will be pulled behind a compact tractor. It will be similar to an old steam train, with two cars each comfortably holding six adults. This train will be used mainly at our annual fall pumpkin patch. The train will follow a decorated pathway, through a seasonally decorated 160' tunnel, providing our guests an enjoyable time by sitting back, relaxing and enjoying the beautiful country scenery. This train will not be used on a track, so it will be available for use at parades, fairs, the Divide County Threshing Bee and other area events.

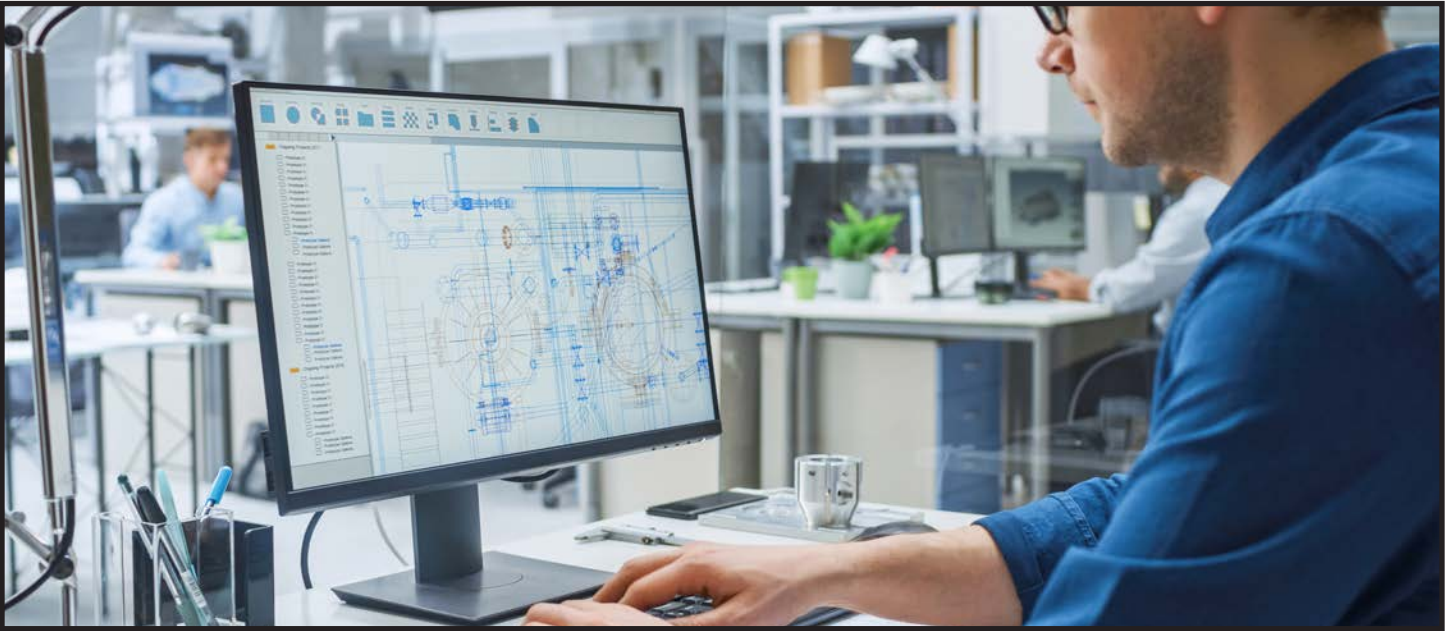
## **AGRITOURISM EXPANSION THROUGH VALUE ADDED NICHE MARKET CROP PRODUCTION**

gardendwellers FARM  
Holly Mawby, Esmond

Grant Amount: \$7,093  
Total Budget: \$8,786

gardendwellers FARM will use APUC funds to begin processing and packaging of freeze-dried herbs to provide an easily packed and carried product available throughout the year to market to its agri-tourism visitors. This expansion will allow gardendwellers FARM to produce a product with a very long shelf life and a broader product line that appeals to visitors to the farm and to North Dakota. The freeze-dried herbs and herb blends will capitalize on the 'Be Legendary' branding as well as the gardendwellers FARM branding to appeal to consumers demand for local ingredients and products.

# PROTOTYPE & TECHNOLOGY



APUC provides grants in two areas of agricultural innovations: Prototype Development & Technology Grants. A huge array of equipment can be useful in conducting business in rural living and agricultural economics. Prototype Grants are restricted to inventions improving the operations of food processing equipment and agricultural equipment. Technology Grants are to encourage innovation and APUC maintains a broad view of technology, such as hardware, software, devices or processes. Biotechnology will be considered as long as those advances improve agricultural product utilization such as food, feeds, fuels and fiber.

## **VRT RENEGADE MARKET ACCELERATION**

Summers Manufacturing Co Inc  
Bruce Johnson, Devils Lake

Grant Amount: \$26,250  
Total Budget: \$272,020

This project is aimed to help Summers Manufacturing accelerate the growth of a very exciting break through innovation in farm equipment which enables variable rate tillage. The acceleration of this market adoption will help promote the practice and will help Summers Manufacturing return to a growth mode as a North Dakota company producing innovative equipment to help agricultural producers be more efficient.

## **BACON YIELD IMPROVEMENT PROCESS**

Cloverdale Foods Company  
Justin Brotzler, Mandan

Grant Amount: \$105,000  
Total Budget: \$329,869.52

This is a three-phase project intended to increase bacon yield utilizing existing resources and constraints and develop new design of bacon comb hanger to increase yield, decrease waste, and produce a more consistent quality product. Additionally, a new design for system trolleys will be developed to increase capacity, efficiency, and quality. Cloverdale will invest in developing a process that is the most effective for chilling during the cooking and cooling process that will quickly, evenly, and consistently cool to ensure food safety and quality subsequent processing.

### **BACON YIELD IMPROVEMENT PROCESS, PHASE III**

Cloverdale Foods Company  
Justin Brotzler, Mandan

Grant Amount: \$34,767  
Total Budget: \$265,158.92

Cloverdale would like to increase their bacon production yield utilizing existing space, design and patent bacon specific tools, and expand capabilities within the existing facility.

### **PATENT-PENDING BELTING TECHNOLOGY**

WCCO Belting Inc  
Jean Voorhees, Wahpeton

Grant Amount: \$41,475  
Total Budget: \$65,454

WCCO is developing a new type of rubber product primarily used on equipment that harvests potatoes, sugar beets, onions, and other root vegetables. If the prototype is successful, it will be promoted to both domestic and international equipment manufacturers. The growth will increase North Dakota exports and create high-paying local manufacturing jobs.

### **LEAF AND BUD STRIPPER (STRIP IT GOOD)**

Total Ag Industries Inc.  
Pat Muller, Hillsboro

Grant Amount: \$26,250  
Total Budget: \$49,150

This project seeks to develop a prototype of a new harvesting equipment for high-CBD hemp, the leaves of which are pressed for CBD oil. Grant funds will be used for the engineering, research and development and manufacturing of the prototype for the leaf and bud stripper. Although the CBD oil industry continues to grow, the

current harvesting technique is a multi-step, labor intensive process that requires a great deal of both time and warehouse space. This prototype merges those separate steps into one as farmers prepare hemp leaves for CBD oil production. Merging these steps provides numerous benefits to these hemp farmers including: 1) the need for a single, lower-priced harvesting machine 2) increased harvesting efficiency of at least 25% 3) elimination of the need for warehouse space 4) faster drying because you are only drying the leaves, not the entire plant 5) a purer superior product because the stems and other impurities are left in the field. Although the prototype will be built to harvest one row, the machine will be built so that additional row units can easily be added.

# TECHNICAL ASSISTANCE



## **IMPROVEMENT PROJECT FOR EFFICIENCY AND PRODUCTION INCREASE**

Hankinson Renewable Energy LLC  
Dodi Matti, Hankinson

Grant Amount: \$52,500  
Total Budget: \$3,242,569

Hankinson Renewable Energy (HRE) is planning an improvement project to its current plant located in Hankinson, ND. This improvement will involve the installation of stack heat recovery equipment that will improve plant efficiencies and increase ethanol production by an estimated 10 MMGY. The \$3.2 million project would allow HRE to improve operations; reduce natural gas and make-up water usage per gallon of ethanol; and resolve current production limitations, allowing the plant to operate at greater capacity and increase ethanol production by 10 MMGY.

## **NUTRITIONAL ASSESSMENT OF HEMP BYPRODUCTS FOR INCLUSION IN ANIMAL FEED**

Healthy Oilseeds, LLC  
Roger Gussiass, Carrington

Grant Amount: \$62,890.50  
Total Budget: \$88,727.20

The grant funds will be used to complete the necessary research and analytical science needed to define the nutritional content, phyto-remediation properties, and anti-nutritive composition of hemp seed byproducts. This analysis is the first step in satisfying American Feed Control Officials (AAFCO) and FDA-CVM (Center for Veterinary Medicine) Nutritional reporting and safety evaluations for any new ingredient including hemp and its byproducts. The FDA-CVM requires that each ingredient (byproduct) be rigorously tested to determine its nutritional composition and to identify pesticides, heavy metals, vitamins, mineral, or anti-nutritives that may prevent its use as animal feed and which must be considered by the feed formulator for the target animal, its production category and the intended use. To prove the consistency of the ingredients composition; we must use American grown and processed hemp byproducts and provide 5-7 Certificates of Analysis, from a certified lab, using approved methods and equipment, for each ingredient. Maintaining the consistency of labs conducting the analysis



for each of the samples creates legitimacy of the results and allows for more confidence in the statistical analysis and interpretation of the nutritional composition. All six ingredients (oil, meal/cake, hulls, screenings, filtrate, and pulp) will have five samples submitted to Eurofins food.

### **WATER SERVICE TO BLUE FLINT ETHANOL**

McLean-Sheridan County Rural Water District  
Ann Oberg, Turtle Lake

Grant Amount:	\$54,240
Total Budget:	\$71,190

The Blue Flint Ethanol Plant (BFEP) northwest of Washburn receives water supply and wastewater disposal services through from the Coal Creek Power Plant (CCPP) through a cooperative agreement with Great River Energy (GRE). As GRE looks to potentially close the CCPP, BFEP is exploring economical options to replace its current process water supply and wastewater disposal methods. The proposed project would replace the water supply and wastewater disposal services from CCPP with services from the City of Washburn through the McLean Sheridan Rural Water District (MSRWD). The BFEP would need up to 750,000 gallons a day (gpd) in water for the production of ethanol. The process would also produce up to 75,000 gpd of wastewater proposed to be disposed of through the Washburn wastewater lagoons.

# SPONSORSHIPS

## **ND FFA FOUNDATION, INC. (2018)**

North Dakota FFA Foundation  
Tamra Maddock, Bismarck

Grant Amount:       \$300  
Total Budget:        \$300

The ND FFA Foundation supports leadership opportunities and activities of its 4,500 members in the state. This sponsorship is in support of the ND State FFA Convention. Members will compete in more than 40 different career development and other award areas for the chance to represent ND at the National FFA Convention.

