

2025 HOUSE APPROPRIATIONS

HB 1009

DEPARTMENT 602 - AGRICULTURE COMMISSIONER 2025-27 BASE LEVEL BUDGET

Base Budget - Summary

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

Selected Base Budget Information

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

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

Continuing Appropriations

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

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

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

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

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

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

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

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

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

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

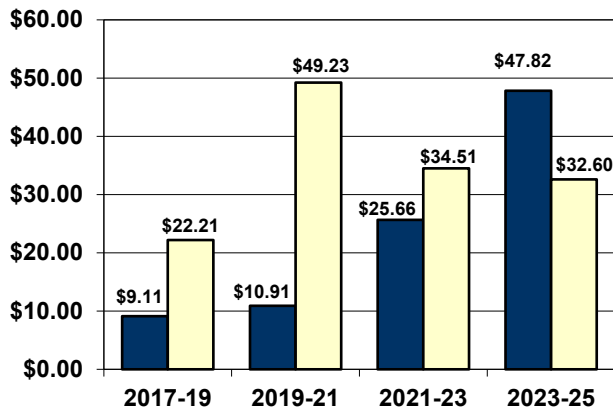
Equine processing fund - Section 36-21-19 - Provides for the Agriculture Commissioner to assess a fee of \$5 for equine processing facility assessments. The first \$50,000 of fees collected is deposited in the general fund and any additional amounts are deposited in the equine processing fund. All funds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

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

Historical Appropriations Information

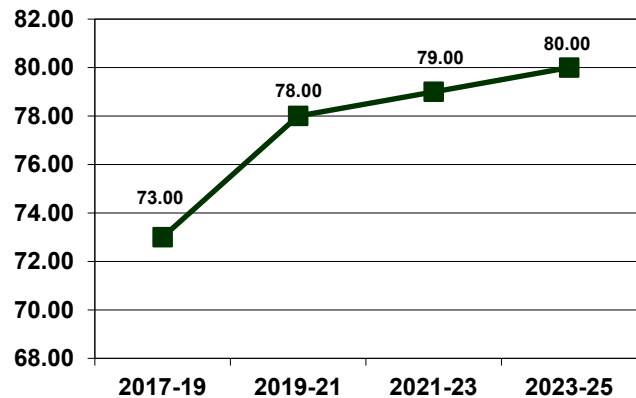
Agency Appropriations and FTE Positions

Agency Funding (Millions)



■ General Fund □ Other Funds

FTE Positions



Ongoing General Fund Appropriations

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

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

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

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium

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

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

One-Time General Fund Appropriations

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

Major One-Time General Fund Appropriations

2017-19 Biennium

None \$0

2019-21 Biennium

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

2021-23 Biennium

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

2023-25 Biennium

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



Agriculture Commissioner
Department No. 602
2025 House Bill No. 1009

EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Executive budget recommendation	81.00	\$22,141,317	\$34,755,990	\$56,897,307
Base level	80.00	14,820,933	27,117,306	41,938,239
Increase (decrease)	1.00	\$7,320,384	\$7,638,684	\$14,959,068
Percentage increase (decrease)	1.3%	49.4%	28.2%	35.7%

NOTE:

More detailed information on the executive budget recommendation is attached as Appendix A.

A copy of the draft appropriations bill reflecting the executive budget recommendation is attached as Appendix B.

Selected Highlights

- Adds \$794,826, of which \$468,861 is from the general fund and \$325,965 is from other funds, for salary increases of up to 4 percent effective July 1, 2025, and 3 percent effective July 1, 2026
- Adds \$486,428, of which \$271,679 is from the general fund and \$214,749 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$877,000, of which \$608,727 is from the general fund and \$268,273 is from other funds, to replace the 2023-25 biennium new FTE pool (\$214,930) and 2023-25 biennium vacant FTE pool (\$662,070)
- Adds \$214,688, of which \$107,344 is from the general fund and \$107,344 is from the Agriculture Commissioner operating fund, for an FTE plant protection position
- Adds \$967,708, of which \$748,900 is from the general fund and \$218,808 is from other funds, for travel
- Reduces \$200,00 for the postproduction royalty oversight program, to provide a total of \$300,000 from the abandoned oil and gas well plugging and site reclamation fund
- Adds \$1,968,500 for the specialty crop block grant program, to provide a total of \$9,063,305 from federal funds
- Adds ongoing funding of \$3,000,000 from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) program, to provide a total of \$5,110,417
- Adds **one-time funding** of \$5,500,000 from the general fund for the bioscience innovation grant program
- Adds **one-time funding** of \$660,000 from the environment and rangeland protection fund for the livestock planning program

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management pursuant to North Dakota Century Code Section 54-35-27, this agency has 23 fees. The agency recommended the following changes to its fees:

- Remove two fees, including the video livestock auction fee and the equine processing assessment fee.

Major Related Legislation

House Bill No. 1037 - This bill appropriates \$750,000 of one-time funding from the general fund to the Agriculture Commissioner for providing uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities for the inspection, operation, maintenance, or construction of agriculture property or infrastructure during the 2025-27 biennium. The bill allows the Agriculture Commissioner to require grant recipients to provide \$1 of matching funds for every \$4 provided by the state.

House Bill No. 1143 - This bill appropriates \$10 million of one-time funding from the strategic investment and improvements fund to the Agriculture Commissioner for providing a food distribution facility grant program during the 2025-27 biennium. The bill requires grant recipients to provide \$1 of matching funds for every \$1 provided by the state.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Agriculture Commissioner - Budget No. 602

Agency Worksheet - House Bill No. 1009

	Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239
2025-27 Ongoing Funding Changes				
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)
Salary increase		468,861	325,965	794,826
Health insurance increase		271,679	214,749	486,428
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688
Adds funding for travel		748,900	218,808	967,708
Adjusts base level funding for operating expenses		(296,796)	625,775	328,979
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)
Adjusts base level funding for capital assets			4,100	4,100
Adds funding for the specialty crop block grant program			1,968,500	1,968,500
Adds funding for the noxious weed program			366,900	366,900
Removes funding for the grape and wine grant program		(80,000)		(80,000)
Adjusts base level funding for grants			5,900	5,900
Adds funding for the APUC program			3,000,000	3,000,000
Adjusts base level funding for the board of animal health		(8,357)		(8,357)
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000
Total ongoing funding changes	1.00	\$1,820,384	\$6,978,684	\$8,799,068
One-Time Funding Items				
Bioscience innovation grant program		\$5,500,000		\$5,500,000
Livestock planning program			\$660,000	660,000
Total one-time funding changes	0.00	\$5,500,000	\$660,000	\$6,160,000
Total Changes to Base Level Funding	1.00	\$7,320,384	\$7,638,684	\$14,959,068
2025-27 Total Funding	81.00	\$22,141,317	\$34,755,990	\$56,897,307

Federal funds included in other funds

\$17,994,832

Total ongoing changes - Percentage of base level

1.3%

12.3%

25.7%

21.0%

Total changes - Percentage of base level

1.3%

49.4%

28.2%

35.7%

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Executive Budget
Transfer - Environment and rangeland protection fund to minor use pesticide 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.
Environment and rangeland protection fund	Section 4 would identify \$8,521,253 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Game and Fish Department operating fund	Section 5 would identify \$673,374 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Executive Budget
Transfer - Department of Water Resources to Agriculture Commissioner	Section 6 would identify \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Abandoned oil and gas well plugging and site reclamation fund	Section 7 would identify \$500,000 in the other funds 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 (\$200,000) and the postproduction royalty oversight program (\$300,000).
Agriculture Commissioner salary	Section 8 would amend Section 4.1-01-02 to increase the salary of the agriculture commissioner from \$136,680 to \$142,147 (4 percent) effective July 1, 2025, and to \$146,412 (3 percent) effective July 1, 2026.
North Dakota Trade Office - Matching fund requirement	Section 9 would identify \$1.6 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.
Transfer - Bank of North Dakota profits to the APUC fund	Section 10 would identify \$3 million in the other funds line item in Section 1 is from Bank of North Dakota profits transferred to the APUC fund for the APUC program.
FTE position adjustments	Section 11 would authorize the Agriculture Commissioner to increase or decrease authorized FTE positions subject to the availability of funds.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1009
(Governor's Recommendation)

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a report to the legislature; to provide an exemption; and to provide for transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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, 2025 and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and Wages	\$17,042,562	\$2,103,942	\$19,146,504
Operating Expenses	7,426,173	1,138,083	8,564,256
Capital Assets	7,000	4,100	11,100
Grants	10,953,969	2,921,300	13,875,269
Covid 19 Specialty Grants	0	300,000	300,000
Bioscience Innovation Grants	0	5,500,000	5,500,000
Ag Products Utilization Program	2,110,417	3,000,000	5,110,417
Board of Animal Health	865,718	(8,357)	857,361
Wildlife Services	1,657,400	0	1,657,400
Pipeline Restoration and Reclamation Oversite Program	200,000	0	200,000
North Dakota Trade Office	1,600,000	0	1,600,000
Crop Harmonization Board	75,000	0	75,000
Total All Funds	\$41,938,239	\$14,959,068	\$56,897,307
Less Estimated Income	27,117,306	7,638,684	34,755,990
Total General Fund	\$14,820,933	\$ 7,320,384	\$22,141,317
Full-Time Equivalent Positions	80.00	1.00	81.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY- NINTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-eighth legislative assembly for the 2023-25 biennium and the 2025-27 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2023-25</u>	<u>2025-27</u>
Agricultural products utilization commission	\$3,000,000	\$0
Grasslands grazing grants	1,000,000	0
Bioscience innovation grant program transfer	6,500,000	5,500,000
Food distribution grants	1,000,000	0
North Dakota trade office	500,000	0
Livestock planning program	0	660,000
Total All Funds	\$12,000,000	\$6,160,000
Total Special Funds	4,000,000	660,000

Total General Fund

\$8,000,000

\$ 5,500,000

The 2025-27 one-time funding amounts are not a part of the entity's base budget for the 2027-29 biennium. The agriculture commissioner shall report to the appropriations committees of the seventieth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2025, and ending June 30, 2027.

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, 2025, and ending June 30, 2027.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$8,521,253 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, 2025, and ending June 30, 2027.

SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$673,374, 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, 2025, and ending June 30, 2027.

SECTION 6. ESTIMATED INCOME – DEPARTMENT OF WATER RESOURCES - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. ESTIMATED INCOME – ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The estimated income line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. 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 ~~thirty-six~~ forty-two thousand ~~six~~ one hundred ~~eighty~~ forty-seven dollars through June 30, 2026, and one hundred ~~thirty-six~~ forty-six thousand ~~six~~ four hundred ~~eighty~~ twelve dollars thereafter.

SECTION 9. TRADE OFFICE - MATCHING FUND REQUIREMENT. The operating line item and the general fund appropriation in section 1 of this Act include \$1,600,000 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, 2025, and ending June 30, 2027. 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.

SECTION 10. ESTIMATED INCOME – TRANSFER – BANK OF NORTH DAKOTA PROFITS – AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The estimated income line item in section 1 of this Act includes the sum of \$3,000,000 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, 2025, and ending June 30, 2027.

SECTION 11. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the agriculture commissioner may increase or decrease authorized full-time equivalent positions as needed, subject to availability of funds, during the biennium

beginning July 1, 2025, and ending June 30, 2027. The agriculture commissioner shall report to the office of management and budget and legislative council any adjustments made pursuant to this section.



**Agriculture Commissioner
Department No. 602
2025 House Bill No. 1009**

**REVISED EXECUTIVE BUDGET RECOMMENDATION
2025-27 BIENNIUM**

Budget Summary

	FTE Positions	General Fund	Other Funds	Total
Burgum executive budget recommendation	81.00	\$22,141,317	\$34,755,990	\$56,897,307
Revisions - Increase (decrease)	0.00	(5,185,585)	5,440,479	254,894
Armstrong executive budget recommendation	81.00	\$16,955,732	\$40,196,469	\$57,152,201
Base level	80.00	14,820,933	27,117,306	41,938,239
Increase (decrease)	1.00	\$2,134,799	\$13,079,163	\$15,213,962
Percentage increase (decrease)	1.3%	14.4%	48.2%	36.3%

NOTE:

More detailed information on the revised executive budget recommendation is attached as an appendix.

Selected Highlights

- **Adds \$649,720, of which \$383,276 is from the general fund and \$266,444 is from other funds, for salary increases of up to 3 percent effective July 1, 2025, and 3 percent effective July 1, 2026**
- Adds \$486,428, of which \$271,679 is from the general fund and \$214,749 is from other funds, for a health insurance premium increase of \$250 per month (15.2 percent), from \$1,643 to \$1,893, per employee
- Adds \$877,000, of which \$608,727 is from the general fund and \$268,273 is from other funds, to replace the 2023-25 biennium new FTE pool (\$214,930) and 2023-25 biennium vacant FTE pool (\$662,070)
- Adds \$214,688, of which \$107,344 is from the general fund and \$107,344 is from the Agriculture Commissioner operating fund, for an FTE plant protection position
- Adds \$967,708, of which \$748,900 is from the general fund and \$218,808 is from other funds, for travel
- **Adds \$400,000 from the general fund for the North Dakota trade office**
- Reduces \$200,000 for the postproduction royalty oversight program, to provide a total of \$300,000 from the abandoned oil and gas well plugging and site reclamation fund
- Adds \$1,968,500 for the specialty crop block grant program, to provide a total of \$9,063,305 from federal funds
- Adds ongoing funding of \$3,000,000 from Bank of North Dakota profits for the Agricultural Products Utilization Commission (APUC) program, to provide a total of \$5,110,417
- Adds one-time funding of \$5,500,000 from the strategic investment and improvements fund for the bioscience innovation grant program
- Adds one-time funding of \$660,000 from the environment and rangeland protection fund for the livestock planning program

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

There are no significant audit findings for this agency.

Agency Fees

As reported to the Legislative Management, pursuant to North Dakota Century Code Section 54-35-27, this agency has 23 fees. The agency recommended removing 2 fees, including the video livestock auction fee and the equine processing assessment fee.

Major Related Legislation

House Bill No. 1037 - This bill appropriates \$750,000 of one-time funding from the general fund to the Agriculture Commissioner for providing uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities for the inspection, operation, maintenance, or construction of agriculture property or infrastructure during the 2025-27 biennium. The bill allows the Agriculture Commissioner to require grant recipients to provide \$1 of matching funds for every \$4 provided by the state.

House Bill No. 1143 - This bill appropriates \$10 million of one-time funding from the strategic investment and improvements fund to the Agriculture Commissioner for providing a food distribution facility grant program during the 2025-27 biennium. The bill requires grant recipients to provide \$1 of matching funds for every \$1 provided by the state.

House Bill No. 1249 - This bill appropriates \$750,000 of one-time funding from the general fund to the Agriculture Commissioner for providing autonomous technology grants to individuals and entities for the inspection, operation, maintenance, or construction of agriculture property or infrastructure. The bill allows the Agriculture Commissioner to require grant recipients to provide \$1 of matching funds for every \$4 provided by the state.

House Bill No. 1538 - This bill appropriates \$1 million from the environment and rangeland protection fund to create and administer a spay and neuter awareness grant program.

House Bill No. 1591 - This bill appropriates \$3 million from the general fund for grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects.

Senate Bill No. 2274 - This bill appropriates \$1.9 million from the general fund to create and administer a farm management program.

Senate Bill No. 2327 - This bill provides for the Office of Management and Budget to transfer \$25 million from the general fund to the agriculture diversification and development fund and allows the agriculture diversification and development committee to use up to 5 percent of funds available for administrative expenses. Of the \$25 million, up to \$10 million is available for agriculture infrastructure grants to political subdivisions.

NOTE:

Please see the Fiscal Impact Report for additional information regarding bills under consideration which contain either a state revenue impact, an appropriation, or a state fiscal impact.



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget			
	FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239
2025-27 Ongoing Funding Changes				
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)
Salary increase		383,276	266,444	649,720
Health insurance increase		271,679	214,749	486,428
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688
Adds funding for travel		748,900	218,808	967,708
Adjusts base level funding for operating expenses		(296,796)	625,775	328,979
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)
Adjusts base level funding for capital assets			4,100	4,100
Adds funding for the specialty crop block grant program			1,968,500	1,968,500
Adds funding for the noxious weed program			366,900	366,900
Removes funding for the grape and wine grant program		(80,000)		(80,000)
Adjusts base level funding for grants			5,900	5,900
Adds funding for the APUC program			3,000,000	3,000,000
Adjusts base level funding for the board of animal health		(8,357)		(8,357)
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000
Adds funding for the North Dakota trade office		400,000		400,000
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962
One-Time Funding Items				
Bioscience innovation grant program			\$5,500,000	\$5,500,000
Livestock planning program			660,000	660,000
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201
Federal funds included in other funds			\$17,965,927	

Total ongoing changes - Percentage of base level

1.3%

14.4%

25.5%

21.6%

Total changes - Percentage of base level

1.3%

14.4%

48.2%

36.3%

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1009

1/14/2025

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

3:04 p.m. Chairman Monson opened the hearing.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representative Bosch, Representative Fischer, Representative Kempenich, Representative Meier, Representative Pyle

Discussion Topics:

- ND Agricultural implemented programs
- ND Agriculture Organization
- Plant Industries Division
- ND Apiaries
- Export Certification Program
- ND Plant Nurseries
- Hemp Program Overview
- Livestock Industries Overview
- Animal Health Division Overview
- Banned Pesticides
- ND Agricultural Program efficiency
- ND Department of Agriculture Vacancies
- Bioscience Innovation program

3:04 p.m. Doug Goehring, North Dakota Agriculture Commissioner, testified in favor and provided testimony #29036, #29037 #29050, #29051, #29052, #29053, and #29054.

Additional written testimony:

Dan Wogsland, Lobbyist, North Dakota Grain Growers Association, submitted testimony in favor #28896.

Ethan Andress, State Veterinarian, ND State Veterinary, submitted testimony in favor #29293.

4:36 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



**North Dakota Grain Growers Association
Testimony in Favor of HB 1009
House Appropriations Committee
Government Operations Division
January 14, 2025**

Chairman Monson, members of the House Appropriations Governmental Operations Division, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association. I appear before you today in support of HB 1009.

NDGGA would first like to commend North Dakota Agriculture Commissioner Goehring as well as the entire North Dakota Department of Agriculture for all of your hard work and effort on behalf of North Dakota agriculture. It is this hard work and effort which helps North Dakota agriculture lead the world in food production.

Chairman Monson, Committee Members, NDGGA supports HB 1009 for the following reasons:

1. Budget Stability

- The bill maintains consistent funding without cuts to any agricultural programs
- Preserves all 80 full-time equivalent positions, ensuring continued service levels
- Demonstrates fiscal responsibility while maintaining essential agricultural services

2. Trade Support

- Continued funding for ND Trade Office is crucial for grain producers
- Includes export assistant program support
- 60/40 matching requirement ensures efficient use of funds while maintaining program effectiveness
- Helps maintain and expand international markets for North Dakota grain production

3. Research and Development Support

- Agriculture Products Utilization Commission funding supports:
 - Value-added agriculture research
 - New market development for grain products
 - Innovation in grain processing and utilization

4. Environmental Protection

- Environment and Rangeland Protection Fund supports:
 - Pesticide programs vital for grain production
 - Range protection beneficial for diverse agricultural operations
 - Minor Use Pesticide Fund transfer ensures access to necessary crop protection tools

5. Land and Resource Protection

- Pipeline restoration program protects farmland
- Wildlife Services program helps manage wildlife impacts on crops
- Water bank program matching funds supports water resource management

6. Regulatory and Safety Oversight

- Board of Animal Health funding maintains agricultural biosecurity
- Crop Harmonization Board supports standardization beneficial for grain marketing

This funding provides:

1. Market Access

- Trade office support helps maintain export markets
- Harmonization efforts support grain marketing
- Infrastructure for grain movement and sales

2. Production Support

- Pesticide program funding
- Wildlife management
- Land protection programs

3. Research and Development

- Value-added opportunities
- New market development
- Innovation support

4. Resource Protection

- Water resource management
- Land restoration
- Environmental stewardship

5. Regulatory Stability

- Maintained funding for oversight programs
- Consistent regulatory environment
- Continued technical support

HB 1009 provides a balanced approach to supporting North Dakota's agricultural sector while maintaining fiscal responsibility. This represents continued support for essential programs that benefit grain producers without increasing financial burden. The stable funding environment allows for long-term planning and continued program effectiveness across all aspects of grain production, marketing, and research.