## **NASDA ANNUAL MEETING (2020)**

National Association of State Departments of Agriculture, Bismarck

Grant Amount:       \$5,000  
Total Budget:        \$5,000

The NASDA Annual Meeting grows and enhances agriculture by forging partnerships and creating consensus to achieve sound policy outcomes between state departments of agriculture, the federal government, and stakeholders. Funding was utilized to assist in developing and administering an online platform for the meeting. In return, APUC received an opportunity to network with commissioners, secretaries and directors of agriculture, to discuss important issues relative to its mission.

# FUNDING SOURCES

APUC's appropriation for the 2019-2021 biennium totaled \$4,075,622.30 and was provided from the following sources:

- \$2,000,000 from Bank of North Dakota
- \$570,930.59 from the North Dakota Mill and Elevator
- At the beginning of the biennium, an additional \$1,504,691.71 authorized as carry-over authority from the previous biennium.
- No funding was appropriated directly from the state general fund.

Financials as of October 31, 2020

Total Operating Expenditures	\$27,955.96
Total Grant Expenditures	\$1,220,161.67
Grant Commitments	\$776,928.00
Remaining Appropriation	\$2,014,318.14

*\*Includes current plus carry-over commitments*

**NORTH DAKOTA DEPARTMENT OF AGRICULTURE**  
**Agriculture Products Utilization Commission**

600 E. Boulevard Ave., Dept. 602

Bismarck, ND 58505-0020

701-328-2231

800-242-7535

FAX 701-328-4567

[www.ndapuc.com](http://www.ndapuc.com)



## HB 1009

Good afternoon chairman Holmberg and members of the committee.

My name is Kerry Dockter, I am a rancher from Denhoff, North Dakota and am here today representing the Independent Beef Association of North Dakota.

I am here today in support of the amendment to HB1009, to do a study of the makeup process of the board of the N.D. Beef Commission.

I believe this board should be made up of elected positions coming forth from all the agricultural organizations of the state representing livestock producers. This would make a more diverse board, and follow suit with the other commodity groups. And also it follows the format used by our neighbors of South Dakota and Montana.

I believe this study will help define the continued concerns that are brought forth before each legislative session and address the disapproval of the checkoff system and the Beef Commission in general.

Thank-you for allowing me to testify in support of the amendment and I stand for any questions.

Good Afternoon Mr. Chairman and members of the Senate Appropriations Committee. For the record, my name is Stefanie Maher. My husband and I live in Western Sioux County where we raise registered cattle.

I appear before you today, to urge you to vote in favor of HB 1009, specifically Section 17 LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA BEEF COMMISSION. Currently, the board of directors are appointed by the State Governor from a select few state organizations. This needs to change! We need to have representatives from more state organizations present and we need to change the way they are put on the board.

The states surrounding ND have Beef Commission boards that are made up of elected or appointed members, by their state organization. Let's follow their example.

Thank you for hearing my concerns.



**Testimony of Jennifer Greuel**  
**Economic Development Association of North Dakota**  
**In Support of HB 1009**  
**March 8, 2021**

Chair Holmberg and members of the Senate Appropriations Committee:

The Economic Development Association of North Dakota represents more than 80 large and small and rural and urban economic development organizations on the front line of growing businesses and communities in North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life. It is for these reasons our organization and its members want to express support for HB 1009, especially regarding the Agricultural Products Utilization Commission (APUC), bioscience innovation grant fund and the North Dakota Trade Office.

Energy and agriculture have long been the two historical and leading pillars of North Dakota's economy. EDND supports investments that will enhance these important economic sectors and ensure their success in the future, while making strides to diversify the economy. If North Dakota wants to remain a leader in agriculture, we will have to encourage innovation.

EDND members are extremely supportive of APUC and encourage it to be funded at adequate levels. The more value that is added to crops and livestock raised within the state, the more agriculture and the state can benefit. EDND supports the inclusion of \$4.46 million for the program as it came out of the House.

The bioscience and biotechnology fields have the potential to broaden the tax base and pose North Dakota as a leader in this important, newly developing sector. EDND supports the House's inclusion of \$5.5 million for a bioscience innovation grant fund. As we have seen with UAS, making investments into new technologies and ideas can make a huge impact on the direction of our state.

Finally, one of EDND's top legislative priorities is the diversification of North Dakota's economy. The North Dakota Trade Office supports exports in agriculture, but also other industries that diversify the economy, such as technology, manufacturing and energy. Ultimately, whether the Trade Office is located in the Department of Commerce or the Department of Agriculture, we ask it to be funded at the appropriate level and be allowed to continue its important mission.

Thank you for the opportunity to express our support for HB 1009 and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.

I am writing in regard to HB 1009. I strongly oppose the appropriation of \$200,000 from the Outdoor Heritage Fund (OHF) as listed on page 3 line 23 of this bill. The OHF **was not** intended to be used as a pot of money to be raided by state agencies as a direct appropriation. Rather the OHF was developed and designed for state and local governments along with conservation organization, local park districts, etc. to apply for grants to be ranked and reviewed by the 16-member OHF advisory board making recommendations to the ND Industrial Commission. This process has worked well through 17 grant rounds providing \$58.9 million in grants, to date.

The ND Dept. of Ag. needs to use the process in place to compete against other worthy projects for the \$200,000 for the OHF. Many state and local agencies and NGO's create partnerships pooling dollars and personnel to deliver conservation programs to farmers and ranchers across ND. This well designed OHF funding process will be short circuited by this appropriation prioritizing state agencies over all other applicants to the OHF.

I urge your committee to remove the \$200,000 to the ND Ag. Committee from the OHF. If the ND Ag. Department's soil health cover crop program is well developed with partners, both financial and staffing, it will rank out well and get funded through the required OHF funding process. Using OHF funds to directly fund and staff state agencies is a terrible precedent to set.

Please remove the raiding of \$200,000 from the OHF for the ND Ag. Dept. from this bill

David Dewald

President, North Dakota Wildlife Federation





**Bioscience Association of North Dakota**  
**4200 James Ray Drive**  
**Suite 500 #503**  
**Grand Forks ND**  
**Ph: 701-738-2431**  
[richard@ndbio.com](mailto:richard@ndbio.com)

March 8, 2021

**Position: The Bioscience Association of North Dakota supports  
 North Dakota HB 1009 – Dept. of Ag Budget**

**Testimony of: Richard A. Glynn, Executive Director, Bioscience Association of North  
 Dakota (BioND) [richard@ndbio.com](mailto:richard@ndbio.com) M: 701-317-2483**

The **Bioscience Association of North Dakota (BioND)** facilitated the use of \$6 million from the 2019 Legislature to facilitate the growth of 13 bio-companies in North Dakota. \$1 Million of the Funds came from both the **Department of Agriculture** and **Department of Commerce** budgets. \$500,000 was designated for grants and approximately \$500,000 was designated for BioND to cover the two-year costs of identifying and recruiting quality applicants, assisting with high quality applications, as well as conducting other outreach programs and operations. The other \$5 million came from the “**CARES ACT**” funding. This became available after Commissioner Goehring petitioned the Emergency Commission to award funds for the Bio Innovation Grant Program for COVID-related projects.. All of the **Cares Act** money went directly to companies in the form of grants through the Department of Agriculture.

Of the 13 companies in the **Bio Innovation portfolio**, 7 were recruited to North Dakota and 6 were North Dakota startups. Few had cash flow and all had less than \$2.5 million dollars in revenue. The Bio Innovation Grant statute precluded providing a grant to any company with \$2.5 million in revenue (no corporate welfare).

The 13 companies created - or projected to create - **161 jobs**. The industry average salary is \$65,000 a year, or \$28.85 per hour. Therefore, the companies generate **\$10.5 million a year** in salary, \$21 million per biennium. The portfolio companies are:

1. **Inovan Inc. - \$75,000** – leased space in the UND Tech Accelerator to research an effective therapeutic treatment for Covid. As of Jan. 2021, they had 3 employees with 2 Interns to be hired.
2. **National Agricultural Genotyping Center - \$106,666** - services provide quality control and food safety technologies through genotyping. They moved to the NDSU campus from Los Alamos National Laboratory. 5 employees.
3. **Cotys, Inc. - \$75,000** – developed a “trucking app” that streamlined the process of pickup and delivery for small trucking companies. 4 employed.
4. **Krampade, LLC - \$61,655** –moved from Lincoln,NE to Grand Forks,ND to manufacture Krampade, a high potassium electrolyte powder, which stops muscle cramping, enhances athletic performance, speeds recovery after activity, and reduces fatigue, all the while optimizing hydration. 3 employees in a new manufacturing facility.
5. **New Age Farming and Distributing, LLC - \$50,000** – distributes a product containing mycorrhizal fungi technology, to enhance root growth and soil health and maximize crop growth and increases yields. Engages 40 commission salesmen; 10+ dealers in the Upper Midwest; with 5 staff.
6. **ImmunoPrecise Antibodies, Ltd - \$1,575,000** – moved from Canada to develop a therapeutic drug with US headquarters in Fargo. IPA USA employs 16, growing to 25 after completion of their expansion.
7. **Access Point Technologies - \$56,678** - is a medical device company locating in Horace, ND focused on the production of Catheters. Moved from Rogers, MN. 10 to 15 employees initially.



**BioND**

8. **SafetySpect, Inc. - \$1,500,000** – developed a handheld device that combines complex contamination identification of respiratory droplets and saliva with immediate remediation of any potential COVID-19 threat using UVC light. They moved from California to Grand Forks, Growing to 20 employees.
9. **BiomedProtection, LLC – \$1,467,200** - designs and manufactures vaccines utilizing Biomed's' unique and proprietary electronic Biology Platform. Moved from Galveston, TX to Fargo, ND. Employs 3. Utilizes Aldevron to manufacture their product.
10. **Genovac Antibody Discovery, LLC - \$412,800** - delivers advanced genetic immunization and hybridoma technologies for the generation of antibodies against challenging diseases. Genovac moved from Freiberg, Germany to the NDSU campus. At least 20 employees.
11. **Checkable Medical, Inc. - \$40,000** – was recruited from Eden Prairie, MN to focus on delivering innovative at-home diagnostic testing to employers and individuals. They will both manufacture and distribute their product and are hiring 6 employees.
12. **Core Health Strategies - \$50,000** –developing a Naturopathic Immunological Wellness and Therapy Program for the prevention and treatment of COVID19. 5 employees in Mandan, ND.
13. **Core Health Strategies - \$30,000** – Developing Bovine Interleukin-10 as a primary suppressor of the Cytokine Storm Cascade in patients with COVID-19. 2 employees.

**Aldevron, LLC of Fargo** is a great magnet for biotech companies and works closely with BioND. Aldevron has not received a state grant, nor asked for one. BioND has worked closely with Aldevron during their rapid growth period, including in 2018 when they constructed their 70,000-sf addition, the world's largest plasmid DNA manufacturing facility. Now they are constructing an 189,000-sf building expected to open Q2 2021. It is projected that Aldevron, which has 500 employees now for an annual payroll **\$32,500,000 a year**, will grow to 1,000 employees by 2021 with a **\$65 million payroll a year**.

BioND will co-sponsor meetings in Boston, San Francisco, and San Diego, to recruit companies to North Dakota with **Aldevron** which is a "magnet" for companies engaged in the creation of mRNA and RNA vaccines as well Genome Therapy. They make the material that is necessary for all of these applications.

BioND promotes biotech in the **food industry**, such as **Food First** in Walhalla, ND, the maker of ProBiotein®, a multi-prebiotic fiber ingredient that promotes gut health; the **Ethanol Industry** both on the regional and national level by promoting the use of ethanol as ethanol accounts for consuming 60% of the annual corn crop in North Dakota; the **Corn and Soybean** producers by finding funding for innovation projects utilizing these products in a nontraditional manner, i.e. soybean oil used in making tires.

BioND staff have made a special effort to utilize **university technologies and talent** to facilitate bio-company growth in the engineering and health sciences areas. We are actively working with UND Department of Engineering on a product and to facilitate and foster a medical devices program within the Department.

To facilitate developing bio talent, BioND is working with **iBIO EDUCATE**, and Goshen Education Consulting (prominent STEM educational evaluation and research center) to design and implement novel educational experiences for up to 3,750 children in military families by creating summer camps for Kids of Active Military Personnel (**STEMKAMPs**). BioND is working with "**Science is U.S.**", a foundation-supported effort that brings together a diverse group of science, engineering, industry, higher education and labor organizations to galvanize a broad, bipartisan political base of support for research, science and technology.

North Dakota is being recognized as an upcoming leader in the Biotech Industry. We want to expand our industry in this State. There is great opportunity for growth in North Dakota and diversification of the state's economy. The funding as requested in **HB 1009, Section 3**, in the sum of \$5,500,000, to the bioscience innovation grant fund for the biennium beginning July 1, 2021, and ending June 30, 2023, is critical to capturing that opportunity and diversification.

Testimony of North Dakota Chapter of The Wildlife Society  
HB 1009  
8 March, 2021  
Elizabeth Loos, #342

Dear Chairman Holmberg and Members of the Senate Appropriations Committee,

I represent the ND Chapter of The Wildlife Society (NDCTWS), which is comprised of professionals, students, and laypersons active in wildlife research, management, education and administration. HB 1009, the Agriculture Commissioners budget was amended to include a \$200,000 appropriation from the Outdoor Heritage Fund (OHF) for defraying the expenses of the soil health cover crop grant program. We strongly oppose this amendment, and urge its removal.

The OHF was designed to provide grants to state agencies, tribal governments, political subdivisions and nonprofit organizations. Grant applications are ranked and reviewed by the OHF Advisory Board, which then makes funding recommendations to the ND Industrial Commission. State, local and tribal agencies form partnerships and pool funds to deliver conservation programs to farmers and ranchers throughout the state. This has been a successful model for 17 grant cycles, with groups competing for the use of OHF dollars. The ND Department of Agriculture could, and should, use the process to compete for the \$200,000 appropriated in HB 1009 for its soil health cover crop grant program. Using OHF funds to directly fund state agency budgets was never part of the development of the very successful OHF, and no such precedent should be set in this bill.

We urge you to remove this amendment (Section 6, page, 3, lines 22-25).

Respectfully,

Elizabeth Loos  
ND Chapter of The Wildlife Society

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1009  
3/18/2021  
Agriculture Commissioner Sub-committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner.
---

**Senator Wanzek** opened the hearing at 4:01 PM.

Senators present: **Wanzek, Erbele and Heckaman.**

## **Discussion Topics:**

- Ducks Unlimited
- Wildlife Services
- Outdoor Heritage Fund
- Section 17
- Attorney for Ag Dept.

**Doug Goehring, Commissioner, North Dakota Department of Agriculture** – testified in favor and submitted testimony #10083, #10084.

**Levi Kinnischtzke, Legislative Council**, presented worksheets for the committee - #10085.

**Senator Wanzek** closed the hearing at 4:47 PM.

*Rose Laning, Committee Clerk*

Engrossed House Bill No. 1009 Agriculture Commissioner's Budget Request	Base Level	Engrossed HB 1009
<b>Salaries and Wages</b>		
Salaries and wages budget authority	\$ 14,232,746	\$ 14,232,746
Salary compression adjustment	\$ -	\$ 702,500
Cost to continue 19-21 Salaries	\$ -	\$ 125,067
Meat inspector matching funds	\$ -	\$ 90,478
Reclassify position to an attorney	\$ -	\$ 68,279
Grain inspector	\$ -	\$ 152,670
Compensation package and health insurance	\$ -	\$ 348,561
<b>Salary and Wages</b>	<b>\$ 14,232,746</b>	<b>\$ 15,720,301</b>
<b>Operating Expenses</b>		
Operating budget authority	\$ 6,592,780	\$ 6,592,780
Meat inspector matching funds	\$ -	\$ 15,980
Grain inspector	\$ -	\$ 30,729
HB 1045 industrial hemp	\$ -	\$ 36,250
HB 1026 state warehouse grain and other licenses	\$ -	\$ 43,500
ND Mediation Service matching funds	\$ -	\$ 120,000
Office 365	\$ -	\$ 8,813
<b>Operating Expenses</b>	<b>\$ 6,592,780</b>	<b>\$ 6,848,052</b>
<b>Capital Assets</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>
<b>Grants</b>		
Grants budget authority	\$ 8,823,774	\$ 8,823,774
Noxious weeds grants	\$ -	\$ 50,000
USDA specialty crop block grants	\$ -	\$ 158,000
Soil health	\$ -	\$ 500,000
<b>Grants</b>	<b>\$ 8,823,774</b>	<b>\$ 9,531,774</b>
<b>Environmental Impact Mitigation</b>		
Environmental impact mitigation line item budget authority	\$ 5,000,000	\$ 5,000,000
Remove environmental impact mitigation line item	\$ -	\$ (5,000,000)
<b>Environmental Impact Mitigation</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>
<b>Ag Products Utilization Commission</b>		
APUC line item budget authority	\$ 1,760,417	\$ 1,760,417
Bank of ND funding	\$ -	\$ 2,700,000
<b>Ag Products Utilization Commission</b>	<b>\$ 1,760,417</b>	<b>\$ 4,460,417</b>
<b>North Dakota Trade Office</b>		
ND Trade Office line item budget authority	\$ -	\$ -
North Dakota Trade Office funding	\$ -	\$ 1,600,000
<b>North Dakota Trade Office</b>	<b>\$ -</b>	<b>\$ 1,600,000</b>
<b>Board of Animal Health</b>	<b>\$ 865,718</b>	<b>\$ 865,718</b>
<b>Wildlife Services</b>	<b>\$ 1,457,400</b>	<b>\$ 1,457,400</b>
<b>Pipeline Restoration and Reclamation</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>
<b>Crop Harmonization Board</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>
<b>Total all funds</b>	<b>\$ 39,022,835</b>	<b>\$ 40,773,662</b>
<b>Less estimated income</b>	<b>\$ 28,322,406</b>	<b>\$ 27,314,838</b>
<b>Total general fund</b>	<b>\$ 10,700,429</b>	<b>\$ 13,458,824</b>
<b>Full-time equivalent positions</b>	<b>78</b>	<b>79</b>



## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 6, after line 4, insert:

**SECTION 18. AMENDMENT.** Subsection 1 of section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, ~~and the securities commissioner,~~ and the agriculture commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards. 2. The powers conferred upon special assistant attorneys general are the same as a

Renumber accordingly

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	Executive Budget Recommendation				House Version				House Changes to Executive Budget Increase (Decrease) - Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835	0.00	\$0	\$0	\$0
<b>2021-23 Ongoing Funding Changes</b>												
Base payroll changes		(\$228,166)	(\$24,207)	(\$252,373)				\$0		\$228,166	\$24,207	\$252,373
Salary increase		192,094	143,528	335,622		\$188,218	\$156,594	344,812		(3,876)	13,066	9,190
Health insurance increase		2,146	1,603	3,749		2,146	1,603	3,749				0
Retirement contribution increase		39,262	29,337	68,599				0		(39,262)	(29,337)	(68,599)
Unfunds 1 FTE Pride of Dakota administrative assistant I position		(152,521)		(152,521)				0		152,521		152,521
Adds funding for Microsoft Office 365 licenses		7,322	1,491	8,813		7,322	1,491	8,813				0
Adjusts funding for operating expenses		(57,759)	88,566	30,807				0		57,759	(88,566)	(30,807)
Adds funding for state agency Capitol grounds rent proposal		166,440		166,440				0		(166,440)		(166,440)
Transfers funding from the Department of Commerce for the North Dakota Trade Office		850,000		850,000		1,600,000		1,600,000		750,000		750,000
Adjusts federal funding for operating expenses and grants			78,000	78,000				0			(78,000)	(78,000)
Removes 2019-21 biennium funding for a plotter		(10,000)	(5,000)	(15,000)				0		10,000	5,000	15,000
Adds funding to replace a utility terrain vehicle		10,000	5,000	15,000				0		(10,000)	(5,000)	(15,000)
Adds funding for the noxious weeds grant program			50,000	50,000			50,000	50,000				0
Removes funding for wine and research promotion grants, apiary grants, and waterbank grants		(155,000)	(300,000)	(455,000)				0		155,000	300,000	455,000
Reduces funding for the Board of Animal Health		(78,000)		(78,000)				0		78,000		78,000
Adjusts funding for the Wildlife Services program		(398,600)	398,600	0				0		398,600	(398,600)	0
Adds funding for 2019-21 biennium salary increase cost to continue				0		69,207	55,860	125,067		69,207	55,860	125,067
Adds funding for salary compression				0		369,866	332,634	702,500		369,866	332,634	702,500
Adds funding for 1 FTE grain inspector position				0	1.00	183,399		183,399	1.00	183,399		183,399
Adds funding for meat inspector salaries and operating expenses				0		106,458		106,458		106,458		106,458
Adds funding to reclassify a program coordinator to an attorney				0		68,279		68,279		68,279		68,279
Adds funding for the industrial hemp program				0			36,250	36,250			36,250	36,250
Adds funding for public warehouse and grain buyer license costs				0		43,500		43,500		43,500		43,500
Adds funding for the North Dakota Mediation Service program				0		120,000		120,000		120,000		120,000
Adds funding for the speciality crop block grant program				0			158,000	158,000			158,000	158,000
Removes funding for mitigation of environmental impact grants			(100,000)	(100,000)			(5,000,000)	(5,000,000)			(4,900,000)	(4,900,000)
Total ongoing funding changes	0.00	\$187,218	\$366,918	\$554,136	1.00	\$2,758,395	(\$4,207,568)	(\$1,449,173)	1.00	\$2,571,177	(\$4,574,486)	(\$2,003,309)
<b>One-time funding items</b>												
Adds funding to replace various program databases		\$180,000		\$180,000				\$0		(\$180,000)		(\$180,000)
Adds funding for the Agricultural Products Utilization Commission				0			\$2,700,000	2,700,000			\$2,700,000	2,700,000
Adds funding for a soil health cover crop grant program				0			500,000	500,000			500,000	500,000
Adds funding for bioscience innovation grants				0		\$5,500,000		5,500,000		5,500,000		5,500,000