Therefore, Chairman Monson, members of the House Appropriations Government Operations Division, the North Dakota Grain Growers Association is in support of HB 1009 and would urge this Committee, the full House Appropriations Committee as well as the full House of Representatives to concur.



Agriculture Commissioner
Doug Goehring

2024 RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM

The North Dakota Department of Agriculture (NDDA) was awarded funding from USDA-AMS through the Resilient Food Systems Infrastructure Program (RFSI). Through this program, approximately \$4.69 million was available for competitive subaward grants to support the development of the middle-of-the-supply-chain for North Dakota-based food and farm businesses.

2024 RFSI Grants

NDDA accepted 16 grant applications totaling \$4,197,403.28 to support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products.

The applications have been sent to USDA-AMS for final approval before they are awarded.

More information:

For more information, call Jonathan Leonard at 701-328-2191 or email jleonard@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 AGRICULTURE IN THE CLASSROOM PROGRAM

The Agriculture in the Classroom program seeks to increase agriculture literacy and improve student achievement by applying authentic, agricultural-based content as the context to teach core curriculum concepts in science, social studies, language arts and nutrition by encouraging K-12 teachers to embed agriculture into their classroom.

Funding for Agriculture in the Classroom is included in the Agriculture Commissioner's budget and includes approximately \$105,000 per biennium to develop and conduct programs for agriculture education.

Awarded 2023-25 Ag in the Classroom Grants

Agriculture in the Classroom Council and Commissioner Doug Goehring has awarded 8 grants totaling \$100,000 to develop and conduct educational materials and programs to help young people understand the importance of agriculture in North Dakota and in our own lives.

1. NDSU Agriculture Communication - \$17,136 to develop a total of six issues of the North Dakota Ag Mag and teacher guides
2. ND Farm Bureau Foundation - \$24,864 to provide educational outreach to students and educators for the understanding and appreciation of agriculture
3. ND FFA Foundation - \$25,000 to support the Ag in the Classroom mini-grant program
4. Morton County Farm Bureau - \$6,000 to assist with expenses associated with the Morton County Ag Day Event held in May of each year
5. Red River Valley Fair Foundation - \$3,000 to provide agriculture education displays focused on honey bees and honey production for the Agricultural Education Center at the Red River Valley Fairgrounds
6. Ag Foundation - \$8,000 to assist in the expenses associated with the Fargo Living Ag Classroom event held in the spring of each year
7. Minot State University, ND Geographic Alliance - \$3,000 for the transportation costs associated with the 2024 and 2025 ND Geographic Alliance Farm Tours
8. National Agricultural Genotyping Center - \$13,000 to support the Nourish the Future: Biotech Workshop for North Dakota middle and high school teachers

Ag in the Classroom Coordinator Impact (since March 2024)

Students impacted: 8,264

Events attended include: Earth Day; Morton County Ag Day; Farm & Ranch Day in Selfridge, ND; Summer Reading Kickoff; Friends & Neighbors Day; Gateway to Science events; CTE FFA; Ag Education Day; National Ag in the Classroom Conference; State FFA Convention

For more information:

For more information, call Heather Lang at 701-595-9120 or email hlang@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 APIARY PROGRAM

The Apiary Program licenses beekeepers and registers hive locations annually. Hives are inspected when requested by the beekeeper. In these inspections we look for pests and diseases such as Varroa mites, American foulbrood, European foulbrood, chalk brood and small hive beetles.

Regulatory Programs / Activities

Licensing

State law requires all beekeepers in the state to obtain an apiary license every year. To obtain this they must submit a license application, register the number of colonies they expect to have, and register every location on which they plan to place colonies.

Complaint responses

Throughout the summer months the NDDA receives complaints from landowners, other beekeepers, and the general public. These complaints can involve a wide variety of issues including unlicensed beekeepers, unregistered apiaries, apiaries on land without obtaining landowner permission, and nuisance bees. Staff travel throughout the state to respond to, document and attempt to resolve these issues.

Compliance checks

All apiary locations in the state are required to be registered and have signage present with the beekeeper's name, phone number, and assigned beekeeper ID number. NDDA staff travel throughout the state in the summer doing random checks to ensure these rules are being followed.

Apiary Stats

Item	2020	2021	2022	2023	2024
Total Number of Colonies	692,076	742,547	809,321	843,423	829,617
Total Number of Beekeepers	300	323	333	356	352
Total Number of Apiaries	18,193	19,086	20,378	20,949	21,074

More information:

For more information, call Samantha Brunner at 701-328-4765 or email sbrunner@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 FARM TO SCHOOL PROGRAM

The Farm to School Program is run as a joint collaborative with the North Dakota Department of Agriculture (NDDA) and the North Dakota Department of Public Instruction (NDDPI). Through this program, schools and early education centers are connected with local producers for procurement of local fruits, vegetables, eggs, meat, honey, dairy products and more for their school lunch menus. In addition, NDDA works with producers to help them understand what steps they need to take to sell to schools. Another component of Farm to School is classroom education. NDDA offers this through our Ag in the Classroom program which provides students with further nutrition-based curriculum on local foods.

2023-25 Farm to School Accomplishments

- Nov/Dec 2023 - North Dakota Statewide Farm to School Outreach Tour - NDDA, NDDPI and NDSU Extension provided outreach to schools and producers about the program through statewide meetings
 - More than 100 producers and schools were educated
 - Five producers started selling local beef or produce to schools in their area shortly thereafter
- Nov/Dec 2023 - North Dakota Statewide Farm to School Media Campaign - Provided targeted advertising through billboards using producers in the Farm to School program
- Feb / Mar 2024 - NDDA and NDDPI held a microgreens day in Jamestown Public School
 - 500 elementary students were educated about microgreens
- Apr 2024 - Held Farm to School session at North Dakota School Nutrition Conference
 - Educated more than 200 school cooks on the Farm to School program, local beef, microgreens, potatoes and more
- Jul 2024 - USDA Farm to School Grant
 - USDA awarded the NDDA \$500,000 to continue work on implementing and promoting the Farm to School program statewide
 - A major part of the award is for equipment grants to help support producers and schools in the Farm to School program
- Oct 2024 - Farm to School Month - held several crunch off events to bring awareness to the Farm to School Program
 - Over 30,000 people in North Dakota participated
- Oct 2024 - Educated Grand Forks students about potatoes
- Oct 2024 - Educated Bismarck students about corn

More information:

For more information, call Katrina Hanenberg at 701-328-2659 or email kmhanenberg@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 FOOD SAFETY MODERNIZATION ACT PRODUCE SAFETY RULE

The North Dakota Department of Agriculture (NDDA) provides education and outreach to fruit and vegetable growers in the state for the Food Safety Modernization Act (FSMA) Produce Safety Rule. The program is run through a grant with the Food and Drug Administration (FDA). Regardless of their status under the rule, education is provided to all produce growers in North Dakota. NDDA provides technical assistance, educational resources, on-farm workshops and produce safety trainings to ensure the produce being sold throughout our state is being grown, stored and transported safely to eliminate any foodborne illnesses in our food supply chain.

2023-25 FSMA Produce Safety Rule Program Accomplishments

- Mar 2023 - A Produce Safety Growers Course was held in person and 12 North Dakota produce growers were trained in produce safety.
- Nov/Dec 2023 - Over 50 producers learned about the Produce Safety Rule during Farm to School meetings statewide. It was part of the Farm to School producer education NDDA provided to attendees.
- Mar 2024 - A Produce Safety Growers Course was held in person and 5 North Dakota produce growers and 13 US produce growers were trained in produce safety.
- Sep 2024 - On Farm Readiness Review Workshop
 - Held at a local farm outside of Bismarck, 5 local growers were trained on produce safety on a produce farm. Attendees learned about hygiene/health, soil amendments, agricultural water and water testing as well as pre- and post-harvest safety.
- Oct 2024 - Educated 45 North Dakota state health professionals on NDDA's produce safety program at the ND Environmental Health Association conference.
- Throughout 2024 - Provided technical assistance to 28 produce growers in the state of North Dakota. NDDA helped them navigate their status under the Produce Safety Rule: if they are exempt, or qualified exempt and need to provide proof of inspection. Under a cooperative agreement with FDA, NDDA continually inventories produce farms to ensure new produce growers are educated. For farms that are covered under the Produce Safety Rule, the FDA inspects the farms to ensure they are in compliance.

More information:

For more information, call Katrina Hanenberg at 701-328-2659 or email kmhanenberg@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 GRAPE, WINE AND FRUIT PROGRAM GRANTS

The Grape, Wine and Fruit Program is governed by the Grape and Wine Advisory Committee. The Committee consists of two individuals who are grape producers; one individual who is the producer of a fruit, other than grapes, used in vinification; two individuals who own wineries located in the state; and one representative of the ND Grape and Wine Association. The North Dakota Department of Agriculture administers the program.

The mission of the Grape, Wine and Fruit Program is to provide research and promotion in support of the grape and wine industry in North Dakota. Funding for the Grape, Wine and Fruit Program is included in the Agriculture Commissioner's budget. The (NDDA) had a total of \$80,000 in grape and wine program grant funding for the 2023-2025 biennium.

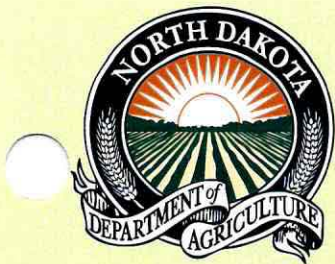
2023-25 Grants

Agriculture Commissioner Doug Goehring awarded grants totaling \$80,000 to two organizations for industry research of the grape, fruit, and wine industry.

- North Dakota Grape & Wine Association was awarded \$27,410 to lead a North Dakota grape & wine marketing campaign, "Yes! Grapes Do Grow Here." As part of the campaign, they gave away growing kits of the cold hardy seedless variety, Trollhaugen, at three separate events and have plans to give away even more kits in 2025. They are currently working with Sara Otte Coleman, director of tourism and marketing at the ND Department of Commerce, and Clearwater Communications, on a project with the Brewers Guild and distilleries, which could lead to more event co-sponsorships. With two new wineries planning to open soon in the Williston area there is opportunity to partner with them in co-sponsoring events to promote the grape and wine industry more in the central and western parts of the state.
- North Dakota State University was awarded \$52,590 to support research using high-throughput phenotyping to improve the efficiency and speed of grapevine cultivar development. North Dakota grape growers need more cultivars with excellent cold-hardiness, disease resistance, and a range of winemaking possibilities. Diseases such as black rot and powdery mildew pose an ongoing threat to grape production in North Dakota. There are currently no available varieties which combine excellent disease resistance with the cold hardiness needed in North Dakota's environment. However, developing new cultivars is a long and costly endeavor, yet expanded cultivar options are needed for the long-term success of North Dakota's grape and wine industry. Developing a high-throughput, non-destructive phenotyping system to screen breeding lines for disease resistance and winter acclimation could drastically reduce winemaking and evaluation costs. Incorporating fourier-transform near infra-red and image-based phenotyping will hasten breeding progress for cold hardiness, disease resistance, and wine quality.

More information:

For more information, call Heather Lang at 701-595-9120 or email hlang@nd.gov.



Agriculture Commissioner
Doug Goehring

LOCAL FOOD PURCHASE ASSISTANCE COOPERATIVE AGREEMENT PROGRAMS

The purpose of the Local Food Purchase Assistance Cooperative Agreement Program was to maintain and improve food and agricultural supply chain resiliency. It was a way to support local and socially disadvantaged farmers and producers, and provide that food to underserved communities in North Dakota.

Goals

The program had three main goals:

1. Provide an opportunity for states and tribal governments to strengthen their local and regional food system.
2. Help to support local and socially disadvantaged farmers/producers through building and expanding economic opportunities.
3. Establish and broaden partnerships with farmers/producers and the food distribution community, and local food networks, including non-profits to ensure distribution of fresh and nutritious foods in rural, remote, or underserved communities.

Programs / Results

Two agreements were signed with USDA's Agricultural Marketing Service:

1. Local Food Purchase Assistance Cooperative Agreement Program (LFPA) - \$420,000
2. Local Food Purchase Assistance Cooperative Agreement Program Plus (LFPA+) - \$678,228

The North Dakota Department of Agriculture partnered with the Great Plains Food Bank to procure and distribute the food to communities for both agreements. Food, including meat and produce, was sourced from 28 local producers and vendors and was distributed to 213 locations in 50 counties.

More information:

For more information, call John Schneider at 701-319-6958 or email jfschneider@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 NORTH DAKOTA MEDIATION SERVICE

A program of the North Dakota Department of Agriculture, the North Dakota Mediation Service (formerly the North Dakota Agricultural Mediation Service), was established in 1984 to help financially distressed North Dakota farmers and ranchers through assistance with credit and financial matters and resolving disputes. The 2011 Legislature expanded the agency's responsibilities to include dispute resolution of property issues related to energy development and landowner disputes with the North Dakota Game and Fish Department related to damage caused by deer on winter livestock feed supplies. North Dakota Mediation Service policies are established by the North Dakota Credit Review Board.

Benefits of NDMS Services

- Voluntary
- Confidential
- May assist in avoiding litigation
- Saves time and money
- Aids in resolving issues
- Reduces disputes that can negatively impact both parties and the community

Who May Participate?

- Agricultural producers
- Energy developers
- Landowners
- Owner, lessee, or lessor of mineral interests

Credit Counseling

A North Dakota agricultural borrower can request credit counseling to assist with an agricultural credit issue. A NDMS credit counselor works with the family to analyze profitability of the farm or ranch operation and develop options and alternative plans for the operation to present at mediation.

Wide Range of Issues

Agricultural Mediation

- Wetlands determination
- USDA adverse actions
- Agricultural credit
- Rural water loan programs
- Pesticides and herbicides
- Lease issues, including land leases and equipment leases
- Family farm transition
- Farmer-neighbor disputes

Deer Depredation

Energy Development

- Surface damages
- Property access
- Well location
- Oil and gas-related pipelines
- Easements
- Compensation

More information:

For more information, call Madison Bodine at 701-328-4158 or email ndms@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 ORGANIC PROGRAMS

Organic Certification Cost Share Program
Organic Education and Transition Cost Share Program

The North Dakota Department of Agriculture (NDDA) administers the federally-funded USDA **Organic Certification Cost Share Program**. Organic producers (crops, wild crops, and/or livestock) and/or handlers are eligible for reimbursement of 75 percent of initial or renewal organic certification costs with a maximum of \$750.00 per certification scope. NDDA has entered into an agreement with Where the Food Comes From and OCIA Chapter 1 to accept applications for reimbursement.

The state-funded **Organic Education and Transition Cost Share Program** is designed to help farmers and ranchers who are transitioning to an organic production system. The program reimburses crop and livestock farmers for 75%, up to \$750, of certain costs associated with transitioning to USDA certified organic production. Farmers are also eligible for up to \$250 of reimbursement for approved educational expenses. The maximum annual reimbursement is \$1,000 for up to three years.

Organic Certification Cost Share Program

Budget Item	2023	2024
Where the Food Comes from DBA International Certification Services (ICS)	\$60,750	\$60,000
OCIA of ND #1 (North Dakota Organic Growers)	\$7,290	\$8,800
Individual producers/handlers/applicants	\$24,460	\$19,931

Organic Education and Transition Cost Share Program

There were no applicants in 2023-24.

More information:

For more information, call Jonathan Leonard at 701-328-2191 or email jleonard@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 PRIDE OF DAKOTA PROGRAM

The Pride of Dakota program provides member companies with cooperative marketing and promotional events, such as in-store demonstrations, Pride of Dakota Day and the Pride of Dakota Showcases. The program also provides educational opportunities and representation at regional, national and international marketing expositions. There are currently 525 North Dakota companies that are Pride of Dakota members.

Membership Benefits:

Members are invited to showcase their products in the five large showcases each year in Dickinson, Minot, Grand Forks, Fargo and Bismarck. Other events include the annual Pride of Dakota Day at the North Dakota State Fair, Pride of Dakota Day at the Capitol and Pride of Dakota month (March).

Pride of Dakota members can use the program's point-of-purchase materials to promote their products and can qualify for financial incentives to attend out-of-state trade shows. There were 27 companies that received trade show assistance in the 2021-2023 biennium, and 43 to date for the 2023-2025 biennium.

Membership / Showcase Information

Year	Membership Numbers	Showcase Attendance
2021	561	37,856
2022	535	40,731
2023	532	42,103
2024	525	43,846

More information:

For more information, call Katrina Hanenberg at 701-328-2307 or email kmhanenberg@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 PROJECT SAFE SEND

Project Safe Send is a safe, simple and non-regulatory program that helps people safely and legally dispose of unusable pesticides free of charge. Since 1992, nearly 12,000 people have brought in over 6.4 million pounds of pesticides to Project Safe Send.

The program accepts old, unusable or banned pesticides, including herbicides, insecticides, rodenticides and fungicides. The collected pesticides are shipped out of state for incineration. Project Safe Send is funded through product registration fees paid by pesticide manufacturers.

2023-24 Collections

Project Safe Send continues to be a very popular program as 552,220 pounds were collected and shipped out of North Dakota in 2023-2024.

2023 Site	Participants	Weight (lbs)
Carrington	27	23,286
Rugby	19	7,779
Larimore	43	39,743
Langdon	21	15,873
Napoleon	15	9,258
Hettinger	14	9,343
Minot	44	51,693
Tioga	22	13,305
Cassellton	42	63,501
Killdeer	14	8,089
Underwood	23	10,811
Wyndmere	38	44,214
Total	322	296,895

2024 Site	Participants	Weight (lbs)
Bismarck	32	4,491
Rugby	45	36,727
Larimore	66	61,078
Valley City	81	64,859
Dickinson	27	18,428
Beulah	14	7,590
Minot	36	57,433
Tioga	15	4,719
Total	316	255,325

More information:

For more information, call Dylan Zubke at 701-425-3016 or email dbzubke@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 AGRICULTURE INFRASTRUCTURE GRANT PROGRAM

The Agriculture Infrastructure Grant Program was established to support the development and enhancement of essential infrastructure for value-added agriculture businesses. This program provides funding to political subdivisions for roadway and bridge improvements, as well as utility enhancements critical for accommodating the needs of agricultural enterprises.

Eligible Uses of Grant Funding:

1. Roadway and Bridge Improvements

- a. Grants can be utilized for corridor improvements on county and township roadways, ensuring better access and safety.
- b. Funding is available for enhancements to roads and bridges that specifically provide access to value-added agriculture businesses. It is important to note that projects within city limits are not eligible for this program.

2. Utility Improvements

- c. Grants may be allocated for necessary upgrades to water and wastewater lines, facilitating efficient operations for value-added agricultural activities.
- d. Additionally, funding is available for improvements to electrical and gas supply infrastructure, essential for supporting the growth and sustainability of agricultural businesses.

Grants:

No funds have been distributed yet but there are three strong inquiries.

More information:

For more information, call Taley Davis at 701-955-0578 or email tjdavis@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 REGIONAL LIVESTOCK DEVELOPMENT AND PLANNING GRANT PROGRAM

The North Dakota Department of Agriculture (NDDA) Regional Livestock and Planning Grant Program is a grant program to assist counties and regional planning councils in livestock development planning. Uses include site analysis, coordinating strategic planning, and accommodating and encouraging investment in livestock production.