Adds funding for federal environmental law impact review costs				0		5,000,000		5,000,000		5,000,000		5,000,000
Total one-time funding changes	0.00	\$180,000	\$0	\$180,000	0.00	\$10,500,000	\$3,200,000	\$13,700,000	0.00	\$10,320,000	\$3,200,000	\$13,520,000
<b>Total Changes to Base Level Funding</b>	0.00	\$367,218	\$366,918	\$734,136	1.00	\$13,258,395	(\$1,007,568)	\$12,250,827	1.00	\$12,891,177	(\$1,374,486)	\$11,516,691
<b>2021-23 Total Funding</b>	78.00	\$11,067,647	\$28,689,324	\$39,756,971	79.00	\$23,958,824	\$27,314,838	\$51,273,662	1.00	\$12,891,177	(\$1,374,486)	\$11,516,691
<i>Total ongoing changes as a percentage of base level</i>	0.0%	1.7%	1.3%	1.4%	1.3%	25.8%	(14.9%)	(3.7%)				
<i>Total changes as a percentage of base level</i>	0.0%	3.4%	1.3%	1.9%	1.3%	123.9%	(3.6%)	31.4%				

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Appropriation - Transfer - General fund - Bioscience innovation grant fund - Bioscience innovation grant program - One-time funding		Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.
Appropriation - Transfer - General fund - Federal environmental law impact review fund - One-time funding		Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time Funding		Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Outdoor heritage fund - Soil health cover crop grant program - One-time funding		Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.



**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>Executive Budget Recommendation</u>	<u>House Version</u>
Estimated income - Transfer - State Water Commission	Section 6 would transfer \$125,000 from the State Water Commission to the Agriculture Commissioner for the Wildlife Services program during the 2021-23 biennium.	Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.
Transfer - Environment and rangeland protection fund	Section 3 would require the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.
Environment and rangeland protection fund	Section 4 would identify \$7,046,124 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.	Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 5 would identify that \$624,136 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.
North Dakota Trade Office - Matching fund requirement	Section 10 would identify that \$850,000 in the operating expenses line item relates to the North Dakota Trade Office, which a portion of the program is recommended to be transferred from the Department of Commerce to the Agriculture Commissioner. The Agriculture Commissioner would be allowed to spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.	Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
Agriculture Commissioner salary	Section 9 would provide the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary would increase from the current level of \$119,757 to \$122,152 effective July 1, 2021, and to \$124,595 effective July 1, 2022, to reflect the 2 percent and 2 percent recommended salary increase.	Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.
Pipeline restoration and reclamation - Exempt records		Section 13 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.

**Other Sections in Agriculture Commissioner - Budget No. 602**

**Executive Budget Recommendation**

**House Version**

Pipeline restoration and reclamation - Estimated income

Section 8 would identify that \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.

Amendment - 2019 Session Laws - Waterbank program - 2019-21 biennium

Section 7 would amend Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.

Waterbank program - 2021-23 biennium

Section 16 identifies 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.

Legislative Management study - North Dakota Beef Commission

Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

# 2021 SENATE STANDING COMMITTEE MINUTES

**Appropriations Committee**  
Roughrider Room, State Capitol

HB 1009  
3/29/2021  
Department of Agriculture Sub-committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner.
---

**Senator Wanzek** opened the hearing at 4:19 PM.

Senators present: **Wanzek, Erbele and Heckaman.**

**Discussion Topics:**

- AG Product Utilization
- Trade Office
- Grants
- 

**Doug Goehring, Agriculture Commissioner,** reviews from last meeting

**Levi Kinnischtzle, Fiscal Analyst. Legislative Council,** answered questions of the sub-committee.

**Senator Wanzek** closed the hearing at 5:09 p.m.

*Skyler Strand, Committee Clerk*

# 2021 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

HB 1009

4/2/2021

Senate Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner.
---

**Senator Holmberg** opened the committee work at 8:15 AM.

Senators present: **Holmberg, Krebsbach, Wanzek, Bekkedahl, Poolman, Erbele, Dever, Oehlke, Rust, Davison, Hogue, Sorvaag, Mathern, and Heckaman.**

### Discussion Topics:

- Litigation and attorney FTEs

**Senator Wanzek** presented and moved amendment LC 21.0268.02001 - #11320.

**Senator Krebsbach** second.

Senators		Senators	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote 14-0-0. Motion passed.

**Senator Wanzek** moved Do Pass as Amended on HB 1009.

**Senator Heckaman** second.

Senators		Senators	
Senator Holmberg	Y	Senator Hogue	Y
Senator Krebsbach	Y	Senator Oehlke	Y
Senator Wanzek	Y	Senator Poolman	Y
Senator Bekkedahl	Y	Senator Rust	Y
Senator Davison	Y	Senator Sorvaag	Y
Senator Dever	Y	Senator Heckaman	Y
Senator Erbele	Y	Senator Mathern	Y

Roll Call vote 14-0-0. Motion passed.

**Senator Holmberg** closed the committee work at 8:30 AM.

*Rose Laning, Committee Clerk*

SK  
184  
4/2

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "4.1-01-17" insert ", and 54-12-08"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", and the ability of state agencies to employ attorney positions"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$14,232,746	\$1,484,380	\$15,717,126
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	908,000	9,731,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,947,652	\$40,970,487
Less estimated income	<u>28,322,406</u>	<u>(811,631)</u>	<u>27,510,775</u>
Total general fund	\$10,700,429	\$2,759,283	\$13,459,712
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, replace lines 16 through 19 with:

"Soil health grants	<u>0</u>	<u>700,000</u>
Total all funds	\$2,210,000	\$3,400,000
Less estimated income	<u>2,000,000</u>	<u>3,400,000</u>
Total general fund	\$210,000	\$0"

Page 3, line 19, replace "- OUTDOOR HERITAGE FUND" with "ADDITIONAL INCOME"

Page 3, line 21, replace "\$500,000" with "\$700,000"

Page 3, line 22, remove "and the industrial commission shall transfer"

Page 3, line 23, remove "\$200,000 from the outdoor heritage fund"

Page 3, line 24, after "fund" insert "and \$400,000 is from federal or other funds available to the agriculture commissioner"

Page 4, line 6, replace "\$6,900,301" with "\$6,899,395"

Page 4, line 28, replace "three" with "nine"

204

Page 4, line 28, replace "seventy-six" with "eighty-four"

Page 5, after line 16, insert:

**"SECTION 14. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, department of environmental quality, and the state hospital.
4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the

state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126
Operating expenses	6,592,780	6,848,052		6,848,052
Capital assets	15,000	15,000		15,000
Grants	8,823,774	9,531,774	200,000	9,731,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,457,400	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417
Mitigation of environmental impacts	5,000,000			
Bioscience innovation grants		5,500,000		5,500,000
Environmental law impact review		5,000,000		5,000,000
North Dakota Trade Office		1,600,000		1,600,000
<b>Total all funds</b>	<b>\$39,022,835</b>	<b>\$51,273,662</b>	<b>\$196,825</b>	<b>\$51,470,487</b>
Less estimated income	28,322,406	27,314,838	195,937	27,510,775
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712
FTE	78.00	79.00	0.00	79.00

**Department 602 - Department of Agriculture - Detail of Senate Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for a Soil Health Grant Program <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$3,175)		(\$3,175)
Operating expenses			
Capital assets			
Grants		\$200,000	200,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			
Mitigation of environmental impacts			
Bioscience innovation grants			
Environmental law impact review			
North Dakota Trade Office			
<b>Total all funds</b>	<b>(\$3,175)</b>	<b>\$200,000</b>	<b>\$196,825</b>
Less estimated income	(4,063)	200,000	195,937
General fund	\$888	\$0	\$888
FTE	0.00	0.00	0.00

---

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

---

This amendment also:

- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium.
- Adds a section to amend North Dakota Century Code Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position.



**REPORT OF STANDING COMMITTEE**

**HB 1009, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1009 was placed on the Sixth order on the calendar.

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "4.1-01-17" insert ", and 54-12-08"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", and the ability of state agencies to employ attorney positions"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$14,232,746	\$1,484,380	\$15,717,126
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	908,000	9,731,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	75,000	0	75,000
Total all funds	\$39,022,835	\$1,947,652	\$40,970,487
Less estimated income	<u>28,322,406</u>	<u>(811,631)</u>	<u>27,510,775</u>
Total general fund	\$10,700,429	\$2,759,283	\$13,459,712
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, replace lines 16 through 19 with:

"Soil health grants		0	700,000
Total all funds		\$2,210,000	\$3,400,000
Less estimated income		<u>2,000,000</u>	<u>3,400,000</u>
Total general fund		\$210,000	\$0"

Page 3, line 19, replace "- **OUTDOOR HERITAGE FUND**" with "**ADDITIONAL INCOME**"

Page 3, line 21, replace "\$500,000" with "\$700,000"

Page 3, line 22, remove "and the industrial commission shall transfer"

Page 3, line 23, remove "\$200,000 from the outdoor heritage fund"

Page 3, line 24, after "fund" insert "and \$400,000 is from federal or other funds available to the agriculture commissioner"

Page 4, line 6, replace "\$6,900,301" with "\$6,899,395"

Page 4, line 28, replace "three" with "nine"

Page 4, line 28, replace "seventy-six" with "eighty-four"

Page 5, after line 16, insert:

**"SECTION 14. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, department of environmental quality, and the state hospital.
4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126
Operating expenses	6,592,780	6,848,052		6,848,052
Capital assets	15,000	15,000		15,000
Grants	8,823,774	9,531,774	200,000	9,731,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,457,400	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417
Mitigation of environmental impacts	5,000,000			
Bioscience innovation grants		5,500,000		5,500,000
Environmental law impact review		5,000,000		5,000,000
North Dakota Trade Office		1,600,000		1,600,000
<b>Total all funds</b>	<b>\$39,022,835</b>	<b>\$51,273,662</b>	<b>\$196,825</b>	<b>\$51,470,487</b>
Less estimated income	28,322,406	27,314,838	195,937	27,510,775
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712
FTE	78.00	79.00	0.00	79.00

**Department 602 - Department of Agriculture - Detail of Senate Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for a Soil Health Grant Program <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$3,175)		(\$3,175)
Operating expenses			
Capital assets			
Grants		\$200,000	200,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			
Mitigation of environmental impacts			
Bioscience innovation grants			
Environmental law impact review			
North Dakota Trade Office			
<b>Total all funds</b>	<b>(\$3,175)</b>	<b>\$200,000</b>	<b>\$196,825</b>
Less estimated income	(4,063)	200,000	195,937
General fund	\$888	\$0	\$888
FTE	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

This amendment also:

- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium.

- Adds a section to amend North Dakota Century Code Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position.

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "4.1-01-17" insert ", and 54-12-08"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", and the ability of state agencies to employ attorney positions"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$14,232,746	\$1,484,380	\$15,717,126
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	908,000	9,731,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$1,947,652	\$40,970,487
Less estimated income	<u>28,322,406</u>	<u>(811,631)</u>	<u>27,510,775</u>
Total general fund	\$10,700,429	\$2,759,283	\$13,459,712
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, replace lines 16 through 19 with:

"Soil health grants	<u>0</u>	<u>700,000</u>
Total all funds	\$2,210,000	\$3,400,000
Less estimated income	<u>2,000,000</u>	<u>3,400,000</u>
Total general fund	\$210,000	\$0"

Page 3, line 19, replace "- **OUTDOOR HERITAGE FUND**" with "**ADDITIONAL INCOME**"

Page 3, line 21, replace "\$500,000" with "\$700,000"

Page 3, line 22, remove "and the industrial commission shall transfer"

Page 3, line 23, remove "\$200,000 from the outdoor heritage fund"

Page 3, line 24, after "fund" insert "and \$400,000 is from federal or other funds available to the agriculture commissioner"

Page 4, line 6, replace "\$6,900,301" with "\$6,899,395"

Page 4, line 28, replace "three" with "nine"

Page 4, line 28, replace "seventy-six" with "eighty-four"

Page 5, after line 16, insert:

**"SECTION 14. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, department of environmental quality, and the state hospital.
4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the

state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126
Operating expenses	6,592,780	6,848,052		6,848,052
Capital assets	15,000	15,000		15,000
Grants	8,823,774	9,531,774	200,000	9,731,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,457,400	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417
Mitigation of environmental impacts	5,000,000			
Bioscience innovation grants		5,500,000		5,500,000
Environmental law impact review		5,000,000		5,000,000
North Dakota Trade Office		1,600,000		1,600,000
<b>Total all funds</b>	<b>\$39,022,835</b>	<b>\$51,273,662</b>	<b>\$196,825</b>	<b>\$51,470,487</b>
Less estimated income	28,322,406	27,314,838	195,937	27,510,775
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712
FTE	78.00	79.00	0.00	79.00

**Department 602 - Department of Agriculture - Detail of Senate Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for a Soil Health Grant Program <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$3,175)		(\$3,175)
Operating expenses			
Capital assets			
Grants		\$200,000	200,000
State Board of Animal Health			
Wildlife services			
Crop Harmonization Board			
Pipeline restoration and reclamation			
Ag. Products Utilization Commission			
Mitigation of environmental impacts			
Bioscience innovation grants			
Environmental law impact review			
North Dakota Trade Office			
<b>Total all funds</b>	<b>(\$3,175)</b>	<b>\$200,000</b>	<b>\$196,825</b>
Less estimated income	(4,063)	200,000	195,937
General fund	\$888	\$0	\$888
FTE	0.00	0.00	0.00

---

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

---

This amendment also:

- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium.
- Adds a section to amend North Dakota Century Code Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position.



**2021 CONFERENCE COMMITTEE**

**HB 1009**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
4/14/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 10:30 a.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

### Discussion Topics:

- Base level funding changes
- Outdoor Heritage Fund
- Soil health
- Emergency clause

**Additional written testimony:** #11521

**Chairman David Monson** adjourned the meeting at 10:58 a.m.

*Klarissa Pudwill, Committee Clerk*

**Agriculture Commissioner - Budget No. 602**  
**House Bill No. 1009**  
**Base Level Funding Changes**

	House Version				Senate Version				Senate Changes to House Version Increase (Decrease) - House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2021-23 Biennium Base Level</b>	78.00	\$10,700,429	\$28,322,406	\$39,022,835	78.00	\$10,700,429	\$28,322,406	\$39,022,835	0.00	\$0	\$0	\$0
<b>2021-23 Ongoing Funding Changes</b>												
Salary increase		\$188,218	\$156,594	344,812		\$189,106	\$152,531	\$341,637		\$888	(\$4,063)	(\$3,175)
Health insurance increase		2,146	1,603	3,749		2,146	1,603	3,749				0
Adds funding for Microsoft Office 365 licenses		7,322	1,491	8,813		7,322	1,491	8,813				0
Transfers funding from the Department of Commerce for the North Dakota Trade Office		1,600,000		1,600,000		1,600,000		1,600,000				0
Adds funding for the noxious weeds grant program			50,000	50,000			50,000	50,000				0
Adds funding for 2019-21 biennium salary increase cost to continue		69,207	55,860	125,067		69,207	55,860	125,067				0
Adds funding for salary compression		369,866	332,634	702,500		369,866	332,634	702,500				0
Adds funding for 1 FTE grain inspector position	1.00	183,399		183,399	1.00	183,399		183,399				0
Adds funding for meat inspector salaries and operating expenses		106,458		106,458		106,458		106,458				0
Adds funding to reclassify a program coordinator to an attorney		68,279		68,279		68,279		68,279				0
Adds funding for the industrial hemp program			36,250	36,250			36,250	36,250				0
Adds funding for public warehouse and grain buyer license costs		43,500		43,500		43,500		43,500				0
Adds funding for the North Dakota Mediation Service program		120,000		120,000		120,000		120,000				0
Adds funding for the speciality crop block grant program			158,000	158,000			158,000	158,000				0
Removes funding for mitigation of environmental impact grants			(5,000,000)	(5,000,000)			(5,000,000)	(5,000,000)				0
Total ongoing funding changes	1.00	\$2,758,395	(\$4,207,568)	(\$1,449,173)	1.00	\$2,759,283	(\$4,211,631)	(\$1,452,348)	0.00	\$888	(\$4,063)	(\$3,175)
<b>One-time funding items</b>												
Adds funding for the Agricultural Products Utilization Commission			\$2,700,000	2,700,000			\$2,700,000	\$2,700,000				\$0
Adds funding for a soil health cover crop grant program			500,000	500,000			700,000	700,000		\$200,000		200,000
Adds funding for bioscience innovation grants		\$5,500,000		5,500,000		\$5,500,000		5,500,000				0
Adds funding for federal environmental law impact review costs		5,000,000		5,000,000		5,000,000		5,000,000				0
Total one-time funding changes	0.00	\$10,500,000	\$3,200,000	\$13,700,000	0.00	\$10,500,000	\$3,400,000	\$13,900,000	0.00	\$0	\$200,000	\$200,000
<b>Total Changes to Base Level Funding</b>	1.00	\$13,258,395	(\$1,007,568)	\$12,250,827	1.00	\$13,259,283	(\$811,631)	\$12,447,652	0.00	\$888	\$195,937	\$196,825
<b>2021-23 Total Funding</b>	79.00	\$23,958,824	\$27,314,838	\$51,273,662	79.00	\$23,959,712	\$27,510,775	\$51,470,487	0.00	\$888	\$195,937	\$196,825
<i>Total ongoing changes as a percentage of base level</i>	1.3%	25.8%	(14.9%)	(3.7%)	1.3%	25.8%	(14.9%)	(3.7%)				
<i>Total changes as a percentage of base level</i>	1.3%	123.9%	(3.6%)	31.4%	1.3%	123.9%	(2.9%)	31.9%				

**Other Sections in Agriculture Commissioner - Budget No. 602**

Appropriation - Transfer - General fund - Bioscience innovation grant fund - Bioscience innovation grant program - One-time funding Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.

Appropriation - Transfer - General fund - Bioscience innovation grant fund - Bioscience innovation grant program - One-time funding Section 3 appropriates \$5.5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the bioscience innovation grant fund for the purpose of providing bioscience innovation grants during the 2021-23 biennium. The funding is considered a one-time funding item.

**Other Sections in Agriculture Commissioner - Budget No. 602**

	<u>House Version</u>	<u>Senate Version</u>
Appropriation - Transfer - General fund - Federal environmental law impact review fund - One-time funding	Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.	Section 4 appropriates \$5 million from the general fund and requires the Office of Management and Budget to transfer the funding to the federal environmental law impact review fund for the purpose of defraying costs associated with federal environmental legislation or regulations which detrimentally impact or potentially detrimentally impact the state's agricultural, energy, or oil production sectors during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Agricultural Products Utilization Commission - One-time Funding	Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.	Section 5 identifies \$2.7 million in the estimated income line item, which the Bank of North Dakota is required to transfer from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agricultural Products Utilization Commission fund for defraying the expenses of the Agricultural Products Utilization Commission during the 2021-23 biennium. The funding is considered a one-time funding item.
Estimated income - Transfer - Bank of North Dakota profits - Other funds - Soil health cover crop grant program - One-time funding	Section 6 identifies \$500,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits and the Industrial Commission is required to transfer \$200,000 from the outdoor heritage fund to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.	Section 6 identifies \$700,000 in the estimated income line item, of which the Bank of North Dakota is required to transfer \$300,000 from its current earnings and undivided profits to the Agriculture Commissioner for deposit in the Agriculture Commissioner's operating fund for the purpose of defraying the expenses of the soil health cover crop grant program during the 2021-23 biennium. The remaining \$400,000 is from the other income derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program. The Agriculture Commissioner is required to establish guidelines for the use of grant funding provided for this program. The funding is considered a one-time funding item.
Estimated income - Transfer - State Water Commission	Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.	Section 7 identifies \$125,000 in the estimated income line item, which the State Water Commission is required to transfer to the Agriculture Commissioner for the purpose of defraying the expenses of the Wildlife Services program during the 2021-23 biennium.
Transfer - Environment and rangeland protection fund	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.	Section 8 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the 2021-23 biennium.
Environment and rangeland protection fund	Section 9 identifies \$6,900,301 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.	Section 9 identifies \$6,899,395 in the estimated income line item in Section 1 is from the environment and rangeland protection fund.
Game and Fish Department operating fund	Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.	Section 10 identifies \$619,329 in the estimated income line item in Section 1 is from the Game and Fish Department operating fund for various Agriculture Commissioner programs.