Strategic Plan:

The strategic plan should identify suitable locations for rural economic development, including animal feeding operations, agricultural processing and storage facilities, and other agricultural related development.

The following factors must be considered when identifying suitable locations for rural economic development:

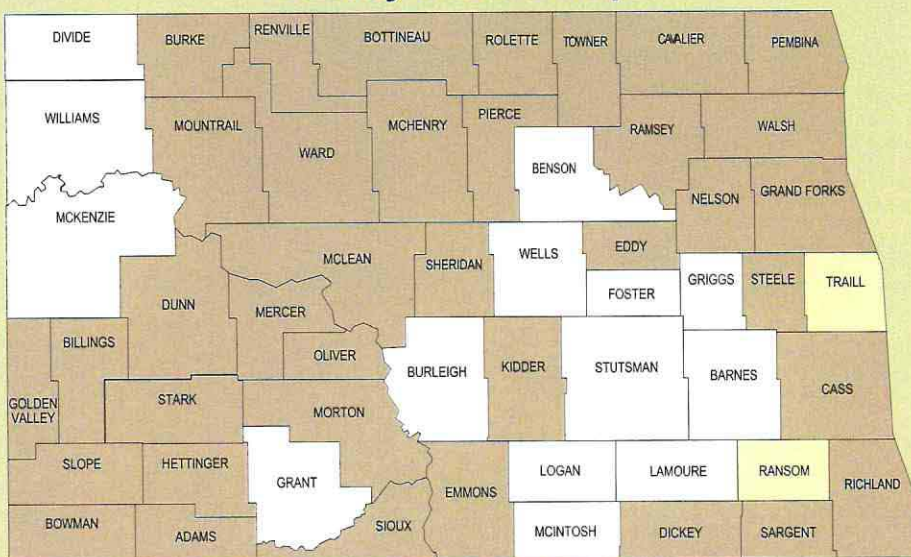
1. Local zoning and land use regulations;
2. State permitting requirements; and
3. Availability of infrastructure and natural resources necessary to accommodate rural economic development projects.

Grants Awarded:

Grants awarded under this section are:

- Up to \$12,000 for every county
- Up to \$500 for every township

County Status Map



Pilot projects (2 counties)

In process (37 counties)

Future opportunity (14 counties)

More information:

For more information, call Shaun Quissell at 701-328-4761 or email squissell@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 PIPELINE RESTORATION AND RECLAMATION OVERSIGHT PROGRAM

The North Dakota Department of Agriculture's pipeline restoration and reclamation oversight program connects landowners and tenants experiencing pipeline reclamation and restoration issues with an independent ombudsman. The program also provides educational outreach to help landowners/tenants consider things such as pipeline pathways, type of pipeline installation, soil impacts, type of vegetation being reestablished, timelines and other issues before signing agreements.

Cases: 86 To Date (as of 12/31/24)

County	Active	Closed	Monitoring
Mountrail	1	20	0
Mercer	0	11	0
Williams	2	7	6
McKenzie	0	5	1
Divide	1	4	3
Dunn	0	4	0
Stark	0	4	0
Burke	0	3	2
McLean	0	2	0
Oliver	0	2	0
Barnes	0	1	0
Billings	0	1	0
Bowman	0	0	1
Foster	0	1	0
Morton	0	1	0
Renville	0	0	1
Stutsman	1	0	0
Ward	0	1	0
Totals	5	67	14

More information:

For more information, call Ron Webb at 701-328-1847 or email energyreclamation@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 ROYALTY OVERSIGHT PROGRAM

The North Dakota Department of Agriculture's royalty oversight program connects royalty owners and well operators with an independent ombudsman to provide assistance with royalty payment issues such as: No payment within 150 days, unable to contact the well operator or confusion or disagreement with the royalty payment amount.

After case assignment, the ombudsman will contact the mineral owner within two business days regarding the situation. The ombudsman will also contact the well operator detailing the findings and work with all parties to clarify the discrepancy or communication breakdown in a timely manner.

Program Limitations:

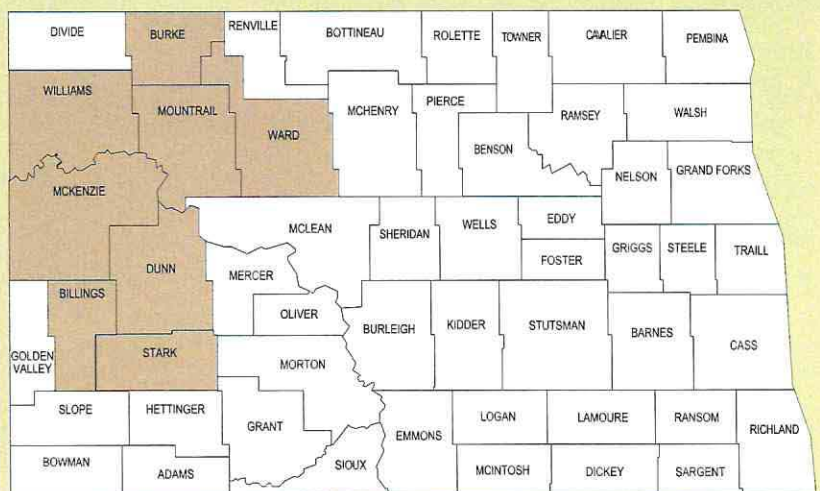
- We will not work on royalty issues currently under regulatory review or state and/or federal litigation
- We will not work on royalty issues beyond the previous 6 years
- In some cases, we may work on royalty issues with a working interest but may have limitations

Educational Outreach:

The program also provides educational outreach to help royalty owners who have been or may be impacted on royalty issues.

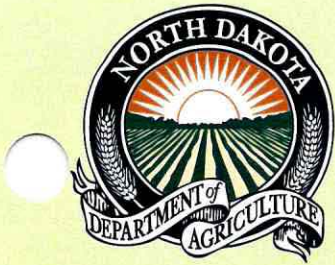
Cases: 132 (as of 12/31/24)

County	Active	Closed	On Hold
Williams	24	24	3
McKenzie	20	13	5
Mountrail	3	10	0
Burke	1	7	0
Stark	4	4	0
Dunn	2	5	0
Billings	1	4	0
Ward	2	0	0



More information:

For more information, call Ron Webb at 701-328-1847 or email royaltyoversight@nd.gov.



Agriculture Commissioner
Doug Goehring

STATEWIDE FOOD DISTRIBUTION PROGRAM

The State Food Distribution Program is a program using \$1 million from the general fund for a food distribution grant program to be used for the purchase of food and equipment and any distribution costs associated with assisting local food banks to provide food to individuals in the state. It was funded through the 68th Legislative Session, SB 2009 and expires June 30, 2025.

Funding may be used for:

- Purchase of food
 - Competitively priced, good quality food products
- Purchase of equipment
 - To extend the life of perishable foods
 - Refrigerators
 - Coolers
 - Freezers
 - Vacuum sealers
 - Equipment may also be purchased in conjunction with other North Dakota food banks
 - Equipment associated with the transportation of food
- Distribution costs
 - Cardboard boxes
 - Bags and packaging materials

Distribution through 9/30/24:

- Purchased \$380,577.44 worth of food utilizing 12 local vendors
- Food distributed to 164 food pantry sites

More information:

For more information, call John Schneider at 701-319-6958 or email jfschneider@nd.gov.



Agriculture Commissioner
Doug Goehring

2023-24 DOMESTIC TRADE SHOW PARTICIPATION GRANTS

This program assists North Dakota agriculture companies in exploring domestic wholesale markets by encouraging exhibition at new trade shows outside of the state. It is not only for companies new to trade show exhibition but can also be useful for established companies who are looking to exhibit at a show that they have never been to before. Exhibiting at a domestic trade show can boost a company's sales, help make key business connections and diversify their market. North Dakota value-added ag companies are eligible to apply.

Trade Shows

2023 Shows	Participating Companies	Attendees	Exhibitors
SIAL America - Las Vegas	Cloverdale, North American Bison, Northland Potato Growers Assoc.	7,000	250
National Restaurant Show - Chicago	Northland Potato Growers Assoc. North American Bison, CoJack Snack & Pack	55,000	2,100
Americas Food & Beverage Show - Miami	Cloverdale, CoJack Snack & Pack, Northland Potato Growers Assoc., North American Bison	7,300	650

2024 Shows	Participating Companies	Attendees	Exhibitors
Expo West - Anaheim	Safflower Technologies, CoJack Snack & Pack, CJ's All Terrain Seasoning	65,000	3,000
National Restaurant Show - Chicago	Pride Dairy, North American Bison, CJ's All Terrain Seasoning, Owl Creek Organics	58,000	2,240
Summer Fancy Food Show - New York	Northland Potato Growers Assoc., CoJack Snack & Pack, North American Bison, North Star Caviar, Owl Creek Organics, Three Farm Daughters	29,000	2,300
Americas Food & Beverage Show - Miami	Get Coffee'd, CoJack Snack & Pack, Northland Potato Growers Assoc., Cloverdale, Dakota Don's Artisan Waffles	10,000	700

We have been reaching more North Dakota companies about this funding that is available to them. In 2024, we had 11 companies attend the four shows, with eight of them being companies that had not attended the shows in previous years, so we are diversifying the program. We anticipate more new North Dakota companies in 2025 as smaller value-added agriculture companies recognize the importance of the trade shows.

More information:

For more information, call Shanna Johnson at 701-390-7515 or email shljohnson@nd.gov.



Agriculture Commissioner
Doug Goehring

2024 NORTH DAKOTA WILDLIFE SERVICES

The Wildlife Services Program is a cooperative effort of state and federal governments administered by the U.S. Department of Agriculture, Animal and Plant Health Inspection Service through a memorandum of understanding with the North Dakota Agriculture Commissioner, Game and Fish and the Department of Water Resources. Complaints of wildlife damage to crops and other property most often involved coyote depredation of livestock, blackbird and waterfowl damage to sunflowers and small grain crops, and damage to trees, shrubs, and flooded cropland caused by beavers. Wildlife Services also responds to skunk complaints, squirrel damage to trees, and rabbit damage to gardens. Wildlife Services also works with civilian and military authorities to evaluate and assist with a variety of wildlife hazards on airport facilities.

FY 2024 Funding Sources

Federal Funding (\$1,606,410)

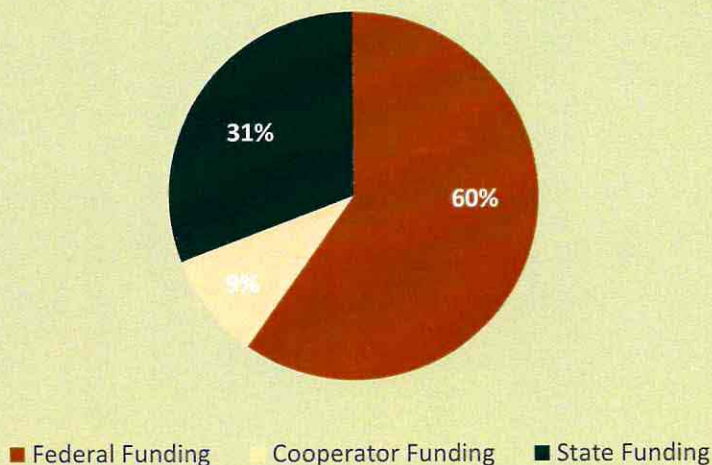
- Predator/Beaver Damage Management
- Blackbird Damage Management
- Disease Surveillance
- Feral Swine Elimination
- Program Administration
- Contract Pilots

State Funding (\$827,700 - July 2023-June 2024)

- Predator/Beaver Damage Management
- Blackbird Damage Management
- Contract Pilots

100% Cooperator Funding (\$251,857)

- Grand Forks Air Force Base
- Minot Air Force Base
- Air National Guard - Fargo
- Army COE
- ND Game and Fish
- US Fish and Wildlife Service
- Corn Milling Facility
- Railroad Assistance
- Canada Goose Damage Management
- Urban Wildlife Damage Management
- Commercial Airport Assistance
- Beaver Dam Removal



More information:

For more information, call Jeannie Jacobs-Kopp at 701-328-1962 or email jacobskopp@nd.gov.

North Dakota Department of Agriculture



**HB 1009
House Appropriations Subcommittee
Representative David Monson, Chairman
January 14, 2025**

**Doug Goehring
Agriculture Commissioner**

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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, 4.1-22, 4.1-23, 4.1-25, 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, 4.1-5, 4.1-54, 4.1-58, 4.1-59, 4.1-60, 4.1-61, 4.1-83, 6-09.10, 10.06.1, 36-01, 36-14, 36-14.1, 36-15, 36-21.1, 36-21.2, 36-25, 36-26, 61-02, and 61-31.

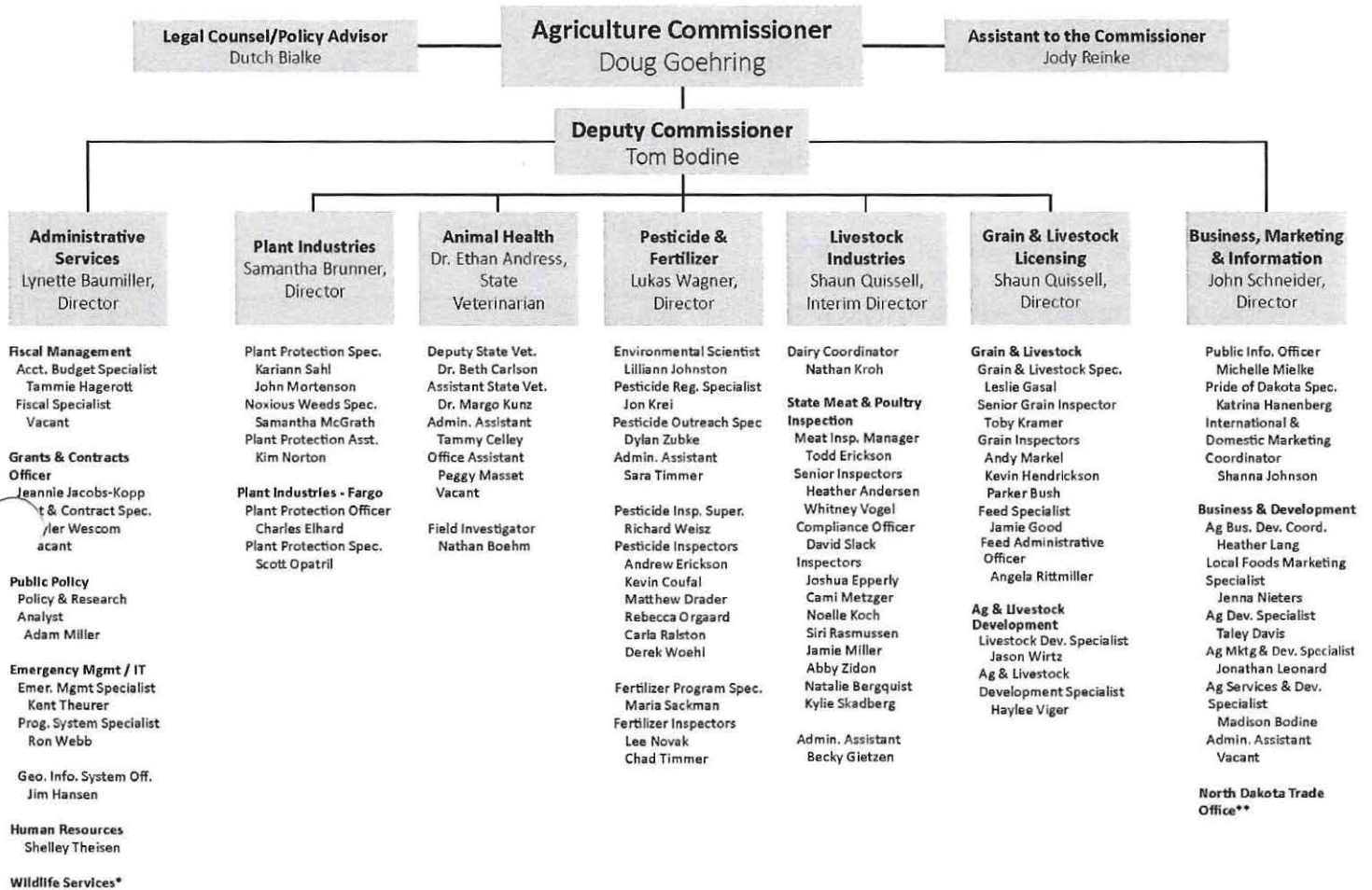
Major Statutory Responsibilities

The agriculture commissioner is responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, livestock development, dairy production, grain and livestock licensing, noxious weed control, hemp, nursery stock, plant export certification, petfood and feed, and beekeeping.

The agriculture commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds, and veterinary medicines; the administration of mediation services to agriculture producers, creditors, and energy related issues; the collection and elimination of unusable pesticides; the state agriculture and energy mediation service; the management of the mitigation program regarding lands affected by energy transmission facilities; environmental mitigation of similar habitat from the construction or operation of energy facilities; the promotion and marketing of North Dakota agricultural products; and the administration of the state meat and poultry inspection program.

The agriculture commissioner leads in the formation and implementation of policies affecting the state's agriculture industry; 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 public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock in the state.

Organizational Chart



* 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.

**The North Dakota Department of Agriculture partners with the North Dakota Trade Office to assist North Dakota businesses in expanding export to international markets.

Updated 1/06/2025

Lynette Baumiller, Director

Administrative Services Division (16)

The Administrative Services Division includes fiscal management, human resources, risk management and emergency response, policy, and information technology. Pipeline, Wind Energy, and Royalty Oversight programs are also managed by this division. 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 the goods and services for the department.
- No audit findings on 2021-2023 Department Audit.

Human Resources

- Responsible for human resource activities, including recruitment, onboarding, retention programs, training, and employee relations and benefits.

Risk & Emergency Management

- Plans, implements, and evaluates strategic emergency management plans.
- Develops and conducts training and education on risk management, loss control, and general safety issues.
- Coordinates with Department of Emergency Services and other partners.

Information Technology

- Coordinates desktop support contract with NDIT.
- Maintains Department websites, email and intranet.
- Conducts GIS mapping and works with local government agencies to provide GIS mapping technology and expertise.

HB 1009 Commissioner's Request

Salaries	\$4,330,069
Operating	2,251,883
Grants	100,000
Capital Assets	11,100
Pipeline Oversight Program	200,000
Wildlife Services	1,657,400
Total	\$8,550,452
General	\$6,332,221
Federal	0
Special	2,218,231
Total	\$8,550,452
FTEs	1

Policy

- Researches and analyzes policies regarding agriculture, energy, water, infrastructure, and trade.
- Interacts with national associations.
- Administers Federal Environmental Law Impact Review Committee (FERLIC).
- Mitigation Program
- Facilitates and tracks legislation during biennial legislative session.

Pipeline, Wind, and Royalty Ombudsman Programs

- Pipeline Program: 86 total cases; 5 active, 14 monitoring, and 67 closed.
- Royalty Program: Received 132 total cases; 57 active, 8 pending, 67 closed. Most complaints were for not receiving payment or inability to reach well operator.

Wildlife Services

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

Plant Industries Division (34)

The Plant Industries Division includes programs for apiary, hemp, plant protection, and noxious weeds.

Apiary

- Licenses all beekeepers, 356 in 2023.
 - Registered colony numbers were 843,423 for 2023.
- Registers and maps apiary locations.
 - Currently 20,910 locations.
- Inspects bees and issues health certificates for migratory movement for over 75,000 colonies.
- Investigates and responds to bee complaints.
- Enforces statutory and regulatory compliance.
- Administers the Honey Fund for bee research.
- Oversees the pollinator plan to enhance communication and emphasizes best management practices for stakeholders.
- In 2023, collected and analyzed 586 samples for honey bee pests and pathogens.
- Inspected bee shipments to California, certifying 168,444 colonies.

Plant Protection and Export Certification

- Conducts 9-10 plant pest surveys annually for:
 - Exotic pests such as moths, nematodes, emerald ash borer, and other wood borers that may threaten agriculture, forestry, and horticulture.
 - Pests that may harm agriculture or may export diseases, insects, and nematodes including Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, and potato cyst nematodes.
- Licenses and inspects approximately 250 nursery dealers and growers each year.
- Provides export certification/phytosanitary services for export of agricultural products to 61 different countries. In 2023, issued 5,223 certificates.
- Reviews plant pest movement and biotechnology permits.
- Conducts plant pest outreach and awareness campaigns and events.

HB 1009 Commissioner's Request

Salaries	\$1,883,234
Operating	1,042,738
Grants	2,110,869
Total	\$5,036,841
General	\$1,119,055
Federal	1,085,512
Special	2,832,274
Total	\$5,036,841
FTEs	8

Noxious Weeds

- Distributes state and federal funds for noxious weed control to 53 counties and six city weed boards.
- Manages federal funds for noxious and invasive weeds granting \$47,039 to counties for weed control projects.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents to landowners.
- Assists county and city weed boards in nine field days for biocontrol agent collection.
- Assists the public with weed identification and noxious weed control.
- Trains and assists county and city weed boards with GPS/GIS mapping technology.
- Administers the weed seed free forage program certifying over 10,800 acres.
- Administers the Unmanned Aerial Systems Grant Program for identification and control of noxious weeds, prioritizing *Palmer Amaranth* in high-risk counties.

Hemp Program

- Licenses and inspects all hemp growers and processors.
 - In 2023, licensed 11 processors and 22 growers with a total of 511 acres.
- Inspects and samples hemp fields to ensure compliance with state and federal law.

Shaun Quissell, Director

Livestock Industries Division (15)

The Livestock Industries Division includes dairy/poultry, meat inspection, and poultry inspection.

Dairy/Poultry

- Inspects 22 dairy farms for equipment, facilities, sanitation, water purity, and proper drug usage and storage.
- Inspects three dairy processing plants and milk transfer stations for equipment, facilities, and sanitation.
- Monitors financial creditworthiness and stability of milk buyers.
- Conducts Grade A surveywork.
- Collects dairy products samples.
- Inspects manufacturing grade plants under agreement with USDA.
- Inspects distribution facilities, milk bulk trucks, and samplers/haulers.
- Inspects 28 licensed commercial egg producers.
- Dairy Program passed FDA audit with a significant compliance rating.

HB 1009 Commissioner's Request

Salaries	\$3,469,196
Operating	774,194
Total	\$4,243,390
General	\$2,330,270
Federal	1,913,120
Special	0
Total	\$4,243,390
FTEs	16

State Meat & Poultry Inspection

- Inspects 74 custom-exempt meat processing plants.
- Inspects 11 slaughter and 2 processing state plants.
- Inspects six Cooperative Interstate Shipment plants.
- Trains, certifies, and inspects meat processing facilities.
- Inspects retail outlets for country-of-origin labeling.
- Inspects seven Selected Establishments that operate under the Cooperative Interstate Shipment Program.
- Enforces meat and poultry processing regulations.
- Provides consultation with and education to the meat and poultry industry.
- Ensures proper label use by industry.
- Currently assisting two new establishments planning to be state slaughter establishments.
- Provides beef grading at any official federal or state slaughter plant at a reduced cost.

Grain & Livestock Licensing Division (22)

The Grain and Livestock Licensing Division manages grain licensing, livestock licensing, livestock pollution prevention, and feed.

Grain Licensing

- Oversees licensing and bonding of all grain warehouses, grain processors, roving grain buyers, and grain brokers.
- Administers the Credit-Sale Contract Indemnity Fund.
- Monitors financial condition of all warehouses and grain buyers.
 - 301 warehouse licenses
 - 38 grain processors
 - 121 roving grain buyers
 - 1 grain broker

Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets.
- Contracts market reporters at auction markets to collect market data for the USDA.
 - 10 auction market licenses
 - 114 livestock dealers
 - 10 internet auction market representatives

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 ordinances.

HB 1009 Commissioner's Request

Salaries	\$2,230,802
Operating	432,722
Grants	1,692,400
Total	\$4,355,924
General	\$1,703,686
Federal	1,215,525
Special	1,436,713
Total	\$4,355,924
FTEs	10

Pet Food & 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.
- Verifies manufacturer and producer compliance with federal requirements to Food Safety Modernization Act.
- Provides producer outreach for the Veterinarian Feed Directive.
 - 372 licensed manufactures
 - 263 feed retailers
 - 14,901 registered pet food products
 - 3,732 registered commercial feed products.

Grain & Livestock Licensing Division (cont.)

Livestock Development

- Assists producers and processors in expanding and promoting the state's livestock industry.

Regional Livestock Planning Grant Program.

- Provides \$12,000 per county and \$500 per township. Grant develops county wide site analysis to show areas that would be suited for livestock production or value-added agriculture.
- Agreements entered into with seven regional councils for work on behalf of 37 counties.

Livestock Friendly Counties

- Livestock Friendly Counties designation assists in developing animal agriculture.
- Currently developing criteria for counties to reach to receive designation.
- Program is waiting on completion of regional livestock planning grant by counties to be eligible.

Model Zoning Task Force

- Model Zoning task force assists counties, townships and various agriculture groups to develop the standard zoning model for animal agriculture.

Dr. Ethan Andress, State Veterinarian

Animal Health Division (81)

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.

Animal Disease Traceability

- Traces animal movements as part of disease investigations.
- Monitors and regulates animal imports and exports.
- Maintains the state's animal health and disease related traceability database (USAHERDS).
- Monitors and reports diseases on state and national levels.
- Distributed 473,930 official identification tags. Maintains records of official USDA tags and official state certificates of veterinary inspection.
- Reviewed 23,758 export CVIs and 10,475 import CVIs.

Disease Control and Eradication

- Conducts case investigations on suspected cases of transboundary/foreign animal diseases, emerging diseases, and other zoonotic diseases.
- Administers the National Brucellosis Eradication Program and Bovine Tuberculosis Eradication Program.
- Administers the voluntary Chronic Wasting Disease (CWD) Herd Certification program.
- Administers Johne's disease control program.
- Acts as the Official State Agency (OSA) for the National Poultry Improvement Plan.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Acts as the OSA for US Swine Health Improvement Plan.
- Monitors for novel swine enteric coronavirus diseases, such as porcine epidemic diarrhea virus and emerging diseases.
- Administers the National Scrapie Eradication program.
- Oversees the Brucella ovis Free-Flock status program.

HIB 1009 Commissioner's Request

Salaries	\$1,873,735
Board of Animal Health	865,718
Total	\$2,739,453
General	\$1,689,249
Federal	677,966
Special	372,238
Total	\$2,739,453
FTEs	7

Emergency Preparedness and Response

- 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.
- Provides oversight on proper carcass disposal following disease outbreaks and disasters.
- Coordinates pet sheltering and livestock relocation during disasters.
- 2021-2023 biennium, completed 62 Foreign Animal Disease investigations.
- 2021-2023 biennium, investigated and responded to 25 Highly Pathogenic Avian Influenza (HPAI) outbreaks during the spring and fall migrations including six commercial and 19 backyard flocks.

Education and Outreach

- Provides inspection services at the ND State Fair.
- Communicates with other state and federal animal health officials regionally and nationally to guide animal health policy.
- Provides education and outreach for practicing veterinarians and the livestock industry.

Animal Health Division (cont.)

Regulatory Oversight

- Enforces non-traditional livestock and farmed elk regulations, evaluates importation risk assessments, and conducts facility inspections.
- Supports investigations of inhumane treatment complaints by local authorities.
- Coordinates feral swine investigations with partner agencies.
- Collaborates with ND Department of Health and Human Services on zoonotic and anthroozoonotic disease issues.
- Registered 633 veterinary medicines for sale in the state and approves the use of autogenous vaccines.
- Registers and inspects restricted feedlots.
- Licenses and inspects rendering facilities.
- Completed 39 inspections of livestock auction markets; ensured regulatory compliance.
- Licensed 79 modified live vaccine facilities, provided annual education to 193 employees of these businesses, and did 155 facility inspections.
- Approved 42 farmed elk facilities, issued 64 non-traditional livestock licenses.
- Issued 191 Permits to Possess, Propagate and Domesticate on behalf of ND Game and Fish.

Pesticide & Fertilizer Division (35)

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.
- Administers North Dakota Crop Protection Product Harmonization and Registration Board. Oversee Minor Use grant fund. Review crop protection product labeling needs and pursue opportunities to make more crop protection product options available to agriculture producers.
- Provided outreach at nearly 200 events during '23 and '24 to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency and special local needs exemption requests to ensure 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.
- Coordinates Project Safe Send; an annual, statewide collection of unusable pesticides. 552,220 total pounds collected in '23 and '24.
- 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.
- Works with producers and local ag groups to prepare comments for proposed EPA regulation.

HB 1009 Commissioner's Request

Salaries	\$3,111,674
Operating	1,947,592
Crop Harmonization Board	75,000
Total	\$5,134,266
General	\$0
Federal	1,585,745
Special	3,548,521
Total	\$5,134,266
FTEs	15

Fertilizer and Anhydrous Ammonia

- Sampled 375 fertilizer products to ensure claims match labels.
- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licensed 272 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.
- Administers the state waterbank program.

Business, Marketing & Information Division (34)

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

Agricultural Products Utilization Commission

- Creates new wealth and employment opportunities through the development of new and expanded uses of agricultural products. In 2023-24, 42 projects were funded.

Agriculture Infrastructure Grant Program

- Grants awarded to political subdivisions for roadway and bridge improvements; and to political subdivisions or entities for utility improvements necessary to accommodate value-added agriculture businesses.

Agriculture Diversification and Development Fund

- Supports new or expanding value-added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs and grow North Dakota's economy. In 2023-24, 29 projects were funded.

North Dakota Mediation Service

- Mediation services provided to farmers, ranchers, creditors and others to help resolve disputes.
- Credit counseling assists with agricultural credit issues.
- Address energy development related issues and deer depredation issues.
- Offers farm and ranch stress assistance.

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. In 2023-24, 37 projects were funded.

HB 1009 Commissioner's Request

Salaries	\$2,464,676
Operating	2,212,523
Grants	11,965,388
APUC	5,110,417
ND Trade Office	2,000,000
Spec Crop Block (HB 1394)	300,000
Bioscience-GF Transfer	12,000,000
ADD-GF Transfer	25,000,000
Total	\$61,053,004
General	\$41,096,471
Federal	12,203,352
Special	7,753,181
Total	\$61,053,004
FTEs	10

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.
- Attended 34 agriculture education events, impacting 28,000 people, such as KMOT Ag Expo, KFYR Agri International Ag Expo, Fargo Living Ag Classroom and Morton County Ag Day.
- Publishes the Ag Mag three times a year for third, fourth, and fifth-graders.
- Underwrites organizations such as ND FFA Foundation, ND Farm Bureau, and the ND Genotyping Center with mini-grants for agriculture-related projects, units, and lessons used by school-age children. Awarded eight mini-grants.

Grape and Wine Program

- Provides research and promotion in support of the grape and wine industry and has funded two projects.

Business, Marketing & Information Division (cont.)

Local Foods

- Supports ND produce growers by providing them education on produce safety through the FDA's Food Safety Modernization Act Produce Safety Rule. A large part of our support includes providing annual training.
- Provides technical assistance, business development opportunities, education and help facilitate an annual Local Foods conference.
- Market local foods and statewide farmers markets to the consumer through targeted educational pieces to promote ND Specialty Crops and the Fresh from North Dakota brand.
- Administered the Local Foods Purchase program procuring local foods for ND food pantries.

Farm to School Program

- A program administered by both NDDA and NDDPI that supports local foods in schools, school gardens and education. It includes farm to school activities, local food purchasing, hands-on, garden-based learning, farm field trips, cooking demos and integration of food-related information into classroom curriculum.
- Creates new financial opportunities for producers as well as introduce more local food to students.

Grasslands Grazing Cost Share Program

- Provides grants to organizations representing cooperative grazing organizations for 228 projects for water development, fencing, conservation initiatives, compliance with federal permitting requirements, enhance wildlife habitat, capture carbon, and increase overall health of the grassland.

Specialty Crop Block & Organic Grants

- Administers specialty crop grants.
 - FY23 funded 21 projects; FY24 funded 21 projects.
- Administers organic certification and transition reimbursement grants.

Resilient Food Systems Infrastructure Grant

- Received \$4,690,280 from USDA-AMS, for this program, which supports the development of the middle-of-the-supply-chain for food and farm businesses.

International & Domestic Marketing

- Coordinates int'l and domestic trade shows. Last biennium, participated and coordinated seven domestic and five international trade shows.
- Coordinates trade missions; most recently to Vietnam.
- Supports & coordinates with commodity groups.
- Supports agriculture companies to diversify and coordinate trade shows.
- Administers Specialty Crop subgrants.
- Supports and coordinates with Commerce, NDTO, and the Food Export Midwest Association.
- Issued 182 certificates of free sale agreements and health certificates.

North Dakota Trade Office

- Administers contract with ND Trade Office to expand state businesses with expertise & resources to grow businesses through national and international trade.

Pride of Dakota

- Administers Pride of Dakota (POD), including holiday showcases, annual meetings, and other events. The 2023 showcases had 42,103 attendees and the 2024 showcases had 43,846 attendees.
- Provides trade show assistance to ND companies.
- Maintains membership of over 500 POD Companies.

Public Information

- Writes and edits Department publications, including news releases, brochures, and annual/biannual reports.
- Monitors and updates the Department website and social media account.
- Issues Centennial Farm certificates.

2023-2025 New FTE

New International and Domestic Marketing Coordinator position approved by the 2023 Legislative Assembly:

There was one new FTE approved during the 2023-25 biennium. This was a marketing specialist (professional services II) requested to assist the department in setting up domestic trade shows, recruiting companies for international trade missions, to increase department interaction with commodity groups as well as assist with marketing of the department and its many programs.

This position was filled on 9-1-2023 and \$210,407 (general funds) was requested from the new and vacant FTE funding pool. \$214,930 (general funds) were appropriated for this position. The amount estimated to be spent for this position for the 2023-2025 biennium is \$227,320. To date, the funding has been paid approximately 77% general funds; 21% federal funds and 2% special funds.

2023-2025 Turnover and Vacant Positions

Employee turnover and vacant positions during the 2023-2025 biennium:

The Department has had 34 vacant positions during the 2023-25 biennium to date.

From our budget \$877,000 was removed for one new FTE and estimated savings from vacant FTE positions. We requested \$210,407 from the new and vacant FTE funding pool when the new FTE was hired. This resulted in a \$666,593 reduction in our salary and wages budget.

We used the “Alternate Vacancy Savings Calculation” method to estimate vacancy savings. This has shown \$574,251 of savings through December 2024. We haven’t spent any savings for other purposes. Currently, we don’t anticipate transferring any further amounts from the new and vacant FTE funding pool.

The Department has spent over 100 hours related to implementing, administering, tracking, and reporting data for the new and vacant FTE funding pool. It would be helpful if there was standardization of this reporting process as it appears agencies aren't consistent in reporting data.

Additionally, in past biennia we have used cost savings to invest in the department to create efficiencies or updates with programs or in helping to administer new legislatively authorized programs.

2023-2025 One-Time Funding Items

Agricultural Products Utilization Commission (APUC) - \$3,000,000 (BND Transfer)

Creates new wealth opportunities through the development of new and expanded uses of North Dakota's agricultural products. The program focuses on: Basic and Applied Research, Marketing and Utilization, Farm Diversification, Technical Assistance, Nature Based Agri-Tourism and Prototype Development and Technology.

Grasslands Grazing Cost Share Program - \$1,000,000 (SIIF)

Additional funding to assist Grassland Associations across North Dakota with water development, fencing, conservation initiatives, compliance with Federal permitting requirements, professional services and supplies.

Bioscience Innovation Grant Program (BIG) - \$6,500,000 (General Fund)

Foster the growth of the bioscience industry within the State. The program focuses on: Supporting biotechnology innovation and commercialization, creation of bioscience jobs, development of new technologies, start-up companies, leveraging the agriculture industry to support development of bioscience technologies, promoting bioscience research and development, and encouraging coordination and collaboration with the industry. Total program budget was \$12,000,000. (\$5.5 M SIIF)

Food Distribution Grants - \$1,000,000 (General Fund)

Program to create opportunities for the purchase, storage, and distribution of food directly from North Dakota producers.

North Dakota Trade Office - \$500,000 (General Fund)

Additional funding for the North Dakota Trade Office to identify overseas markets for ND export industries, facilitate trade missions that return economic benefits, and conduct data and market driven meetings and events.

Livestock Planning Grants - \$1,200,000 (ERP Fund)

Funded during the 2023 Session, HB 1437 appropriated \$1,200,000 for regional livestock planning grants for identifying locations for rural economic development.