Other Sections in Agriculture Commissioner - Budget No. 602

	House Version	Senate Version
North Dakota Trade Office - Matching fund requirement	Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.	Section 11 identifies \$1.6 million in the North Dakota Trade Office line item relates to the North Dakota Trade Office. The Agriculture Commissioner may spend 60 percent of this amount without requiring any matching funds from the North Dakota Trade Office. Any additional amounts may be spent only to the extent the North Dakota Trade Office provides \$1 of matching funds from private or other sources for each \$1 provided by the Agriculture Commissioner during the 2021-23 biennium. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, to provide training, and to buy computer equipment as part of the North Dakota Trade Office's export assistant program.
Agriculture Commissioner salary	Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,376 effective July 1, 2022, to reflect annual increases of 1.5 percent each year.	Section 12 provides the statutory changes necessary to increase the Agriculture Commissioner's salary. The Agriculture Commissioner's annual salary will increase from the current level of \$119,757 to \$121,553 effective July 1, 2021, and to \$123,984 effective July 1, 2022, to reflect annual salary increases of 1.5 percent and 2 percent.
Pipeline restoration and reclamation - Exempt records	Section 13 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.	Section 13 amends Section 4.1-01-17 to exempt the names of surface owners and surface tenants who receive assistance from the pipeline restoration and reclamation program from open records request laws.
Attorney position authorization		Section 14 amends Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position.
Pipeline restoration and reclamation - Estimated income	Section 14 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.	Section 15 identifies \$200,000 in the estimated income line item in Section 1 is from the abandoned oil and gas well plugging and site reclamation fund for the pipeline restoration and reclamation program.
Amendment - 2019 Session Laws - Waterbank program - 2019-21 biennium	Section 15 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.	Section 16 amends Section 7 of Chapter 34 of the 2019 Session Laws to allow the Agriculture Commissioner to use "up to" \$50,000 of the 2019-21 biennium salaries and wages line item as matching funds for the North Dakota outdoor heritage fund grant for the waterbank program.
Waterbank program - 2021-23 biennium	Section 16 identifies 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.	Section 17 identifies 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.
Legislative Management study - North Dakota Beef Commission	Section 17 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.	Section 18 provides for a Legislative Management study of the North Dakota Beef Commission, including its operations and the selection of commission members.

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
4/15/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 2:30 p.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

### Discussion Topics:

- Base level funding changes
- ND Crop Protection Product Harmonization and Registration Board
- Soil conservation

**Doug Goehring, Agriculture Commissioner (2:33 p.m.)** testified neutrally.

**Additional written testimony:** #11544

**Chairman David Monson** adjourned the meeting at 2:58 p.m.

*Klarissa Pudwill, Committee Clerk*

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

Page 1, line 2, replace "and" with " , ",

Page 1, line 2, after "4.1-01-17" insert " , 4.1-83-22, 4.1-83-23, 4.1-83-28, and"

Page 5, after line 16, insert the following:

**SECTION 14. AMENDMENT.** Section 4.1-83-22 of North Dakota Century Code is amended and reenacted as follows:

**"4.1-83-22. Appointment of trustee.**

1. Upon the insolvency of a livestock dealer, the agriculture commissioner may ~~apply to the district court of the county in which the dealer maintains its principal place of business for appointment as the trustee.~~ shall make notice to the livestock dealer and may immediately suspend, close, or take control of assets held in the trust fund as described in 4.1-83-21, or take any combination of these actions as the commissioner deems necessary to begin an orderly liquidation of those trust fund assets as provided in this chapter.
2. ~~Upon notice to the livestock dealer, as the court shall prescribe, but not exceeding ten days, or upon a written waiver of notice by the dealer, the court shall hear and make a determination regarding the application in a summary manner.~~
3. ~~If the court determines that the livestock dealer is insolvent within the meaning of this chapter and that it would be in the best interest of persons holding claims against the dealer for the purchase price of livestock sold to the dealer or to the dealer's agent that the agriculture commissioner execute the trust, the court shall issue an order appointing the commissioner as the trustee, without bond.~~
4. ~~Upon being appointed as the trustee~~establishing the trust fund, the agriculture commissioner shall perform the duties of a trustee as set forth in this chapter."

**SECTION 15. AMENDMENT.** Section 4.1-83-23 of the North Dakota Century Code is amended and reenacted as follows:

**"4.1-83.23. Possession of records and property – Notice to file claims.**

1. a. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all accounts and records pertaining to the livestock dealer's business. After reviewing the records, the agriculture commissioner may return to the dealer any records that are not necessary to the settlement of claims under this chapter.
- b. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all livestock purchased by the dealer under the dealer's license and remaining in the dealer's possession.

2. The agriculture commissioner, as trustee, shall publish a notice once each week for three consecutive weeks in the official newspaper of each county in which the livestock dealer was conducting business, directing any person having a claim against the dealer to file the claim and all supporting documentation with the commissioner no later than forty-five days from the last date of publication. Any person failing to meet the filing requirements set forth in the notice is barred from participating in any funds marshalled by the agriculture commissioner under this chapter.”

**SECTION 16. AMENDMENT.** Section 4.1-83-28 of the North Dakota Century Code is amended and reenacted as follows:

**“4.1-83-28. Report of amounts payable – Distribution of trust fund.**

1. Upon recovery of the trust fund, or so much of the fund as is recoverable or necessary to pay the outstanding claims, the agriculture commissioner shall file with the ~~court~~claimants a report showing the amount payable on each claim, after recognition of all proper liens, pledges, assignments, and deductions.
2. If the trust fund is insufficient to pay all claims in full, the agriculture commissioner shall prorate the fund among the claimants.
3. ~~The court shall notify the claimants by mail regarding the proposed distribution and direct that the claimants show cause why the report and distribution should not be approved.~~
4. After holding a hearing on the matter, the ~~court~~agriculture commissioner shall:
  - a. Approve or modify the report;
  - b. Issue an order directing that the trust fund be distributed. and
  - c. Discharge the agriculture commissioner from all duties as trustee.”

Renumber accordingly.

*Emergency Clause*



# NORTH DAKOTA CROP PROTECTION PRODUCT HARMONIZATION AND REGISTRATION BOARD

HOME (/NDDA) > PESTICIDE & FERTILIZER DIVISION (/NDDA/PESTICIDE-FERTILIZER-DIVISION)  
> NORTH DAKOTA CROP PROTECTION PRODUCT HARMONIZATION AND REGISTRATION BOARD

Search ND Department of Agriculture

SEARCH 

**GO TO: GRANT PROGRAMS / MINOR USE PESTICIDE FUND GRANT PROGRAM / PESTICIDE HARMONIZATION GRANT PROGRAM**

The North Dakota Crop Protection Product Harmonization and Registration Board administers two grant programs and prioritize crop protection product labeling needs and pursue opportunities to make more crop protection product options available to agriculture producers in the State.

Created by: **Century Code 4-35-30** (/ndda/sites/default/files/t04-1c39.pdf)

Administrative Rule: Article 107-01 & 107-02 (<http://www.legis.nd.gov/information/acdata/html/Title107.html>)

The board consists of:

- **Jeff Topp** (Chair)  
(Governor's Designee)
- **Troy Bassingthwaite**  
(Appointed by the Governor)
- **Commissioner Doug Goehring**  
Agriculture Commissioner
- **Terry Weckerly**  
(Appointed by the Governor)
- **Rep. Mike Brandenburg**  
(Chairman of the House Agriculture Committee's Designee)
- **Stan Buxa**  
(Appointed by the Governor)
- **Senator Terry Wanzek**  
(Chairman of the Senate Agriculture Committee's Designee)
- **Ivan Williams**  
(Appointed by the Legislative Council Chairman)
- **Rep. Marvin Nelson**  
(Appointed by the Legislative Council Chairman)
- **Dr. Greg Lardy**  
Interim Director, NDSU Agriculture Experiment Station

## GRANT PROGRAMS

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
4/19/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 2:36 p.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

### Discussion Topics:

- Base level funding changes
- Soil health program
- Outdoor heritage fund

**Doug Goehring, Agriculture Commissioner (2:44 p.m.)** testified neutrally.

**Chairman David Monson** adjourned the meeting at 2:59 p.m.

*Klarissa Pudwill, Committee Clerk*

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
4/21/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 10:29 a.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

### Discussion Topics:

- Base level funding changes
- Grazing Association

**Chairman David Monson** adjourned the meeting at 10:56 a.m.

*Klarissa Pudwill, Committee Clerk*

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Appropriations - Education and Environment Division Prairie Room, State Capitol

HB 1009  
4/22/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 10:28 a.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

### Discussion Topics:

- Base level funding changes
- Cross fencing
- Federal lands

**Doug Goehring, Agriculture Commissioner (10:51 a.m.)** testified neutrally.

**Chairman David Monson** adjourned the meeting at 11:04 a.m.

*Klarissa Pudwill, Committee Clerk*

# 2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division  
Prairie Room, State Capitol

HB 1009  
4/23/2021  
Conference Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.
--

**Chairman David Monson** called the meeting to order at 11:31 a.m.

Representative	Present	Absent
Chairman Monson	P	
Representative Schmidt	P	
Representative Boe	P	
Chairman Wanzek	P	
Senator Erbele	P	
Senator Heckaman	P	

## Discussion Topics:

- Grazing land amendment

**Doug Goehring, Agriculture Commissioner (11:34 a.m.)** testified neutrally.

**Representative Schmidt made a motion to verbally amend** to add 5 million dollars for grassland grazing plant program from SIIF.

**Senator Wanzek seconded**

**Roll Call Vote taken:**

**Motion Carried: 6-0-0**

**Senator Wanzek made a motion for senate to recede and amend**

**Senator Erbele seconded**

**Roll Call Vote taken:**

**Motion Carried: 6-0-0**

**Chairman David Monson** adjourned the meeting at 11:42 a.m.

*Klarissa Pudwill, Committee Clerk*

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1009

That the Senate recede from its amendments as printed on pages 1454-1457 of the House Journal and pages 1164-1167 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "4.1-01-17" insert ", 4.1-83-22, 4.1-83-23, 4.1-83-28, and 54-12-08"

Page 1, line 3, after "Code" insert "and section 7 of chapter 34 of the 2019 Session Laws"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", insolvency of livestock dealers, the ability of state agencies to employ attorney positions, and the waterbank program"

Page 1, line 4, remove "to amend and reenact section 7 of"

Page 1, line 5, remove " chapter 34 of the 2019 Session Laws, relating to the waterbank program;"

Page 1, line 6, remove "and"

Page 1, line 6, after "study" insert "; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$14,232,746	\$1,484,380	\$15,717,126
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	5,908,000	14,731,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$39,022,835	\$6,947,652	\$45,970,487
Less estimated income	<u>28,322,406</u>	<u>4,188,369</u>	<u>32,510,775</u>
Total general fund	\$10,700,429	\$2,759,283	\$13,459,712
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, replace lines 16 through 19 with:

"Soil health grants	0	700,000
Grasslands grazing grants	<u>0</u>	<u>5,000,000</u>
Total all funds	\$2,210,000	\$8,400,000

Less estimated income	2,000,000	8,400,000
Total general fund	\$210,000	\$0"

Page 3, line 19, replace "- **OUTDOOR HERITAGE FUND**" with "**ADDITIONAL INCOME**"

Page 3, line 21, replace "\$500,000" with "\$700,000"

Page 3, line 22, remove "and the industrial commission shall transfer"

Page 3, line 23, remove "\$200,000 from the outdoor heritage fund"

Page 3, line 24, after "fund" insert "and \$400,000 is from federal or other funds available to the agriculture commissioner"

Page 3, line 25, after the period insert "During the 2021-23 biennium, the agriculture commissioner shall submit an application to the North Dakota outdoor heritage advisory board for funding from the outdoor heritage fund for the soil health cover crop grant program, which the North Dakota outdoor heritage advisory board shall consider pursuant to section 54-17.8-03."