General Fund Collections

Source of Collections	Authority	23-25 Est. Collections	25-27 Est. Collections	Increase/ (Decrease)	Appropriateness of Fee
AUCTION MARKET	NDCC Chapter 4.1-27-03	5,900	5,000	(900)	Remove video auction fee \$100. Auction market (\$200) similar to surrounding states
COMM. FEED REG. & TONNAGE	NDCC Chapter 4.1-41	1,500,000	1,600,000	100,000	Reduce pet food reg from \$120 to \$100. \$50 (in-state), \$100 (out-state) for mfg. license. Commercial Feed: (\$0.20/ ton) SD: \$50 license for mfg. license Commercial Feed: (\$0.10/ ton) MN: \$75 license for mfg. license Commercial Feed: (\$0.16/ ton) MT: \$75-100 license Commercial Feed: (\$0.18/ ton)
GRAIN STOREHOUSE LIC.	NDCC Chapter 60-02	780,000	780,000	0	ND fees updated in 2021 by Legislature
LIVESTOCK DEALERS	NDCC Chapter 4.1-83-04	11,000	9,000	(2,000)	ND: \$50 SD: \$50
CREAMERY STATE LICENSE.	NDCC Chapter 4.1-25-02	10,000	10,000	0	ND: \$25 Annual SD: \$200-1,000 (Depending on volume) + other fees MN: \$30-500 Annual + \$.08/ cwt MT: Based on volume
ICE CREAM TESTERS LIC.	NDCC Chapter 4.1-25-22	1,200	1,200	0	ND: \$10 MT: Based on volume SD: \$50 MN: \$200 + \$50 testing fees
POULTRY FEES	NDCC Chapter 4.1-19-04	600	540	(60)	Remove hatchery license. Egg Dealer Lic \$10, similar to surrounding states
NURSERY LICENSE	NDCC Chapter 4.1-22-06	22,870	22,870	0	ND: \$50 SD: \$42.50 - 200 (Size/Type Dependent) MN: \$50 - 1,900 (Based on annual sales) MT: \$25 - 400 (Based on annual sales)
INSPECTION FEES-NOT CLASS	NDCC Chapter 4.1-23-12	250,000	250,000	0	ND: \$20 SD: \$200 MN: \$100 MT: \$105-180 Federal: \$100
LIVESTOCK MEDICINES	NDCC Chapter 4.1-43-02	76,250	78,000	1,750	ND: \$40 SD: \$75
NON-TRADITIONAL LIVESTOCK LIC.	NDCC Chapter 36-01-08.1	2,913	2,913	0	ND: \$7/ bird, Max \$40, \$15/ all other, Max \$100 SD: \$10/ Animal, \$100 Max MT: \$100 (1-20 Animals), \$200 (21-60), \$400 (60+) MN: \$250-\$500 for cervid species
RENDERING PLANTS	NDCC Chapter 4.1-32-03	0	0	0	ND: \$50 (No Plants in the State) SD: \$75
ANHYDROUS AMMONIA LICENSE	NDCC Chapter 4.1-37-04	500	500	0	ND: \$100 MT: \$75
FEES-FORFEITURES-ESCHEAT	Varies	30,350	30,350	0	Case by Case
TOTAL		2,691,583	2,790,373	98,790	

Items in Red - Legislative Request(s) to update

Special Fund Collections

Source of Collections	Authority	23-25 Est. Collections	25-27 Est. Collections	Increase/ (Decrease)	Appropriateness of Fee
APIARY	NDCC Chapter 4.1-16-06,07	217,702	254,100	36,398	ND: \$5 per lic, \$0.15 per colony: SD: \$16 per apiary location MT: \$35 commercial, \$10 hobby MN: No apiary laws
FERTILIZER REG & TONNAGE	NDCC Chapter 4.1-40-02,03,07	1,400,000	1,550,000	150,000	ND: \$0.20/ Ton SD: \$0.75/ Ton MT: \$0.25/ Ton MN: \$1.16/ Ton
PESTICIDE REGISTRATION, TONNAGE, LICENSE	NDCC Chapter 4.1-34-03	5,495,000	5,600,000	105,000	ND: \$350, 2 Year Lic MT: \$233, 1 Year Lic SD: \$165, 1 Year Lic MN: \$350, 1 Year Lic
HEMP LICENSE & TESTING	NDCC Chapter 4.1-18.1-02,03	29,750	14,700	(15,050)	ND: \$100-350 Grower License, \$200 Processor License. \$75 or \$125 for testing. SD: \$500 License + \$20 Cert. + \$50 App. Fee \$250 for testing MN: \$150 License + \$250 Reg Fee, \$100 Test Fee MT: \$850 Grain / Fiber Cultivar License Other cultivars \$1,100, Additional sample \$25
HEALTH CERTIFICATES	NDCC Chapter 36-01-08	20,000	20,000	-	At cost to purchase and ship certif
MEAT LICENSE	NDCC Chapter 4.1-31-16.3	2,575	250	(2,325)	ND: \$25 one-time fee. (Est. 2023 session) SD: \$100 inspected slaughter, \$50 custom, \$10 retail MT: \$25 MN: \$100 (additional based on sales)
COMMERICAL FEED REG & TONNAGE	NDCC Chapter 4.1-41-02	727,500	727,500	-	Reduce pet food reg from \$120 to \$100. \$50 (in-state), \$100 (out-state) for mfg. license. Commerical Feed: (\$0.20/ ton) SD: \$50 license for mfg. license Commerical Feed: (\$0.10/ ton) MN: \$75 license for mfg. license Commerical Feed: (\$0.16/ ton) MT: \$75-100 license Commerical Feed: (\$0.18/ ton)
MEDIATION USER FEES	NDCC Chapter 6-09.10-03	2,000	2,000	-	\$25 per hour assistance fee. Fee is reasonable/low to assist farmers/ranchers in need
PRIDE OF DAKOTA SUPPLIES	NDCC Chapter 4.1-01-08	4,700	4,700	-	At cost to purchase and ship POD logo stickers
PRIDE OF DAKOTA MEMBERSHIPS	NDCC Chapter 34-01-19	103,000	103,000	-	\$100 / \$250 annual memberships. Fee is to cover program operations.
CONFERENCE REGISTRATION FEES	NDCC Chapter 4.1-01-10	356,000	366,000	10,000	\$200 - \$250 Depending on show attending. Fee is to cover costs of space rentals and expenses
TOTAL		7,892,527	8,166,550	274,023	

Items in Red - Legislative Request(s) to update

Federal State Recovery Funds

Unmanned Aircraft System (UAS)

2023-2025 Funding: \$275,000

During the 2023 session, HB1519 funded the Unmanned Aircraft System Grant Program. The program has funded one project for a total of \$274,710. The project was dedicated to aid in the identification and control of the noxious weed Palmer Amaranth in ag systems. The project is expected to be completed by June 30, 2025.

Notable Upcoming Legislation

<u>Bill</u>	<u>Sponsored By</u>
HB 1082: Elk Definition Updates definition of farmed elk that includes scientific name for elk	Commissioner
HB 1083: PMO Dairy Update Updates USDA program reference in statute from 2019 to 2023	Commissioner
HB 1084: Eggs and Poultry Removes language related to federal state grading service for poultry and poultry products and removes criminal violations language	Commissioner
HB 1085: Meat Inspection Update Updates reference to federal meat and poultry inspection regulations effective date from October 19, 2022 to July 03, 2024	Commissioner
HB 1143: Food Distribution Facility Grant Program Providing a food distribution facility grant program (APPROPRIATION: \$10,000,000)	Legislature
HB 1332: Value Added Agriculture Facility Post completion grant program (APPROPRIATION: \$36,000,000)	Legislature
SB 2085: US Swine Health Improvement Plan - Swine Bill Creates a new section for "swine" and identifies the official state agency to participate in the United States swine health improvement plan	Commissioner
SB 2086: Pesticide Certification Clarifies standards for pesticide certification and federal code reference	Commissioner
SB 2087: Animal ID Clarifies identification program from 'animal' to 'premises' and identifies Stockman's Association as "a" state administrator	Commissioner
Pet Food Updates labeling requirements on pet food labels	Legislature

Notable Upcoming Legislation

Bill

Sponsored By

Career & Technical Education - Farm Management Program

Moves Farm Management Program from "Career and Technical Education" to the Department of Ag.
(APPROPRIATION: \$1,900,000)

Legislature

Low Carbon Fuel Program

Provide reimbursement to ethanol production facilities for capital improvements projects that increase the efficiency of a facility and lower the carbon intensity score of the product produced.
(APPROPRIATION: 30,000,000 / TRANSFER \$6,000,000)

Legislature

Bioscience Innovation Grant Program (BIG)

Clarifies purpose of bioscience program and changes distribution of funds to be "Reimbursable" as opposed to upfront. Adds committee members from UND and NDSU.

Legislature

Bio-Stimulants

Relates to fertilizer and soil conditioners. Removes the phrases "Soil amendments" and "Plant amendments" from the code.

Legislature

ADD (Agriculture Diversification & Development)

(APPROPRIATION: \$25,000,000)

Legislature

Optional Budget Requests

	<u>Priorities</u>	<u>Amount Requested</u>	<u>Funded</u>
1.	Inflationary Increases DOT increased rates, supplies, printing, capitol rent and risk mgmt. increases	776,200 GF	Yes
2.	Livestock Planning Program Carryover authority of ERP for this program	660,000 SF	Yes
3.	Plant Protection FTE Salary and operating for field employee	214,688 GF/SF	Yes
4.	Environmental FTE Salary and operating for wind/transmission mitigation program	221,278 GF	No
5.	Noxious Weed Program Funds for county weed boards to assist landowners in purchasing chemical or equipment	366,900 SF	Yes
6.	BIG Program Bioscience Innovation Grant Program to foster the growth of this industry in ND	12 Million GF *Funded \$5.5M GF Transfer (1x)	Partially
7.	ADD/AIF Program Ag Diversification and Development and Ag Infrastructure programs	25 Million GF	No
8.	APUC Program Agricultural Products Utilization Commission to continue to carry out its mission	3 Million SF	Yes
9.	Trade Office Additional funds for trade missions	400,000 GF	No

FTE Requests

FTE Requests for 2025-2027 biennium:

The Department currently has 80 FTE's. Two FTE's were requested in the 2025-27 biennium budget.

1. Plant Protection FTE - a field employee to assist in many plant industries programs to alleviate some of the growth and workload that has greatly increased over the past ten years. The demand for phytosanitary certificates (required for many overseas shipments of plants and plant products such as grain), apiary inspections and hemp retail inspections have increased. Many of these inspections and duties are required by various statutory authority.

Total requested = \$214,688 (Salary=\$173,292; Operating=\$41,396)

Was included in the Executive Recommendation

2. Environmental FTE – an employee to assist with the development and implementation of the wind/transmission mitigation program. Under this mitigation program, wind energy companies may elect to contribute into the Mitigation Fund for environmental impact offsets. This employee will manage the program and have a strong technical background in natural resources management, agriculture, finance, and property easement agreements.

Total requested = \$221,278 (Salary=\$200,882; Operating=\$20,396)

Was NOT included in the Executive Recommendation

FTE History:

2009 - 74.5 FTE's

2024 - 80 FTE's (Increase of 5.5 FTE's over 15 years)

Department Administrative Overhead:

Current biennium = 17.5%

Salary & Wages line divided by Total budget (appropriated and unappropriated funds).

The department has committed 17.5% of our total budget this biennium to support the development and success of our programs. This investment ensures we have the resources needed to provide services and achieve key objectives as directed by the Legislature.

Updates to Executive Budget / Summary

HB 1009 Version Comparison

House Bill No. 1009 Agriculture Commissioner

	25-27 Base Level	Executive Budget Recommendation	Commissioner's Budget Request
Salaries and Wages			
Salaries	17,042,562	19,146,504	19,146,504
Environmental FTE			200,882
USDA Tropilaelaps (fed funds)			16,000
Salary and Wages	17,042,562	19,146,504	19,363,386
Operating Expenses			
Operating Expenses	7,426,173	8,564,256	8,564,256
Environmental FTE			20,396
USDA Tropilaelaps (fed funds)			77,000
Operating Expenses	7,426,173	8,564,256	8,661,652
Capital Assets	7,000	11,100	11,100
Grants			
Grants	10,953,969	13,875,269	13,875,269
Grasslands Grazing Grants c/o			1,400,000
Local Food Purchase Assistance Grant (fed funds)			580,388
USDA Forest Service Grant (fed funds)			13,000
Grants	10,953,969	13,875,269	15,868,657
COVID-19 Specialty Grants (ends 9/2025)	-	300,000	300,000
Bioscience Innovation Grant Program	-	5,500,000	12,000,000
Ag Products Utilization Commission	2,110,417	5,110,417	5,110,417
ND Trade Office	1,600,000	1,600,000	2,000,000
Board of Animal Health	865,718	857,361	865,718
Wildlife Services	1,657,400	1,657,400	1,657,400
Pipeline Restoration & Reclamation Oversight	200,000	200,000	200,000
Ag Diversification & Develop/Ag Infrastructure	-	-	25,000,000
Crop Harmonization Board	75,000	75,000	75,000
HB 1009 Total	41,938,239	56,897,307	91,113,330
Full Time Employees	80	80	80
Changes		1	2
Full Time Employees - Total	80	81	82

Conclusion

North Dakota has roughly 25,000 farms and ranches, comprising nearly 38.5 million acres, or approximately 90 percent of the total land area in North Dakota. North Dakota agriculture contributes considerably over 30 billion dollars in economic activity annually to the State.

As a prime exporter of agricultural products, North Dakota is often cited as the “breadbasket of the world.” North Dakota is the country’s 11th largest agricultural exporting State, shipping \$5.8 billion in domestic agricultural exports abroad in 2022.

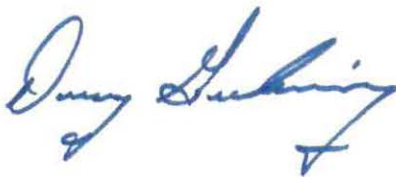
North Dakota produces over 50 different commodities. Soybeans, wheat, corn, cattle & calves, and canola are North Dakota’s top commodities in terms of cash receipts. North Dakota farmers lead the nation in the production of more than a dozen important commodities, among them spring and durum wheat, rye, food grains, assorted beans, barley, flaxseed, canola, honey, sunflowers, pulse crops and more. North Dakota is also a hotbed for emerging crops like hemp, hops, fava beans, and carinata.

Of North Dakota’s approximately 790,000 residents, only about three percent are farmers and ranchers. Nonetheless, agriculture broadly supports over 90,000 jobs and generates over thirteen billion dollars in cash receipts each year. Agriculture remains the leading industry in North Dakota, providing the entire world with enormous quantities of food, feed, fiber, and fuel.

Additionally, North Dakota agriculture extends well beyond crops and livestock. Agribusiness and food processing, agriculture equipment manufacturing and dealerships, innovative technology, local food and farmers markets, agritourism, and agricultural education all contribute to the state’s thriving industry.

The Department’s mission is to “serve, advocate, protect and promote agriculture to benefit everyone.” In furtherance of our mission, we promote agriculture to protect both the value and use of agricultural lands, protect agricultural capacity and output, and promote rural economic development and agricultural industries.

The work of the North Dakota Department of Agriculture is vital to our state’s most important industry. This budget presentation is respectfully provided to assist the Governor and Legislative Assembly in determining spending priorities for the 2025-2027 biennium.



Doug Goehring
Agriculture Commissioner



SPECIALTY CROP BLOCK GRANT PROGRAM

FISCAL YEAR 2023 AWARDED PROJECTS



**Agriculture Commissioner
Doug Goehring**

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A Letter from the Commissioner

Greetings,

The North Dakota Department of Agriculture is pleased to support the specialty crop industry in the state through specialty crop block grants.

The USDA defines specialty crops as “fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops.” Specialty crops grown commercially in North Dakota include dry beans, dry peas, lentils, potatoes, confection sunflowers, grapes, honey and various vegetables.

Projects that enhance the competitiveness of specialty crops in ND are eligible for these grants.

Eligible applications include enhancing food safety; pest and disease control; developing new and improved seed varieties and specialty crops; and increasing child and adult nutrition knowledge and consumption of specialty crops. Projects that directly benefit specific, commercial products or profit a single organization, institution or individual are not eligible.

North Dakota receives funds based on a grant allocation formula that is based on the average of specialty crop cash receipts and specialty crop acreage in the state.

The North Dakota Department of Agriculture has been administering the Specialty Crop Block Grant Program since 2007. Since then, we have administered a total of 277 grants and have received more than \$33 million in funding through the past 19 annual funding opportunities; and an additional 28 grants and \$4.3 million in additional one-time funding through H.R. 133, the Consolidated Appropriations Act of 2020.

We encourage organizations, institutions and individuals to submit proposals on their own or in partnerships during open application periods. Questions may be directed to Jonathan Leonard at 701-328-2191 or scbg@nd.gov.

Thank you for your interest in specialty crop block grants.

Sincerely,



Doug Goehring
Agriculture Commissioner



Agriculture
Commissioner
DOUG GOEHRING

ABOUT PROGRAM

The purpose of the Specialty Crop Block Grant Program (SCBGP) is to enhance the competitiveness of specialty crops. Specialty crops are defined as “fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture).”

The Food, Conservation, and Energy Act of 2008 (Farm Bill) amended the Specialty Crops Competitiveness Act of 2004. Under the amended Act, the Secretary of Agriculture is directed to make grants to states for each of the fiscal years 2008 through 2012 to be used by state departments of agriculture to enhance the competitiveness of specialty crops. The American Taxpayer Relief Act of 2012 provided funding for fiscal year 2013, section 10010 of the Agricultural Act of 2014 provided funding for fiscal years 2014 through 2018 and section 10107 of the Agriculture Improvement Act of 2018 will provide funding for fiscal years 2019 through 2023.

To be eligible for a grant, the project(s) must “enhance the competitiveness of U.S. or U.S. territory grown specialty crops in either domestic or foreign markets.” Projects must also benefit more than one commercial product (e.g., ABC Company brand), organization, or individual.

Examples of enhancing the competitiveness of specialty crops include, but are not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, plant health programs, education, increased consumption, increased innovation, improved efficiency and reduced costs of distribution systems and environmental concerns and conservation.

Grant funds are not awarded to projects that solely benefit a specific commercial product. It also cannot benefit products that provide a profit to a single organization, institution, or individual. Grant funds cannot be put toward capital expenditures (equipment, buildings, land). They also may not

be used to make improvements to capital assets that materially increase their value or useful life. Each project funded through the Specialty Crop Block Grant Program will be carried out over a two-year timeframe. The Specialty Crop Block Grant Program is funded through the United States Department of Agriculture’s Agricultural Marketing Service.

Number of Grants Awarded to the North Dakota Department of Agriculture: 2
Number of Sub-Awarded Projects: 19
Amount of Funds Awarded: \$3,358,290.40

These following funding breakdowns are for annual funding:

2023 funding from the Farm Bill (fiscal year 23-26):

21 Projects	\$3,105,652.84
Direct	\$174,561.69
Indirect	<u>\$78,075.87</u>
Total	\$3,358,290.40

For more information, please visit the program’s website at <https://www.ndda.nd.gov/scbgp>.

SCBGP STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



HEATHER LANG
Ag Business Development
Coordinator



JONATHAN LEONARD
Ag Marketing &
Development Specialist

PROJECTS FUNDED IN 2023



Research field of confectionary sunflowers

PURSUIT AND DEVELOPMENT OF A DURABLE RUST-RESISTANT CONFECTIONARY SUNFLOWER

North Dakota State University (NDSU)
Samuel Markell, Fargo

Project Budget: \$180,859

North Dakota State University plant pathologists and breeders located in North Dakota will pursue the development of durable rust resistance in confection sunflower hybrids by identifying, mapping and incorporating potential gene(s) conferring adult plant resistance into a confectionary sunflower hybrid.

TOWARD A COMPREHENSIVE UNDERSTANDING OF PULSE PROTEINS AND THEIR FRACTIONS AS AFFECTED BY SIMPLE FOOD PROCESSING

NDSU
Jiajia Rao, Fargo

Project Budget: \$170,123

North Dakota State University will address the critical needs of pulse proteins to be utilized as “Alt protein” in the food industry, which can directly help increase the market of pulse production in North Dakota (ND). The utilization of pulse proteins is highly dependent on functional properties. The functionality of isolated pulse proteins is highly influenced by protein compositions (e.g., globulin to albumin ratio). Additionally, protein purification processing result in ingredients suitable for industrial use. However, it may not have ideal functional properties. Previously, a number of post-extraction techniques such as chemical or enzymatic modification methods were applied to improving their techno-functional properties. Nonetheless, up to date, majority of modification methods either required the harsh reaction conditions or high cost, which limited the use of these technique in the food industry. The overall objectives of this study are to comprehensively understand how the structural, functional properties, flavor profile of isolated individual pulse protein fractions (globulin, legumin, vicilin and albumin) are affected by a number of moderate and simple processing conditions by (e.g., thermal treatment, pH shift, ultrasound,

high pressure treatment). To accomplish the goal, the following tasks will be completed at NDSU laboratories: i) isolation and fractionation of pulse proteins ii) Impact of physiochemical treatments on structural, functional, nutritional properties and flavor profile of pulse protein isolates and their fractions.; iii) Application of selected pulse protein isolates and/or their fractions in semi-solid and solid food; and iv) dissemination of technical data through conferences, social media, workshops, webpages and publications.

DEVELOPING A COMPREHENSIVE MOLECULAR DIAGNOSTIC PANEL AND SAMPLING TECHNIQUES TO QUANTIFY ROOT PATHOGENS IN PULSE CROP HOSTS AND THE ENVIRONMENT

National Agricultural Genotyping Center
Chary Bateson, Fargo

Project Budget: \$321,804

The National Agricultural Genotyping Center (NAGC) and North Dakota State University



A National Agricultural Genotyping Center testing panel

Williston Research Extension Center (WREC) will create a comprehensive molecular panel and optimize field collection methods to quantify pathogens causing root rot disease in pulse crops. The outcomes of this project will be: 1) identify the pathogens driving root rot disease in North Dakota pulse crops, 2) discover how pathogen quantities in soils before planting are correlated to in-season root rot ratings and crop yield, and 3) provide farmers with a tool to diagnose and predict root disease in pulse crops from plant and soil samples. Collectively, this project will improve root disease management in pulse crops by increasing the availability of DNA-based tests for root pathogens and demonstrate that these tests can help growers make decisions on field selection for growing pulses.

TOWARDS VISUALIZING IMPROVEMENTS IN MANAGEMENT OF THE EARLY DIE COMPLEX

NDSU

Julie Pasche, Fargo

Project Budget: \$142,975

Plant pathologists from North Dakota State University will improve outcomes from the early die disease complex for growers. Specifically, we will work directly with growers and an industry partner to validate the use of imaging for detection of potato early die disease. Data on pathogen/ pest populations and disease severity will be used to train the artificial intelligence crop monitoring technology to recognize the disease prior to visual recognition is possible by the human eye. While qPCR is a wonderful tool for quantifying pathogen populations, the cost in many cases is too high to justify its' use across entire commercial potato production farms. Sensors attached to irrigation systems are currently utilizing thousands of images collected while the irrigator is running to assess plant population, ground cover, and weeds. Identifying diseases is one of the next steps in maximizing

the value of these imaging systems for growers. With early detection of early die disease, growers can amend management practices to minimize the losses incurred by this disease complex. Additionally, they can make planting decisions for future crops on a field-by-field basis. Growers and other stakeholders have been involved in the development of this project. Results will be shared with growers, scientists, and other industry stakeholders at field days, grower winter meetings, trade journal articles, and scientific publications.

INVASIVE HORTICULTURE PEST TRAPPING AND OUTREACH PROJECT

North Dakota Department of Agriculture
Charles Elhard, Fargo

Project Budget: \$135,565.80

The North Dakota Department of Agriculture (NDDA) will document the presence or absence of specific pests that affect trees and shrubs of North Dakota and are not established here. The main pests that will be monitored for are Japanese beetle, emerald ash borer and exotic wood borer/bark beetles. The status of these pests will be documented by conducting a trapping survey throughout the state. Additionally, NDDA intends to conduct outreach to stakeholders during the year at garden shows, trade shows and other events to educate the public on potential invasive horticultural pests, including Japanese beetle, emerald ash borer, spongy moth, spotted lanternfly and Asian longhorned beetle. NDDA will partner with the North Dakota State University (NDSU) master gardeners' program, NDSU entomology, North Dakota Forest Service (NDFS) and city foresters to fulfill the trapping portion of this project. NDSU Entomology will assist with sample sorting and identification.

INCREASE THE AVAILABILITY OF A DIAGNOSTIC PANEL TO SURVEY FOR HERBICIDE RESISTANCE IN KOCHIA POPULATIONS.

National Agricultural Genotyping Center
Zachary Bateson, Fargo

Project Budget: \$271,945

The National Agricultural Genotyping Center (NAGC) will build a diagnostic panel to determine the herbicide resistance (HR) potential of kochia in North Dakota. This project will: 1) provide wider availability of genetic tests to rapidly screen for HR in research programs and grower fields, and 2) deliver the first state map of HR genotypes in kochia collected for an upcoming sampling program. At the local level, results from the diagnostic panel will help specialty crop growers with decisions on what particular herbicides to use or avoid. At the state level, the project results will increase the awareness of HR kochia, find where HR kochia exists, and identify hotspots of HR activity in North Dakota.

DEVELOPMENT OF DRY BEAN-BASED BAKERY PRODUCTS FROM STONE MILLED FLOURS

NDSU

Fatemeh Zare, Fargo

Project Budget: \$22,330

The Northern Crops Institute, tasked with growing markets for crops in the Northern Plains, will develop a stone milling process and formulate new bakery products using the most important dry bean classes in North Dakota, promoting the dry beans market both nationally and internationally.

PROJECT SPOTLIGHT: HAIL



Application of simulated pea-size hail through prototype hail machine

After a hail storm, some of the most common questions that specialty crop growers ask are “will a fungicide application help my crop recover, prevent diseases from occurring and/or prevent yield loss?”

North Dakota State University plant pathologists set out to answer those questions with their project titled “Impacts of Fungicide Applications and Plant Diseases on Specialty Crop Yields After Hail.” The project set out to: 1) determine the severity and yield impact of diseases that occur on pinto bean, navy bean, chickpea, dry edible pea and confectionary sunflower following hail, 2) determine the disease severity and yield impact of foliar fungicide and cupric hydroxide applied after hail events, 3) determine the impacts of fungicide applications on plant health, and 4) develop and disseminate management recommendations to growers at meetings, field days and through media.

In response to these questions and a lack of management recommendations, research was started and a hail machine to simulate pea-sized hail was developed. Trials were conducted with confectionary sunflower but yield differences were not observed. More research and larger studies were needed and a refinement of the hail machine occurred in order to consistently deliver known amounts of hail to crops of all architectures and sizes.



These questions are still being answered as research is still underway.

PROJECT SPOTLIGHT: BEAN RUST



Gathering rust pathogens from a bean leaf

Dry bean rust is one of the most important disease threats that impact dry edible bean production. Without effective management strategies, rust can escalate from local infections to widespread epidemics, causing significant economic losses to dry beans growers. Application of fungicides also add additional economic burden in the management of this diseases. To address the threat of economic loss to dry bean growers, North Dakota State University researchers are improving rust management using rust surveillance, evaluating bean lines for genetic resistance, and assessing the economic impact of growing rust-resistant varieties.

The most cost- and environmentally-friendly way to manage rust is to plant rust-resistant varieties. To develop varieties, pathologists and breeders need to first understand the pathogen races, then select and incorporate the best resistance genes to protect the plants, and finally, produce a bean variety with excellent yield and quality that growers are proud to plant. Each year, surveillance of bean rust pathogen is done to monitor for the emergence of new races. Recent surveys demonstrate that the predominant race in the region is 20-3, which is able to infect the majority of dry bean varieties grown in our region. However, effective genes, like *Ur-5* and *Ur-11* are known, and others are likely to exist. This information is used to screen and identify rust-resistant lines with the potential to become new varieties. Simultaneously, new sources of rust resistance are also being identified and characterized using genetic and genomic approaches that expedite their development into future varieties.

To give the dry bean growers the best information about rust resistant varieties, this project is also evaluating economic return for growers when they use rust-resistant varieties. Field experiments at two locations in North Dakota are in progress, and compare yields of several common bean varieties and breeding lines with and without the application of fungicide, and under rust pressure. Outcomes of this project will help dry bean growers protect their yield and maximize their economic return by improving varieties resistant to the races of rust in our region and providing the economic information to growers they need to make the best decisions for their farms.

BUILDING A BETTER INOCULANT AND INOCULATION DECISION FRAMEWORK FOR NORTH DAKOTA PULSE CROPS

NDSU

Barney Geddes, Fargo

Project Budget: \$189,903

Researchers from North Dakota State University are working to improve the profitability of pulse farming by maximizing the potential of rhizobium inoculants to provide nitrogen to pulse crops and boost yields. There are a myriad of formulation options available to farmers when it comes to applying inoculants to their pulse crops. The inoculants contain rhizobia bacteria which form the root nodules that fix atmospheric nitrogen to meet crop needs, as opposed to applying nitrogen fertilizer. In this project, NDSU researchers will generate data on which inoculant formulation result in the highest yield when considering field history of pulse production. Concurrently they are working to overcome challenges with inoculant technology, specifically an issue called the 'rhizobium competition problem' wherein natural rhizobia from the soil that are less efficient outcompete the more efficient rhizobia in inoculant products for formation of root nodules. Their work will lead to a better decision framework for farmers when it comes to choosing inoculant products for their operation and even take the first steps to developing new and improved versions that overcome the rhizobium competition problem.

DEVELOPMENT OF PILOT MILLING OPERATIONS AND PRODUCT APPLICATION FOR LENTILS

NDSU

Amrita Ray, Fargo

Project Budget: \$20,912

The Northern Crops Institute will promote the purchase of lentils in global markets by developing low-cost stone milling operations and utilization of lentil flour in foods important to the world's most significant lentil customers.

UTILIZE MESSAGING AND MARKETING TO INCREASE AWARENESS AND SALES OF NORTH DAKOTA-GROWN POTATOES

Northland Potato Growers Association
Jacey Kuersteiner, East Grand Forks

Project Budget: \$150,000

This grant will utilize a common identity, marketing, communications and education plan to showcase, promote and increase sales of North Dakota-grown potatoes across the US and international countries. Northland Potato Growers Association (NPGA) will coordinate these plans and efforts to promote the potato growers and specialty crop potato industry. NPGA's marketing efforts will promote the potato production of 200 potato growers, many of whom are 4th- and 5th-generation families. North Dakota is



Potato research plot

the 4th largest potato production state, growing potatoes for the chip, fresh, seed and processing sectors. The growers believe they can produce and sell more potatoes with proper messaging and marketing. To continue building momentum of new messaging, this grant will help fund the creative, development, placement and purchase of media and marketing campaigns; tradeshow fees and participation; and supporting program developments to promote the value, quality, taste and nutrition of North Dakota-grown potatoes to consumers, wholesale buyers, educators, chefs and processors with the intent to increase demand, sales and market share. NPGA will contract with an ag-based marketing agency to develop a paid media placement program, strategic targeted ad placement and ensure messaging and creative components reach the intended audience. NPGA also plans to continue working with Molly Yeh, a local resident chef, restaurateur, Food Network show host, author and influencer to develop tools to endorse Northland Potatoes. Finally, this grant will connect fresh potato growers/shippers at US produce tradeshow to wholesale buyers, grocery chains and foodservice providers. These shows are



North Dakota field peas

well attended by ND shipper's competitors, so a vibrant booth and messaging is vital.

LENTIL ROOT ROT PREDICTION AND MITIGATION

NDSU

Audrey Kalil, Williston

Project Budget: \$36,930

Lentil production has been an economic boon to northwest North Dakota, but recently, root rot disease has become a threat to their continued production. Current recommendations for lentil production are to maintain a four- to five-year rotation to avoid the build-up of root rot pathogens in the soil. This is a challenge for growers who rely on the revenue generated from this high-value crop. The North Dakota State University Williston Research Extension Center will compare one-, two-, three- and four-year intervals in between lentil crops to determine the effect of these rotation lengths on root rot disease severity and yield in a no-till, dryland cropping system. Intercropping lentils with canola will be evaluated for suppression of root rot in lentils in a short rotation. Finally, a soil root rot potential seedling bioassay will be evaluated for its usefulness in predicting field root rot severity. This effort will improve root rot management and help generate more specific rotation recommendations for lentils grown in North Dakota.

BREEDING BY DESIGN TO DEVELOP THE NEXT GENERATION ULTRA-HIGH PROTEIN PEA VARIETIES

NDSU

Nonoy Bandillo, Fargo

Project Budget: \$272,228



Gulfood 2024 in Dubai, United Arab Emirates

The NDSU Pulse Crops Breeding Team, in collaboration with NDSU geneticists, agronomists and food scientists, will aim to develop the next generation, ultra-high protein pea cultivars for sustainable protein production with a minimal carbon footprint. Yellow and green peas are frontrunners in plant-based non-GMO protein markets due to healthy perceptions by customers, limited environmental impacts and more economical production costs. The pea protein market is currently valued at \$9 billion due to increasing demand for products like Beyond Burger and Ripptein. Increasing total protein content while concomitantly adapting pea genotypes to highly variable and stressful environments is key for sustainably meeting the growing demand. However, increasing total protein content in pea is challenged by the limited genetic diversity available within public breeding programs. Current cultivars of field pea average 22% total protein content in regional trials, and there is a need to increase total protein content of existing pea cultivars to 24%. We aim to systematically increase total protein content of peas while expanding genetic diversity through breeding by design of 16 high protein cultivars.

FACILITATING INTERNATIONAL GROWTH FOR ND SPECIALTY CROP PRODUCERS AND PROCESSORS

North Dakota Trade Office
Amanda Nordick, Fargo

Project Budget: \$382,321

The North Dakota Trade Office (NDTO) seeks to increase the market share of North Dakota specialty crops by strategically expanding opportunities and partnerships internationally. We plan to do this by:

- Providing up to seven (7) ND companies the opportunity to exhibit at SIAL Paris, France, in October 2024. Companies will increase the European market's knowledge of the high-quality pulse crops available in ND. This is a premiere tradeshow highlighting cutting-edge food products.
- Increasing the exposure of pulse crops for up to seven (7) ND companies to the Middle East and North African Regions by exhibiting at Gulfood 2024 in Dubai, United Arab Emirates, in February 2024. More than 120 countries attend this show across 5000 food and

beverage exhibitors.

- c. Executing an NDTO lead trade mission to Spain for up to six (6) ND companies. Data will drive the specific mission destination and meeting agenda; however, Spain is a promising market and location for lasting impact.



Smooth hydrangeas

EVALUATING HYDRANGEAS FOR THE NORTH DAKOTA NURSERY AND LANDSCAPING INDUSTRY

NDSU

Todd West, Fargo

Project Budget: \$67,112

In partnership with North Dakota State University, hydrangeas are in the top 10 most used and popular landscaping shrubs. In recent years, there have been many new releases of hydrangeas to the green industry. Unfortunately, with the volume of new plants that have been released to the ornamental nursery trade, most plants are never formally evaluated and this

burden is put on the consumer. This project proposes to evaluate six different species/hybrids and multiple new cultivars of hydrangea including: *Hydrangea anomala* (climbing hydrangea), *Hydrangea arborescens* (smooth hydrangea), *H. macrophylla* (bigleaf hydrangea), *H. paniculata* (panicle hydrangea), *H. serrata* (mountain hydrangea) and hydrangea hybrids. These new cultivars will be compared to the industry standards for adaptation and usability in North Dakota.

MITIGATING POTATO SEED DECAY AND ASSOCIATED ECONOMIC LOSSES USING ENHANCED SUBERIZATION STRATEGY

USDA-ARS Sugarbeet and Potato Research Unit
Munevver Dogramaci, Fargo

Project Budget: \$118,000

Potato Research Program of USDA-ARS, Fargo, North Dakota will establish an agreement with the North Dakota Department of Agriculture to advance research strategies for mitigating potato tuber seed decay and associated crop production losses. In 2022, the Northland Potato Growers faced significant economic losses due to seed decay after planting when an extreme wet spring was experienced. Seed decay can be induced by various physical (e.g., wet soil conditions) and/or biological (e.g., diseases) factors. The common agronomic practices adopted in the region include cutting seed tubers in several pieces, often followed by a fungicide treatment, and planting them in the field immediately. While this method has its advantages, the open-cut surfaces of the seed pieces are susceptible to both abiotic (high soil moisture, cold temperature) and biological stresses (pathogens). Therefore, to reduce seed decay, it is essential to find alternative practices that can be applied for varying environmental conditions during planting (e.g., dry or wet spring). The scientific rationale of the proposed research is that the formation of the



A high tunnel used to extend the growing season

suberin layer, which is the natural wound-healing response of wounded potato tubers will provide protection against seed decay ensuring optimum crop stand and higher yield. The major goal is to determine the ideal conditions (temperature, humidity, and seed treatments) to enhance suberization of cut potato seed tubers. The results regarding seed treatment optimization and role of suberization on seed decay will be disseminated to the scientific community, and best practice guidelines will be developed for the potato growers and stakeholders.

METIGROWSHE EDUCATIONAL GARDEN AND ORCHARD AT CAMP METIGOSHE

Metigoshe Ministries
Laura Holvorson, Bottineau

Project Budget: \$53,532.24

The MetiGROWshe Garden and Orchard at Camp Metigoshe will educate participants, staff, and volunteers on the production of and nutritional value of vegetable, herb, and fruit crops through interactive learning sessions. Camp participants,

staff, and Food Pantry customers will increase their consumption of fresh produce grown in the garden and orchard. The garden and orchard will be able to produce more crops by improving the fencing, high tunnel, drainage and irrigation systems and the educational sessions will continue to operate through quality staffing and curriculum materials.

INTEGRATED ROOT ROT MANAGEMENT IN FIELD PEAS WITH CROP ROTATION, PLANTING DATE, AND SEED TREATMENT

NDSU

Michael Wunsch, Carrington

Project Budget: \$97,502

Fusarium and Aphanomyces root rots have emerged as serious constraints on field pea production in North Dakota, causing severe losses that have resulted in many producers abandoning field peas on all or part of their acreage. Previous research conducted on fields with severe root rot pressure has shown that field pea yields can be increased by an average

4-10 bushels/acre with each of three different management practices: early planting, seed treatment, and crop rotation (minimum 6-year rotation). None of these strategies provides satisfactory root rot management on its own, but preliminary findings suggest that commercially acceptable field pea agronomic performance under root rot pressure can be achieved by combining all three practices. In this project, the North Dakota State University Carrington and Williston Research Extension Centers seek to evaluate the integrated use of crop rotation, planting date, and fungicide seed treatment for management of field pea root rot. Testing will be conducted in 12 fields in Carrington and 3 fields in Williston with a history of pea and lentil production (lentils are also highly susceptible) and problems with these diseases. Fields will differ in the number of years since the last pea or lentil crop: 2-3 years (four fields), 4-5 years (four fields), or 6-10 years (seven fields). In each field, peas will be planted in replicated studies with and without seed treatment at three dates corresponding to different soil temperatures. Field pea establishment, root rot severity, and yield will be assessed. Results will be disseminated to stakeholders.

POST-HARVESTING PROCESSING AND QUALITY EFFECTS ON VALUE-ADDED COLD-HARDY BERRY AND STONE FRUITS

NDSU

David Boehm, Fargo

Project Budget: \$121,520

North Dakota State University (NDSU), if awarded this grant, will establish an agreement relationship with the State Department of Agriculture to lead and execute the project to increase consumption and access to cold-hardy berries and stone fruits. NDSU's Northern Crops Institute (NCI) will identify fresh and frozen harvest and post-harvest conditions' that



Aronia berry bush

impacts their optimization for processing and fruit qualities- acidity, phenolic profile, colorimetric, and sensory characteristics of North Dakota indigenous or introduced cold-hardy berry and stone fruits (Aronia, grape, chokecherry, currant, gooseberry, honeyberry, and juneberry) of value-added commercial use or interest. The outcomes of this work will increase the utilization of these fruits in beverages and foods by characterizing post-harvest storage and processing effects, identifying preferable treatments and chemistry profiles leading to better shelf stability of end-use processed fruit products. The results of this work will be shared and discussed with grower and processor stakeholders through industry and association meetings, field days, electronic summaries, and subsequent publications.

DIAGNOSTICS OF NOSEMA INFECTION IN HONEY BEES

NDDA

Samantha Brunner, Bismarck

Project Budget: \$151,008.80

Apiary inspection programs from the North Dakota Department of Agriculture, South Dakota Department of Agriculture and Natural Resources, Massachusetts Department of Agricultural Resources, Montana Department of Agriculture, Maine Department of Agriculture, Conservation and Forestry and Vermont Agency of Agriculture, Food and Markets will collect information on hive health from a total of 1200 colonies (over 2 years) and look for correlations of hive health, Nosema spore counts, and molecular results. Molecular diagnostics, while helpful, currently don't relate to additional spore counts that have been used for diagnosing Nosema infection levels. This study will work to correlate spore counts with molecular test results. Hive strength assessments and varroa mite levels taken along with the Nosema results will aim to help provide some guidance on what levels of Nosema relate to impacts on

hive health. Molecular tests will also show other viruses, pests and pathogens that may be present in the samples.

DETERMINING INTERACTIONS OF NEMATODE AND FUNGAL PATHOGENS FOR CONTROL OF POTATO EARLY DIE DISEASE COMPLEX

NDSU

Guiping Yan, Fargo

Project Budget: \$139,600

The Department of Plant Pathology at North Dakota State University will determine the effects of co-inoculation of the root-lesion nematode species *Pratylenchus scribneri* and fungal pathogen *Verticillium dahliae* on disease symptoms of potato early die and growth and yield of selected potato cultivars, and determine the nematode and fungal interactions by comparing the effects of co-infection of nematode and fungal pathogens to the infection of nematode or fungal pathogen alone in outdoor microplot field experiments. Results of the proposed research will help understand whether



North Dakota bees



North Dakota nursery trees

the interactions between nematode and fungal pathogen cause more severe disease symptoms and more negative impact on growth and yield of potato and whether the *P. scribneri* nematode plays an important role in the potato early die complex. This information is important to help growers preform risk assessment and make proper management decisions for controlling the early die disease and nematodes to increase potato yield and quality to improve the production of potatoes.