Page 4, after line 4, insert:

**"SECTION 9. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS.** The estimated income line item in section 1 of this Act includes the sum of \$5,000,000 from the strategic investment and improvements fund for the purpose of providing grassland grazing grants to an organization 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."

Page 4, line 6, replace "\$6,900,301" with "\$6,899,395"

Page 4, line 28, replace "three" with "nine"

Page 4, line 28, replace "seventy-six" with "eighty-four"

Page 5, after line 16, insert:

**"SECTION 15. AMENDMENT.** Section 4.1-83-22 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-22. Appointment of trustee.**

1. Upon the insolvency of a livestock dealer, the agriculture commissioner ~~may apply to the district court of the county in which the dealer maintains its principal place of business for appointment as the trustee.~~

- ~~2. Upon notice to the livestock dealer, as the court shall prescribe but not exceeding ten days, or upon a written waiver of notice by the dealer, the court shall hear and make a determination regarding the application in a summary manner.~~
- ~~3. If the court determines that the livestock dealer is insolvent within the meaning of this chapter and that it would be in the best interest of persons holding claims against the dealer for the purchase price of livestock sold to the dealer or to the dealer's agent that the agriculture commissioner execute the trust, the court shall issue an order appointing the commissioner as the trustee, without bond.~~
- ~~4. Upon being appointed as the trustee shall provide notice to the livestock dealer and may immediately suspend, close, or take control of assets held in the trust fund pursuant to section 4.1-83-21, or take any combination of these actions as the agriculture commissioner deems necessary to begin orderly liquidation of trust fund assets as set forth in this chapter.~~
2. Upon establishing the trust fund, the agriculture commissioner shall perform the duties of a trustee as set forth in this chapter.

**SECTION 16. AMENDMENT.** Section 4.1-83-23 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-23. Possession of records and property - Notice to file claims.**

1. a. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all accounts and records pertaining to the livestock dealer's business. After reviewing the records, the agriculture commissioner may return to the dealer any records that are not necessary to the settlement of claims under this chapter.
- b. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all livestock purchased by the dealer under the dealer's license and remaining in the dealer's possession.
2. The agriculture commissioner, as trustee, shall publish a notice once each week for three consecutive weeks in the official newspaper of each county in which the livestock dealer was conducting business, directing any person having a claim against the dealer to file the claim and all supporting documentation with the commissioner no later than forty-five days from the last date of publication. Any person failing to meet the filing requirements set forth in the notice is barred from participating in any funds marshalled by the agriculture commissioner under this chapter.

**SECTION 17. AMENDMENT.** Section 4.1-83-28 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-28. Report of amounts payable - Distribution of trust fund.**

1. Upon recovery of the trust fund, or so much of the fund as is recoverable or necessary to pay the outstanding claims, the agriculture commissioner shall file with the ~~court~~claimants a report showing the amount payable on



each claim, after recognition of all proper liens, pledges, assignments, and deductions.

2. If the trust fund is insufficient to pay all claims in full, the agriculture commissioner shall prorate the fund among the claimants.
3. ~~The court shall notify the claimants by mail regarding the proposed distribution and direct that the claimants show cause why the report and distribution should not be approved.~~
4. After holding a hearing on the matter, the ~~court~~agriculture commissioner shall:
  - a. Approve or modify the report; and
  - b. Issue an order directing that the trust fund be distributed; ~~and~~
  - e. ~~Discharge the agriculture commissioner from all duties as trustee.~~

**SECTION 18. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney

general for services performed, the compensation must be paid out of the funds appropriated therefor.

3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, department of environmental quality, and the state hospital.
  
4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Page 6, after line 4, insert:

**"SECTION 23. EMERGENCY.** Sections 15, 16, and 17 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126	\$15,717,126	
Operating expenses	6,592,780	6,848,052		6,848,052	6,848,052	
Capital assets	15,000	15,000		15,000	15,000	
Grants	8,823,774	9,531,774	5,200,000	14,731,774	9,731,774	\$5,000,000
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,457,400	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417	4,460,417	
Mitigation of environmental impacts	5,000,000					
Bioscience innovation grants		5,500,000		5,500,000	5,500,000	
Environmental law impact review		5,000,000		5,000,000	5,000,000	
North Dakota trade office		1,600,000		1,600,000	1,600,000	
<b>Total all funds</b>	<b>\$39,022,835</b>	<b>\$51,273,662</b>	<b>\$5,196,825</b>	<b>\$56,470,487</b>	<b>\$51,470,487</b>	<b>\$5,000,000</b>
Less estimated income	28,322,406	27,314,838	5,195,937	32,510,775	27,510,775	5,000,000
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712	\$23,959,712	\$0
FTE	78.00	79.00	0.00	79.00	79.00	0.00

JD 4/26/21  
606

**Department 602 - Department of Agriculture - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One- Time Funding for a Soil Health Grant Program <sup>2</sup>	Adds One- Time Funding for Grassland Grazing Grants <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,175)			(\$3,175)
Operating expenses				
Capital assets				
Grants		\$200,000	\$5,000,000	5,200,000
State Board of Animal Health				
Wildlife services				
Crop Harmonization Board				
Pipeline restoration and reclamation				
Ag. Products Utilization Commission				
Mitigation of environmental impacts				
Bioscience innovation grants				
Environmental law impact review				
North Dakota trade office				
<b>Total all funds</b>	<b>(\$3,175)</b>	<b>\$200,000</b>	<b>\$5,000,000</b>	<b>\$5,196,825</b>
Less estimated income	(4,063)	200,000	5,000,000	5,195,937
General fund	\$888	\$0	\$0	\$888
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022, the same as provided by the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program, the same as provided by the Senate. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

<sup>3</sup> One-time funding of \$5 million is added from the strategic investment and improvements fund for the purpose of providing grassland grazing grants to an organization representing cooperative grazing associations in the state. A separate section is added to the bill to provide eligibility requirements for the funding, including requiring successful applicants to provide \$1 of matching funds from nonstate sources for every \$4 of grant funding.

This amendment also:

- Amends a section to require the Agriculture Commissioner to submit an application to the North Dakota Outdoor Heritage Advisory Board for funding from the outdoor heritage fund for the soil health cover crop grant program, which the North Dakota Outdoor Heritage Advisory Board shall consider pursuant to North Dakota Century Code Section 54-17.8-03. This requirement was not included in the Senate version.
- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium, the same as provided by the Senate.
- Adds three sections to amend Sections 4.1-83-22, 4.1-83-23, and 4.1-83-28, related to livestock dealer insolvency cases being overseen by the Agriculture Commissioner rather than the courts, similar to grain insolvency cases. These sections are declared emergency measures. These sections were not included in the Senate or House versions.
- Adds a section to amend Section 54-12-08 to add the Agriculture Commissioner to the list of agencies allowed to employ an attorney position. The Senate included this section.

**2021 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 1009 as engrossed

**House Conference Committee**

- Action Taken**     **HOUSE accede to Senate Amendments**  
 **HOUSE accede to Senate Amendments and further amend**  
 **SENATE recede from Senate amendments**  
 **SENATE recede from Senate amendments and amend as follows**
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

<b>Representatives</b>	4/14	4/15	4/19	<b>Yes</b>	<b>No</b>		<b>Senators</b>	4/14	4/15	4/19	<b>Yes</b>	<b>No</b>
Chairman Monson	P	P	P				Chairman Wanzek	P	P	P		
Representative Schmidt	P	P	P				Senator Erbele	P	P	P		
Representative Boe	P	P	P				Senator Heckaman	P	P	P		
<b>Total Rep. Vote</b>							<b>Total Senate Vote</b>					

Vote Count            Yes: \_\_\_\_\_            No: \_\_\_\_\_            Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ . \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ . \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**2021 HOUSE CONFERENCE COMMITTEE  
 ROLL CALL VOTES**

BILL/RESOLUTION NO. 1009 as engrossed

**House Conference Committee**

- Action Taken**     **HOUSE accede to Senate Amendments**  
 **HOUSE accede to Senate Amendments and further amend**  
 **SENATE recede from Senate amendments**  
 **SENATE recede from Senate amendments and amend as follows**
- Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Representative Schmidt      Seconded by: Senator Wanzek

<b>Representatives</b>	4/21	4/22	4/23	<b>Yes</b>	<b>No</b>		<b>Senators</b>	4/21	4/22	4/23	<b>Yes</b>	<b>No</b>
Chairman Monson	P	P	P	X			Chairman Wanzek	P	P	P	X	
Representative Schmidt	P	P	P	X			Senator Erbele	P	P	P	X	
Representative Boe	P	P	P	X			Senator Heckaman	P	P	P	X	
<b>Total Rep. Vote</b>				<b>3</b>	<b>0</b>		<b>Total Senate Vote</b>				<b>3</b>	<b>0</b>

Vote Count      Yes: 6      No: 0      Absent: 0

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added

Statement of purpose of amendment

Additional 5 million dollars for grassland grazing plant program from SIIF

**2021 HOUSE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. 1009 as engrossed

**House Conference Committee**

- Action Taken**
- HOUSE accede to Senate Amendments
  - HOUSE accede to Senate Amendments and further amend
  - SENATE recede from Senate amendments
  - SENATE recede from Senate amendments and amend as follows
  - Unable to agree, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Senator Wanzek                      Seconded by: Representative Schmidt

Representatives					Senators				
	4/23		Yes	No		4/23		Yes	No
Chairman Monson	P		X		Chairman Wanzek	P		X	
Representative Schmidt	P		X		Senator Erbele	P		X	
Representative Boe	P		X		Senator Heckaman	P		X	
Total Rep. Vote			3	0	Total Senate Vote			3	0

Vote Count            Yes: 6                      No: 0                      Absent: 0

House Carrier Representative Boe            Senate Carrier Senator Wanzek

LC Number 21.0268 . 02003 of amendment

LC Number 21.0268 . 04000 of engrossment

Emergency clause added

Statement of purpose of amendment

**REPORT OF CONFERENCE COMMITTEE**

**HB 1009, as engrossed:** Your conference committee (Sens. Wanzek, Erbele, Heckaman and Reps. Monson, Schmidt, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1454-1457, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1454-1457 of the House Journal and pages 1164-1167 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, replace the second "and" with a comma

Page 1, line 2, after "4.1-01-17" insert ", 4.1-83-22, 4.1-83-23, 4.1-83-28, and 54-12-08"

Page 1, line 3, after "Code" insert "and section 7 of chapter 34 of the 2019 Session Laws"

Page 1, line 3, replace "and" with a comma

Page 1, line 4, after "program" insert ", insolvency of livestock dealers, the ability of state agencies to employ attorney positions, and the waterbank program"

Page 1, line 4, remove "to amend and reenact section 7 of"