EVALUATING WOODY PLANT SPECIES FOR CLONAL PROPAGATION METHODS

NDSU

Todd West, Fargo

'Multiplex' (double flowering plum) and *Tilia cordata* (littleleaf linden). This project will focus on best management practices for developing propagation methods utilizing plant tissue culture (micropropagation). Currently, there are no micropropagation protocols for each of these species which greatly limits their use with commercial nursery production. Developing efficient, cost-effective, environmentally sustainable micropropagation protocols for each of these species, will increase production numbers of the current cultivars and any other cultivars developed in the near future. Results will be disseminated to specialty crop beneficiaries through conference presentations, website publications and field days. Results will also be published in peer-reviewed journals.

Project Budget: \$59,482

The North Dakota State University Woody Plant Improvement Program will evaluate suitable propagation methods for five different woody plant species including: *Acer triflorum* (threeflower maple), *Alnus hirsuta*, Manchurian alder, *Cercis canadensis* (Eastern redbud), *Prunus triloba*

SPECIALTY CROP BLOCK GRANT PROGRAM

FISCAL YEAR 2024 AWARDED PROJECTS



**Agriculture Commissioner
Doug Goehring**

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A Letter from the Commissioner

Greetings,

The North Dakota Department of Agriculture is pleased to support the specialty crop industry in the state through specialty crop block grants.

The USDA defines specialty crops as “fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops.” Specialty crops grown commercially in North Dakota include dry beans, dry peas, lentils, potatoes, confection sunflowers, grapes, honey and various vegetables.

Projects that enhance the competitiveness of specialty crops in ND are eligible for these grants.

Eligible applications include enhancing food safety; pest and disease control; developing new and improved seed varieties and specialty crops; and increasing child and adult nutrition knowledge and consumption of specialty crops. Projects that directly benefit specific, commercial products or profit a single organization, institution or individual are not eligible.

North Dakota receives funds based on a grant allocation formula that is based on the average of specialty crop cash receipts and specialty crop acreage in the state.

The North Dakota Department of Agriculture has been administering the Specialty Crop Block Grant Program since 2007. Since then, we have administered a total of 298 grants and have received more than \$36 million in funding through the past 20 annual funding opportunities; and an additional 28 grants and \$4.3 million in additional one-time funding through H.R. 133, the Consolidated Appropriations Act of 2020.

We encourage organizations, institutions and individuals to submit proposals on their own or in partnerships during open application periods. Questions may be directed to Jonathan Leonard at 701-328-2191 or scbg@nd.gov.

Thank you for your interest in specialty crop block grants.

Sincerely,



Doug Goehring
Agriculture Commissioner



Agriculture
Commissioner
DOUG GOEHRING

ABOUT PROGRAM

The purpose of the Specialty Crop Block Grant Program (SCBGP) is to enhance the competitiveness of specialty crops. Specialty crops are defined as “fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture).”

The Food, Conservation, and Energy Act of 2008 (Farm Bill) amended the Specialty Crops Competitiveness Act of 2004. Under the amended Act, the Secretary of Agriculture is directed to make grants to states for each of the fiscal years 2008 through 2012 to be used by state departments of agriculture to enhance the competitiveness of specialty crops. The American Taxpayer Relief Act of 2012 provided funding for fiscal year 2013, section 10010 of the Agricultural Act of 2014 provided funding for fiscal years 2014 through 2018 and section 10107 of the Agriculture Improvement Act of 2018 will provide funding for fiscal years 2019 through 2023.

To be eligible for a grant, the project(s) must “enhance the competitiveness of U.S. or U.S. territory grown specialty crops in either domestic or foreign markets.” Projects must also benefit more than one commercial product (e.g., ABC Company brand), organization, or individual.

Examples of enhancing the competitiveness of specialty crops include, but are not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, plant health programs, education, increased consumption, increased innovation, improved efficiency and reduced costs of distribution systems and environmental concerns and conservation.

Grant funds are not awarded to projects that solely benefit a specific commercial product. It will not benefit products that provide a profit to a single organization, institution, or individual. Grant funds cannot be put toward capital expenditures (equipment, buildings, land). They also may not

be used to make improvements to capital assets that materially increase their value or useful life. Each project funded through the Specialty Crop Block Grant Program will be carried out over a two-year timeframe. The Specialty Crop Block Grant Program is funded through the United States Department of Agriculture’s Agricultural Marketing Service.

Number of Grants Awarded to the North Dakota Department of Agriculture: 2

Number of Sub-Awarded Projects: 19

Amount of Funds Awarded: \$3,380,166.13

These following funding breakdowns are for annual funding:

2024 funding from the Farm Bill (fiscal year 24-27):

21 Projects	\$3,131,458.34
Direct	\$207,353.91
Indirect	<u>\$41,353.88</u>
Total	\$3,380,166.13

For more information, please visit the program’s website at <https://www.ndda.nd.gov/scbgrp>.

SCBGP STAFF



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Business, Marketing
& Information Division
Director



HEATHER LANG
Ag Business Development
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JONATHAN LEONARD
Ag Marketing &
Development Specialist

PROJECTS FUNDED IN 2024



Checking potatoes in a research field

DEVELOPMENT OF QPCR TO DETECT GLYPHOSATE IN POTATO PLANTS QUICKLY

North Dakota State University (NDSU)
Andrew Robinson, Fargo

Project Budget: \$106,444

North Dakota State University will collaborate with the USDA ARS to develop a qPCR method to detect glyphosate in potato leaves and tubers. This will provide quick diagnosis and save seed growers and commercial growers potentially millions of dollars by providing rapid and accurate detection. Glyphosate-resistant crops abound in North Dakota, making the probability of potatoes being exposed to glyphosate high. Glyphosate reduces yield, can make tubers unsaleable, and stores in seed tubers of mother plants. When seed tubers are contaminated with glyphosate, they can lose certification or when planted back cause poor emergence and yield loss. Current methods for glyphosate analysis take two to four weeks to get results. The objective of this project is to develop an aptamer for qPCR analysis that can be used in the field to detect glyphosate in the same day it is sampled or at a laboratory. This will enable potato growers and seed certification

to make rapid decisions on managing the crop. At the end of this project, it is expected to have developed a qPCR method for potato tissue that can be utilized in the field or lab.

FIGHTING TWO PHASES OF BLACK DOT DISEASE OF POTATOES

NDSU
Julie Pasche, Fargo

Project Budget: \$110,584.80

NDSU potato pathologists will establish baseline sensitivity to QoI and SDHI fungicides in *Colletotrichum coccodes*, causal agent of potato black dot, and determine if a shift has occurred to these fungicides. The second objective will work towards understanding the relationship between plant colonization by *C. coccodes*, and tuber blemish severity. Increased stem colonization results in higher pathogen propagules returned to the soil to infect future crops. The foliar phase of black dot can result in premature senescence, reducing total and marketable yield. Tuber black dot symptoms include gray skin discoloration that reduce market value of fresh product and

make processed product difficult to peel. Finding genetic resistance and other management practices that affect both disease phases will be the most effective way combat losses to this disease.

MOLECULAR TESTS TO SUPPLEMENT NORTH DAKOTA'S CERTIFICATION PROGRAM AND FIELD DETECTION OF BACTERIAL BLIGHT PATHOGENS IN DRY, EDIBLE BEAN

National Agricultural Genotyping Center
Zack Bateson, Fargo

Project Budget: \$154,818.85

Seedborne diseases, such as bacterial blights, are top threats to production that drive pest management decisions for growers of dry, edible bean (*Phaseolus vulgaris*). The diagnostic laboratory within the North Dakota State Seed Department (NDSSD) uses a traditional bioassay in their seed certification program to evaluate blight risk of seed submitted for next year's crop. To upgrade their in-house diagnostic capability



A National Agricultural Genotyping Center testing panel

for blight, the NDSSD has partnered with NAGC to validate a molecular test and supplement the current bioassay test. The integration of a molecular test at both diagnostic laboratories will: 1) strengthen the seed certification program at NDSSD and 2) make new diagnostic tests available to researchers, agronomists, and growers through NAGC's testing services.

NORTH DAKOTA SPECIALTY CROP OUTREACH AND EDUCATION SERIES

North Dakota Department of Agriculture
Katrina Hanenberg, Bismarck

Project Budget: \$138,113.44

The North Dakota Department of Agriculture (NDDA) will focus on outreach and education to promote specialty crops through a variety of channels. Using a farmers market video campaign and student specialty crop recipe kits; we hope to target North Dakota populations that need a better understanding of the economic impacts and health benefits of specialty crops. While showing the importance of purchasing specialty crops from local farmers markets. Additional focus will be on educating producers to develop their businesses through food safety, promotion, and better growing practices. Supporting producer knowledge will also increase public support and sales of specialty crops.

GENOTYPING PANEL TO EXPLORE HOST GENETICS, PATHOGEN DIVERSITY, AND COLONY FITNESS WITHIN BEEKEEPING OPERATIONS AND BREEDING

National Agricultural Genotyping Center
Zack Bateson, Fargo

Project Budget: \$257,800.50

The National Agricultural Genotyping Center (NAGC) aims to increase the accessibility of

genetic tools for the beekeeping industry. This project builds a SSR genotyping panel to measure genetic diversity within breeding populations of honey bees and validates a rapid genotyping test for the target-site mutation leading to amitraz resistance in the major pest, Varroa destructor. Together with NAGC's comprehensive pathogen panel, instrumentally inseminated queen cohorts will be monitored to investigate the relationships between host genetic diversity and pathogen dynamics within a closed mating system.

IMPROVING MANAGEMENT RECOMMENDATIONS FOR THREE ECONOMICALLY IMPORTANT DRY EDIBLE BEAN DISEASES

NDSU

Michael Markell, Fargo

Project Budget: \$131,292.60

The department of plant pathology at North Dakota State University will mitigate the economic losses that dry edible bean growers experience due to Fusarium root rot, Rhizoctonia root rot and common bacterial blight by evaluating the efficacy and economic viability of seed and foliar applied fungicides and chemical products, developing or modifying management recommendations, and disseminating the results to stakeholders through grower meetings, field days, publications and media partners.

ADVANCING PEA SEED QUALITY ANALYSIS: HARNESSING HYPERSPECTRAL IMAGING AND MACHINE LEARNING FOR PRECISION AGRICULTURE

NDSU

Wei Xu, Fargo

Project Budget: \$124,818



North Dakota bees

North Dakota State University (NDSU) is spearheading a groundbreaking project to advance the quality analysis of pea seeds within the agricultural sector. The project's ultimate aim is to develop a user-friendly machine-learning tool capable of predicting the functional properties of pulse ingredients, leveraging detailed genetic and environmental data. By utilizing advanced hyperspectral imaging (HSI) technology combined with machine learning, the project is set to deliver a pilot-scale predictive library for the functional properties of pea ingredients, alongside a validation of these properties through traditional wet chemistry methods. Key activities include meticulous data collection, the development of HSI scanning protocols, and rigorous training and testing of machine learning algorithms. The project will also comprehensively assess the impact of genetic and environmental factors on pea seed quality. Anticipated outcomes include substantial benefits for pea growers and processors, as well as the wider agricultural industry. This initiative aims to improve pea seed quality assessment significantly, fostering the development of superior pea varieties. Such advancements promise to boost the efficiency and profitability of

the industry, marking a significant leap forward in the realm of precision agriculture.

POLYPLOID INDUCTION FOR STERILITY BREEDING OF ORNAMENTAL TREES AND SHRUBS

NDSU

Todd West, Fargo

Project Budget: \$63,090

Many woody plants are well adapted for the harsh growing environment of North Dakota. Unfortunately, with non-native plants, there is a risk of invasiveness. Examples of this include Siberian elm and common buckthorn. Both plants are well adapted for growing in very difficult places but are considered to be highly invasive. Woody plant research has reacted to this issue utilizing sterility breeding. This results in new cultivars that are not considered invasive and are allowed to be utilized by the commercial nursery and landscape industry, even in states where they are banned. Sterility breeding through polyploid induction has become a primary focus



Siberian elm

of many woody plant improvement programs across the United States. This project purpose is to induce, or develop, polyploids of several different woody trees and shrubs that are well-adapted to North Dakota. These tetraploids will be utilized for future breeding efforts to produce sterile cultivars to be used in the North Dakota nursery and landscape trade. This goal aligns with the NDDA research priority of “investing in specialty crop research, including research to focus on conservation and environmental outcomes.”

MOLECULAR APPROACHES TO IMPROVE CHICKPEA TOLERANCE TO FUSARIUM ROOT ROT

NDSU

Malaika Ebert, Fargo

Project Budget: \$134,106

Plant breeders and plant pathologists of North Dakota State University will work together to investigate chickpea resistance to different *Fusarium* species. Furthermore, we will investigate the molecular aspects of how ND-native *Fusarium* spp. may be used as biocontrol agents.

DEVELOPMENT OF STONE MILLING OPERATION FOR FIELD PEA AND PROCESSING OF FLOUR FOR ENHANCED FUNCTIONALITY

NDSU

Amrita Ray Fargo

Project Budget: \$44,285

Northern Crops Institute would potentially improve market demand for pea farmers by developing stone milling technology for production of pea flour and subsequent processing for flour to improve functionality.



North Dakota field peas

OPTIMIZING NITRIC OXIDE-BASED TREATMENT STRATEGY TO IMPROVE SUBERIZATION OF WOUNDED AND CUT SEED TUBERS

USDA-ARS Sugarbeet and Potato Research Unit
Munevver Dogramaci, Fargo

Project Budget: \$112,405

Potato Research Program of USDA-ARS, Fargo, North Dakota will establish an agreement with the North Dakota Department of Agriculture to advance research on optimizing nitric oxide (NO) based treatment strategy to improve wound healing (WH) of bruised whole tubers in storage and cut seed pieces prior to the planting. Unintentional wounding of whole tubers can happen during harvest, transportation, or handling in the storage, contributing to significant post-harvest losses. Furthermore, as a common agronomic practice, seed tubers are generally cut into pieces and planting these pieces with open wound surfaces, which makes them susceptible to decay in the field. Both unintentional and intentional wounding of whole or cut seed tubers lead to significant economic losses. Therefore,

finding an effective WH strategy to accelerate the formation of protective layer in wounded and cut surface of potato tuber is important to reduce wound-associated losses. We recently observed a positive impact of exogenous NO treatment on improving WH responses of potato tubers. However, the WH responses of potato tuber to NO treatment is dose specific and need further optimization. Additionally, for the utilization of the NO-based treatment strategy towards potato industry, it is essential to investigate its impact on other factors critical for protecting post-harvest storage quality and crop performance in the field. Therefore, the aim of this proposed research is to investigate the effect of optimized NO-based WH treatment on dormancy and sprouting of whole tubers in storage and performance of cut seed pieces in the field as part of optimization process.

DIRECT TUBER TESTING OF POTATO AS AN ALTERNATIVE METHOD TO HAWAII POST-HARVEST TESTS

ND State Seed Department
Presley Mosher, Fargo

Project Budget: \$78,957.17

The North Dakota State Seed Department (NDSSD) will support potato production in North Dakota by evaluating direct tuber testing as an alternative Potato Virus Y (PVY) detection method to Hawaii Post-Harvest Tests. PVY is the disease of central importance to seed potato certification programs throughout the United States. Visual inspection and serological testing of leaves have become industry standards for detection of PVY in Post-Harvest Tests. However, there is increased interest in direct tuber testing using polymerase chain reaction (PCR) as an alternative detection method.

FIELD TO FORK: EXPANDING KNOWLEDGE AND USE OF SPECIALTY CROPS AMONG ADULTS AND CHILDREN

NDSU

Julie Garden-Robinson, Fargo

Project Budget: \$97,050.40

North Dakota State University Extension specialists, faculty and staff from at least 25 counties and external local, state and regional partners will enhance knowledge and safe food handling of specialty fruit and vegetable crops from field to fork. This project addresses three SCBGP issues related to enhancing the competitiveness of specialty crops: 1) enhancing food safety, 2) improving the capacity of all entities in the specialty crop distribution chain to comply with FSMA, GAP, etc. and 3) increasing child and adult nutrition knowledge and consumption of specialty crops. We will work with researchers on the NDDA priorities: disseminating information about pest control and specialty crop varieties (vegetables, herbs). The project will create new educational specialty crop materials targeting both youth and adults. Through the development of curricular materials such as Extension publications, lesson plans and presentations, information releases, displays and presentations, participants will increase their knowledge of specialty crops. As a result of partnerships with the NDDA, NDSU, University of Minnesota and Iowa State University faculty and specialists, farmers markets and growers, the project will offer face-to-face workshops, webinars for growers, small food businesses (including GAPs, FDA acidified food regulations), agricultural water, biological soil amendments, domesticated and wild animals, and worker health and hygiene. The project will increase knowledge and consumption of North Dakota specialty crops through educational programs for children in 4-H programs and schools, including school gardens, related to North Dakota specialty crops.

EXPLORING THE IMPACT OF POTATO GENETIC VARIABILITY ON RHIZOSPHERE MICROBIOME DYNAMICS

NDSU

Julie Pasche, Fargo

Project Budget: \$259,361.60

The potato breeder and pathologist from North Dakota State University and the breeder from the University of Minnesota will work to determine the role of host genetics on microbe recruitment from the soil, specifically as it is associated with Verticillium wilt severity. A population of 210 genotypes was generated from a cross between Dakota Trailblazer and Verticillium wilt susceptible Russet Norkotah. This population is segregating for reaction to Verticillium wilt and is currently being studied to determine the genetics of the resistance carried by Dakota Trailblazer. Our goal is to identify microbial groups associated with resistance to Verticillium wilt. However, in the future the research proposed here has the potential to result in identifying regions in the potato genome associated with recruiting beneficial microbes, eventually leading to the



Bean rust



Company demo at the 2024 Americas Food and Beverage Show in Miami, FL

Development of molecular markers for microbial recruitment. Additionally, results may help explain the Verticillium resistance in Dakota Trailblazer, and other lines in the NDSU breeding program, in the absence of the common genetic marker for resistance. This proposal is the first step in investigating the potential of this novel research area in improving potato production.

PATHOGEN PREVALENCE, HOST RESISTANCE, AND ECONOMICS OF BEAN RUST RESISTANCE VIA GENETICS AND FUNGICIDE EFFICACY

NDSU

Upinder Gill, Fargo

Project Budget: \$ 150,048

Rust is one of the most significant diseases of dry beans in the Northharvest region. A comprehensive management strategy to protect dry bean yield losses includes understanding

the pathogen races in the region, fungicide application, and deploying host resistance in cultivars. The prevalence of rust in the region will be studied by conducting disease surveys.

Any changes in virulence or development of infectious rust races will be examined via classical and genomics tools, including DNA sequencing. To study the economics associated with using rust-resistant bean cultivars and fungicide applications, field trials will be established at two locations each year. The project will support the development of new rust-resistance cultivars and generate new knowledge about the economics of host resistance in relation to fungicide and/or biological applications. The project activities will improve the economic returns to North Dakota dry bean growers.

INTERNATIONAL AND DOMESTIC PROMOTION OF NORTH DAKOTA SPECIALTY CROPS

North Dakota Department of Agriculture
Shanna Johnson, Bismarck

Project Budget: \$300,000

The North Dakota Department of Agriculture (NDDA) will partner with local and regional specialty crop companies, producers, processors, and producer associations to increase promotion



Assorted dry beans

and sales of specialty crops. NDDA will provide two North Dakota companies the opportunity to exhibit at four trade shows: (1) Expo West in Anaheim, CA in March, (2) National Restaurant Show in Chicago, IL, in May, (3) the Summer Fancy Food Show in New York, NY in June, and (4) Americas Food & Beverage Show in Miami, FL in September. Additionally, we will provide North Dakota companies the opportunity to participate in one trade mission to Taiwan in fall of 2024. This gives companies the potential to grow the consumption of North Dakota specialty crops both domestically and internationally.