Page 1, line 5, remove " chapter 34 of the 2019 Session Laws, relating to the waterbank program;"

Page 1, line 6, remove "and"

Page 1, line 6, after "study" insert "; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 7 with:

"Salaries and wages	\$14,232,746	\$1,484,380	\$15,717,126
Operating expenses	6,592,780	255,272	6,848,052
Capital assets	15,000	0	15,000
Grants	8,823,774	5,908,000	14,731,774
Environmental impact mitigation	5,000,000	(5,000,000)	0
Agricultural products utilization commission	1,760,417	2,700,000	4,460,417
North Dakota trade office	0	1,600,000	1,600,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	0	1,457,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Crop harmonization board	75,000	0	75,000
Total all funds	\$39,022,835	\$6,947,652	\$45,970,487
Less estimated income	<u>28,322,406</u>	<u>4,188,369</u>	<u>32,510,775</u>
Total general fund	\$10,700,429	\$2,759,283	\$13,459,712
Full-time equivalent positions	78.00	1.00	79.00"

Page 2, replace lines 16 through 19 with:

"Soil health grants	0	700,000
Grasslands grazing grants	0	5,000,000
Total all funds	\$2,210,000	\$8,400,000
Less estimated income	<u>2,000,000</u>	<u>8,400,000</u>
Total general fund	\$210,000	\$0"

Page 3, line 19, replace "- **OUTDOOR HERITAGE FUND**" with "**ADDITIONAL INCOME**"

Page 3, line 21, replace "\$500,000" with "\$700,000"

Page 3, line 22, remove "and the industrial commission shall transfer"

Page 3, line 23, remove "\$200,000 from the outdoor heritage fund"

Page 3, line 24, after "fund" insert "and \$400,000 is from federal or other funds available to the agriculture commissioner"

Page 3, line 25, after the period insert "During the 2021-23 biennium, the agriculture commissioner shall submit an application to the North Dakota outdoor heritage advisory board for funding from the outdoor heritage fund for the soil health cover crop grant program, which the North Dakota outdoor heritage advisory board shall consider pursuant to section 54-17.8-03."

Page 4, after line 4, insert:

**"SECTION 9. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS.** The estimated income line item in section 1 of this Act includes the sum of \$5,000,000 from the strategic investment and improvements fund for the purpose of providing grassland grazing grants to an organization 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."

Page 4, line 6, replace "\$6,900,301" with "\$6,899,395"

Page 4, line 28, replace "three" with "nine"

Page 4, line 28, replace "seventy-six" with "eighty-four"

Page 5, after line 16, insert:

**"SECTION 15. AMENDMENT.** Section 4.1-83-22 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-22. Appointment of trustee.**

1. Upon the insolvency of a livestock dealer, the agriculture commissioner ~~may apply to the district court of the county in which the dealer maintains its principal place of business for appointment as the trustee.~~
2. ~~Upon notice to the livestock dealer, as the court shall prescribe but not exceeding ten days, or upon a written waiver of notice by the dealer, the court shall hear and make a determination regarding the application in a summary manner.~~



- ~~3. If the court determines that the livestock dealer is insolvent within the meaning of this chapter and that it would be in the best interest of persons holding claims against the dealer for the purchase price of livestock sold to the dealer or to the dealer's agent that the agriculture commissioner execute the trust, the court shall issue an order appointing the commissioner as the trustee, without bond.~~
- ~~4. Upon being appointed as the trustee shall provide notice to the livestock dealer and may immediately suspend, close, or take control of assets held in the trust fund pursuant to section 4.1-83-21, or take any combination of these actions as the agriculture commissioner deems necessary to begin orderly liquidation of trust fund assets as set forth in this chapter.~~
2. Upon establishing the trust fund, the agriculture commissioner shall perform the duties of a trustee as set forth in this chapter.

**SECTION 16. AMENDMENT.** Section 4.1-83-23 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-23. Possession of records and property - Notice to file claims.**

1. a. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all accounts and records pertaining to the livestock dealer's business. After reviewing the records, the agriculture commissioner may return to the dealer any records that are not necessary to the settlement of claims under this chapter.
- b. ~~Upon being appointed trustee~~establishing the trust fund, the agriculture commissioner shall take possession of all livestock purchased by the dealer under the dealer's license and remaining in the dealer's possession.
2. The agriculture commissioner, as trustee, shall publish a notice once each week for three consecutive weeks in the official newspaper of each county in which the livestock dealer was conducting business, directing any person having a claim against the dealer to file the claim and all supporting documentation with the commissioner no later than forty-five days from the last date of publication. Any person failing to meet the filing requirements set forth in the notice is barred from participating in any funds marshalled by the agriculture commissioner under this chapter.

**SECTION 17. AMENDMENT.** Section 4.1-83-28 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-83-28. Report of amounts payable - Distribution of trust fund.**

1. Upon recovery of the trust fund, or so much of the fund as is recoverable or necessary to pay the outstanding claims, the agriculture commissioner shall file with the ~~court~~claimants a report showing the amount payable on each claim, after recognition of all proper liens, pledges, assignments, and deductions.
2. If the trust fund is insufficient to pay all claims in full, the agriculture commissioner shall prorate the fund among the claimants.

3. ~~The court shall notify the claimants by mail regarding the proposed distribution and direct that the claimants show cause why the report and distribution should not be approved.~~
4. After holding a hearing on the matter, the ~~court~~agriculture commissioner shall:
  - a. Approve or modify the report; and
  - b. Issue an order directing that the trust fund be distributed;~~and~~
  - c. ~~Discharge the agriculture commissioner from all duties as trustee.~~

**SECTION 18. AMENDMENT.** Section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-08. Assistant and special assistant attorneys general - Appointment - Revocation - Compensation.**

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and no person may act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the securities commissioner may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.
2. The powers conferred upon special assistant attorneys general are the same as are exercised by the regular assistant attorneys general, unless the powers are limited specifically by the terms of the appointment. Except as otherwise provided by this section, an appointment is revocable at the pleasure of the attorney general. The appointment may be made with or without compensation, and when compensation is allowed by the attorney general for services performed, the compensation must be paid out of the funds appropriated therefor.
3. The attorney general may require payment for legal services rendered by any assistant or special assistant attorney general to any state official, board, department, agency, or commission and those entities shall make the required payment to the attorney general. Moneys received by the attorney general in payment for legal services rendered must be deposited into the attorney general's operating fund. General fund moneys may not be utilized for the payment of legal services provided by

the attorneys employed by the attorney general, except for those payments required of the department of human services, state department of health, department of environmental quality, and the state hospital.

4. An assistant or special assistant attorney general appointed to represent the state board of higher education or an institution under the control of the state board of higher education may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the assistant or special assistant attorney general is considered a state educational official authorized to access student records."

Page 6, after line 4, insert:

**"SECTION 23. EMERGENCY.** Sections 15, 16, and 17 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - Department of Agriculture - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$14,232,746	\$15,720,301	(\$3,175)	\$15,717,126	\$15,717,126	
Operating expenses	6,592,780	6,848,052		6,848,052	6,848,052	
Capital assets	15,000	15,000		15,000	15,000	
Grants	8,823,774	9,531,774	5,200,000	14,731,774	9,731,774	\$5,000,000
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,457,400	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission	1,760,417	4,460,417		4,460,417	4,460,417	
Mitigation of environmental impacts	5,000,000					
Bioscience innovation grants		5,500,000		5,500,000	5,500,000	
Environmental law impact review		5,000,000		5,000,000	5,000,000	
North Dakota trade office		1,600,000		1,600,000	1,600,000	
Total all funds	\$39,022,835	\$51,273,662	\$5,196,825	\$56,470,487	\$51,470,487	\$5,000,000
Less estimated income	28,322,406	27,314,838	5,195,937	32,510,775	27,510,775	5,000,000
General fund	\$10,700,429	\$23,958,824	\$888	\$23,959,712	\$23,959,712	\$0
FTE	78.00	79.00	0.00	79.00	79.00	0.00

**Department 602 - Department of Agriculture - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts One-Time Funding for a Soil Health Grant Program <sup>2</sup>	Adds One-Time Funding for Grassland Grazing Grants <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$3,175)			(\$3,175)
Operating expenses				
Capital assets				
Grants		\$200,000	\$5,000,000	5,200,000
State Board of Animal Health				
Wildlife services				
Crop Harmonization Board				
Pipeline restoration and reclamation				
Ag. Products Utilization Commission				
Mitigation of environmental impacts				
Bioscience innovation grants				
Environmental law impact review				
North Dakota trade office				
<b>Total all funds</b>	<b>(\$3,175)</b>	<b>\$200,000</b>	<b>\$5,000,000</b>	<b>\$5,196,825</b>
Less estimated income	(4,063)	200,000	5,000,000	5,195,937
General fund	\$888	\$0	\$0	\$888
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Salaries and wages funding is adjusted for 2021-23 biennium salary increases of 1.5 percent on July 1, 2021, with a minimum monthly increase of \$100 and 2 percent on July 1, 2022, the same as provided by the Senate. The House provided salary adjustments of 1.5 percent on July 1, 2021, and July 1, 2022, with a minimum monthly increase of \$100 and a maximum monthly increase of \$250.

<sup>2</sup> One-time funding is increased by \$200,000 for a soil health cover crop grant program to provide a total of \$700,000 for the program, of which \$300,000 is from Bank of North Dakota profits and \$400,000 is from other funds derived from federal and special funds the Agriculture Commissioner may receive during the biennium for the program, the same as provided by the Senate. The House approved a total of \$500,000 for the program, of which \$300,000 was from Bank profits and \$200,000 was from the outdoor heritage fund.

<sup>3</sup> One-time funding of \$5 million is added from the strategic investment and improvements fund for the purpose of providing grassland grazing grants to an organization representing cooperative grazing associations in the state. A separate section is added to the bill to provide eligibility requirements for the funding, including requiring successful applicants to provide \$1 of matching funds from nonstate sources for every \$4 of grant funding.

This amendment also:

- Amends a section to require the Agriculture Commissioner to submit an application to the North Dakota Outdoor Heritage Advisory Board for funding from the outdoor heritage fund for the soil health cover crop grant program, which the North Dakota Outdoor Heritage Advisory Board shall consider pursuant to North Dakota Century Code Section 54-17.8-03. This requirement was not included in the Senate version.
- Amends a section related to the Agriculture Commissioner's salary provided for in statute to reflect salary increases of 1.5 percent and 2 percent approved for the 2021-23 biennium, the same as provided by the Senate.
- Adds three sections to amend Sections 4.1-83-22, 4.1-83-23, and 4.1-83-28, related to livestock dealer insolvency cases being overseen by the Agriculture Commissioner rather than the courts, similar to grain insolvency cases. These sections are declared emergency measures. These sections were not included in the Senate or House versions.
- Adds a section to amend Section 54-12-08 to add the Agriculture Commissioner to

the list of agencies allowed to employ an attorney position. The Senate included this section.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.