DIGGING DEEPER IN POTATOES BY DEVELOPING AN ELECTRONIC POTATO STORAGE BOOK

NDSU

Andrew Robinson, Fargo

Project Budget: \$70,070

North Dakota State University Extension Potato Agronomy program will develop an electronic potato storage book complete with photo

galleries, research data and other information that will assist potato growers in storing potatoes to improve management decisions. The electronic book will be accessible online with a computer or smart phone. We expect potato growers to be able make more accurate and quicker decisions that will enable them to improve storages and profitability. The book will include information on best practices to store potato tubers. We will develop the text, organize previous taken pictures, and provide links to previous research articles and Extension articles for specific topics in the book. This will allow potato growers to be able to dig as deep as they desire in a subject and gain the knowledge they need and not have to questionably search the internet. Once this framework is built for the electronic book, we will be able to continue to build upon it with more pictures, data, and links to articles on specific topics.

INCREASING BIOLOGICAL NITROGEN FIXATION IN DRY BEANS BY USING NEW HYDROGEN-RECYCLING RHIZOBIUM STRAINS

NDSU

Juan Osorno, Fargo

Project Budget: \$199,700

The NDSU dry bean breeding program will promote sustainable bean production by developing breeding lines that either maintain or increase their productivity under a combination of reduced application of nitrogen fertilizer plus efficient N-fixing strains of Rhizobium. Improving SNF capacity and reducing the use of nitrogen fertilizers provide an opportunity to enhance the position of the US dry bean sector as an environmentally sustainable food and plant protein source. The availability of

lower high-throughput genotyping techniques allows the identification of critical genomic regions controlling important agronomic traits. This project aims to i) breed dry beans that fix more N₂, ii) compare the nodulation ability of the NDSU dry bean breeding germplasm in non-inoculated plants vs. Hup+ bean rhizobial strains under greenhouse conditions, and iii) validate and identify genomic regions associated with nodulation and SNF abilities and develop molecular markers for genetic improvement of SNF in dry beans.

INTEGRATED ROOT ROT MANAGEMENT IN FIELD PEAS WITH PLANTING DATE, SEED TREATMENT, AND TOLERANT VARIETIES

NDSU Carrington Research Extension Center
Michael Wunsch, Carrington

Project Budget: \$97,817.48

The NDSU Carrington Research Extension Center seeks to conduct field research and outreach to stakeholders on improving management of Fusarium and Aphanomyces root rots and



Freshly harvested potatoes at a research plot

Fusarium wilt in field peas, diseases that are serious constraints on field pea production in North Dakota. The project will evaluate the integrated use of early planting, fungicide seed treatment, and tolerant varieties for management of Fusarium and Aphanomyces and will assess the stability of disease tolerance across fields. Extended crop rotation intervals improve disease management but are insufficient as a stand-alone management tool. Early planting before soil temperatures become favorable for Fusarium and Aphanomyces combined with fungicide seed treatment has increased yields by an average 7 to 14 bu/ac in field trials, and recent findings suggest that an additional 10 to 20 bu/ac can be gained with selection of less susceptible varieties. No varieties are resistant to Fusarium and Aphanomyces root rots but some are more tolerant, and this tolerance should be stable across fields. Some varieties carry resistance to specific races of Fusarium oxysporum wilt, the impact of which is dependent on the races of the pathogen in a field. Diagnostic laboratory testing combined with disease symptom expression will be utilized to characterize the basis of differences in disease susceptibility. Nine commercial field

pea varieties will be evaluated with and without fungicide seed treatment across multiple planting dates in two fields in Carrington and at an on-farm site in west-central North Dakota, with testing conducted in fields with elevated Fusarium and Aphanomyces pressure.

GLOBAL GROWTH OPPORTUNITIES FOR NORTH DAKOTA SPECIALTY CROP PRODUCERS AND PROCESSORS

North Dakota Trade Office
Amanda Nordick, Fargo

Project Budget: \$388,695.50

The North Dakota Trade Office (NDTO) will create and expand opportunities for ND Specialty Crop Companies to showcase and establish their products in the global market. This will be accomplished by:

1. Exhibiting at three prominent global tradeshow, each with its own unique opportunities for growth and global exposure. Gulfood, hosted in Dubai, UAE,

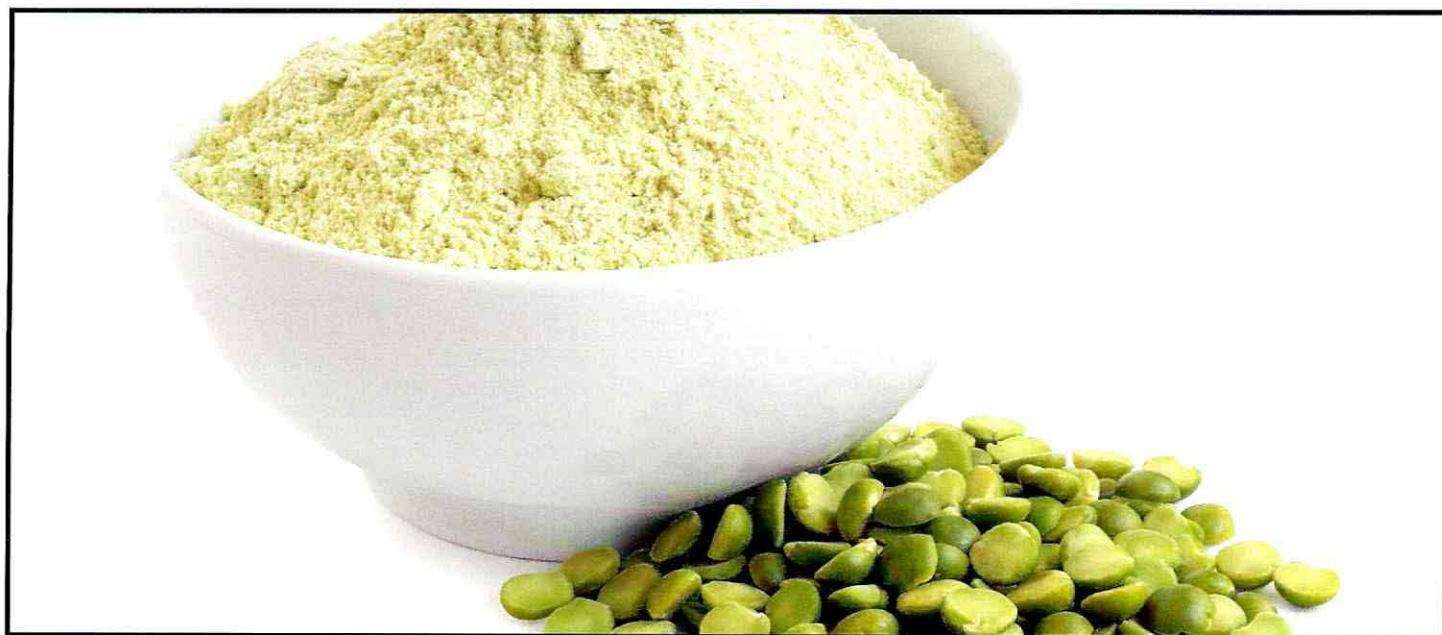


Lentil field

in February 2025, is the largest annual food event serving as a gateway to the emerging Middle East and North Africa regions. FoodEx Japan in March 2025 will be an excellent opportunity for Asian market access for ND producers and processors. In Germany, the Anuga Tradeshow in the October 2025 is an opportunity to support companies in European markets. Each show promises growth potential for the up to 16 ND companies anticipated to exhibit.

2. A Reverse Trade Mission hosted by the NDTO will highlight the region's specialty crop producers and processors. The attendees will include potential buyers from Taiwan and Vietnam. Hosting buyers builds upon relationships and will work towards cementing trust and business partnerships for the future. Similar agendas included nine stops throughout the state to visit and understand the region's unique landscape, quality products, and ND hospitality.
3. Individual-focused sales trips are an additional opportunity for specialty crop companies to build relationships on promising opportunities in an individualized market of their choice.

Each of these activities is designed to promote maximum exposure and foster positive business growth through increased awareness of ND specialty crops.



Green pea flour and green split peas

INCREASING PULSE-BASED FIBER UTILIZATION IN FOODS BY UNDERSTANDING ITS NUTRITIONAL AND FUNCTIONAL PROPERTIES

NDSU

Bingcan Chen, Fargo

Project Budget: \$112,000

North Dakota State University will explore the potential applications of ND pulse grain based dietary fiber (DF) in the food systems to benefit both consumers and growers. The aim of this project is to help fill the current Fiber Intake Gap, a deficiency between current and recommended fiber consumption by using pulse grains (dry pea and lentil) based DF as functional ingredients in food systems. Research approach will utilize various milling techniques to mill seed hull and dehulled kernels and the milling parameters will be recommended for application in real practices. The DF will be extracted, purified, and fractionated from these two streams. The source, variety, and milling/micronization methods on the composition and physical structure of ND pulse grain based dietary fiber will be determined. The

functional properties and physiological effects of these DF fractionations will be evaluated. The relationship between structure and functionality of fractionated dietary fibers will be established, which is essential for the successful application and utilization of ND pulse grain based dietary fiber as functional ingredients in various foods. Performing this research will generate valuable information to promote the utilization of pulse grains in the food industry, as well as assisting in raising consumer's awareness of pulse consumption. The accomplishment of this project will in return increase the profitability and competitiveness of ND pulse growers and promote a healthy local food system. The research findings will be shared with diverse audiences including pulse growers, processors, consumers, industrial professionals through publications, and conferences, web pages, workshops, etc.

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AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring

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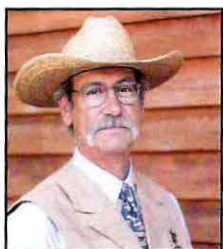
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ADMINISTRATION

APUC COMMISSIONERS

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.



DAN KALIL, CHAIRMAN
Commissioner's Appointee



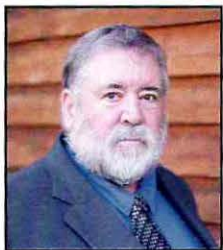
RACHEL RETTERATH, VICE CHAIR
Commissioner's Appointee



MATTHEW GLESSNER
Commissioner's Appointee



KEITH PELTIER
Commissioner's Appointee



BILL ONGSTAD
Commissioner's Appointee



WADE BOESHANS
Governor's Appointee



DOUG GOEHRING
Agriculture Commissioner



DAVID COOK
NDSU President



KEVIN SONSALLA
Commerce Designee

APUC STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



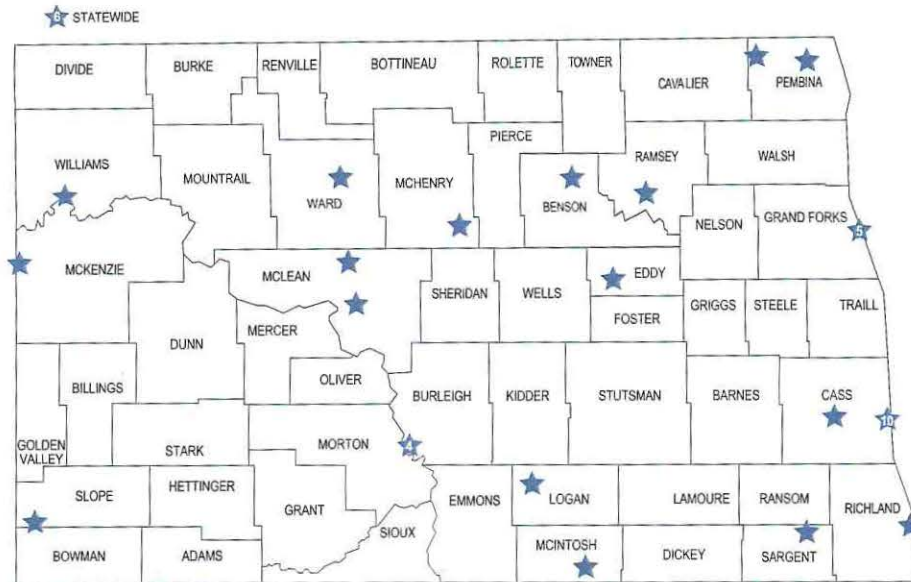
HEATHER LANG
Ag Business Development
Coordinator



MADISON BODINE
Ag Services and
Development Specialist

PROJECT MAP

In 2023-24, APUC funded 42 projects in 21 North Dakota communities or statewide.



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

- Ashley - Grandma's Kuchen LLC
- Bathgate - Dakota Valley Growers, LLLP
- Bismarck - Carbon Convert LLC
- Bismarck - ND Department of Agriculture (2)
- Bismarck - Peak Anodes LLC
- Casselton - Susterre Technologies USA Inc.
- Coleharbor - Wolf Creek Winery LLC
- Devils Lake - CoJack Snack and Pack LLC
- Drake - Dakota Angus, LLC
- East Fairview - Greenwood Renewable Ventures LLC
- Fargo - 701x Inc.
- Fargo - Aigen Inc.
- Fargo - NDSU (5)
- Fargo - Botlink, LLC
- Fargo - CorVent Medical, Inc.
- Fargo - Independent Data Management, LLC DBA MyAgData
- Grand Forks - Epite Energy, LLC
- Grand Forks - SafetySpect Inc.
- Grand Forks - Northdale Oil, Inc.
- Grand Forks - BI Biorefinery, LLC
- Grand Forks - Dakota Don's Artisan Waffles, LLC
- Leeds - Golden Plains Frozen Foods, LLC DBA Zalvina Foods
- Marmarth - Pumpkin Pets and Pals, LLC
- Max - Guardian Grains LLC
- Milnor - Sundale Hutterian Brethren Association
- Minot - Strong Communities LLC
- Napoleon - Legendary Steaks LLC
- New Rockford - North American Bison, LLC
- Statewide - Chapul Farms ND One LLC
- Statewide - EcoBalance Global, LLC
- Statewide - Perennial Climate Inc.
- Statewide - PermanentFarming
- Statewide - Hemp Industries LLC
- Statewide - Lake Agassiz Regional Council
- Wahpeton - Dakota Hurd Co LLC
- Walhalla - Smoke Wagon Meats, LLC
- Williston - Buckshot Seeds, LLC

BASIC & APPLIED RESEARCH



Soybean field

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.

NORTH DAKOTA FIELD TESTING

Susterre Technologies USA Inc.
Michael Cully, Casselton

Grant Amount: \$25,830

Susterre is pioneering the use of ultra-high pressure water jets in row crop applications. Initial testing in Tennessee, Kentucky, Iowa and Ontario Canada has indicated that the technology significantly increases crop yields, moves farmers towards a permanent state of regenerative ag, gives farmers more time during the planting window, and injects agricultural inputs into the soil. Susterre and Grand Farm have partnered to conduct field testing in North Dakota in 2023. The goal of this farm-based research is to validate value propositions specifically in North Dakota's farming environment.

TRANSFORMING SOYBEAN MEAL INTO A VIABLE SOURCE FOR EDIBLE 3D PRINTING INK

NDSU
Minwei Xu, Fargo

Grant Amount: \$7,100

Soybean meal has been considered a side stream of soybean oil extraction and with the majority consumed as animal feed. 3D-print cooking is a new emerging technology that has the potential to be a home-kitchen cooking style to produce food with personalized flavor, appearance, and nutrition. Soybean meal contains a high amount of protein that could be made into a plant-based protein gel as an ingredient of edible 3D-printing ink. However, the insoluble fiber in the soybean meal has a negative effect on nutrition and printability when considered as a 3D-printing ink. The project aims to develop 3D-printing ink using both the

soy protein and fiber in the soybean meal. This research will employ hydrolase to hydrolyze insoluble fiber into the soluble fiber and mitigate the beany flavor, which could increase the gelling properties and sensory acceptability of soybean meal. Ball milling and ultrasonic incubation will be used to assist the enzyme hydrolyzation by reducing particle size and Increasing reaction energy. After hydrolyzation, edible gels such as glucomannan and sodium alginate will be added as the edible binder of the soybean meal. The co-blending of modified soybean meal and edible gels could form a stable structure for 3D-printed food.

EXPLORING LOCAL APPLE GERmplasm FOR HARD CIDER IN NORTH DAKOTA

NDSU

Wenhao Dai, Fargo

Grant Amount: \$15,000

Apple cider production is a multi-billion-dollar industry in the world. In the U.S., hard cider is one of the fast-growing specialty beverages, particularly for the local brands; however, cidermakers in the U.S. usually use low value or unmarketable fruits from apple cultivars that were originally bred for fresh-market use due to lack of supply and knowledge of cider-specific apple cultivars. Due to limited apple production, many cidermakers in North Dakota often purchase juice or apple juice concentrate that is usually made from the fresh eating apples from other states. The project aims to identify local cider apples to provide apple growers and cidermakers first-hand information on apple cultivar selection for quality hard cider production, which will help lead to a successful hard cider industry in North Dakota. This research will also provide apple growers valuable information on winter hardiness, disease resistance, fruit quality, yield, and further cultivation strategies of cider apples.

NORTH DAKOTA SOIL ORGANIC CARBON RESEARCH

Perennial Climate Inc.

James Kellner, North Dakota

Grant Amount: \$100,000

This research will build on previous work supported by the APUC program to calculate changes in soil organic carbon (SOC) stocks in North Dakota agriculture over time. Changes in carbon stocks are a critical component of regenerative agriculture and open the door to profitable carbon offset programs in the state. The objectives of the project are to directly observe changes in soil carbon over time using high resolution satellite imaging, validate these remote sensing measurements, and enhance the existing North Dakota sample dataset. Outcomes include: a map of the state of North Dakota showing changes in soil organic carbon stocks over the 2022-to-2024-time interval, and a report of SOC sequestration outcomes across the state. These reports can be used to brief state and local governmental officials and local businesses that support the agricultural community and landowners and family-owned farms.

AZOSPIRILLUM BRASILENSE AS A BIOCONTROL AGAINST PHYTOPATHOGENS

NDSU

Birgit Pruess, Fargo

Grant Amount: \$70,099

Plant growth beneficial rhizobacteria have long been added as inoculants to enhance plant growth characteristics, as well as tolerance towards environmental stressors and infectious disease resistance. However, less competitiveness of the inoculant bacteria with native microflora often renders this approach less effective. The project will use a unique approach with adding pre-biotic seedling exudate



North Dakota grapevines

to tomato and pea plants that will add to the ability of the pro-biotic plant growth beneficial bacteria *Azospirillum brasilense* to increase resistance towards one bacterial and one fungal phytopathogen. Commercialization efforts are ongoing discussions within a growing network of communicators, collaborators, farmers, and stakeholders.

UPDATE OF THE DIFFERENTIAL THERMAL ANALYSIS METHOD AND CORRELATION BETWEEN HIGH TEMPERATURE EXOTHERM AND LOW TEMPERATURE EXOTHERM OF GRAPEVINE BUDS

NDSU

Harlene Hatterman-Valenti, Fargo

Grant Amount: \$21,760

Temperatures below freezing present environmental stress for plants around the world, and specifically to grapevine buds within the North Dakota climate. Numerous measurement techniques have been developed to study the tolerance mechanisms in exposure to sub-

freezing temperatures. The Differential Thermal Analysis method has become a widely accepted and utilized standard method globally for studying deciduous ND deep supercooling plant species. The project will utilize the respective method to test grape bud hardiness in North Dakota and identify grape varieties for local production.

DEVELOPMENT OF ANTICANCER FORTIFIED OREGANO AND CRANBERRY EXTRACTS

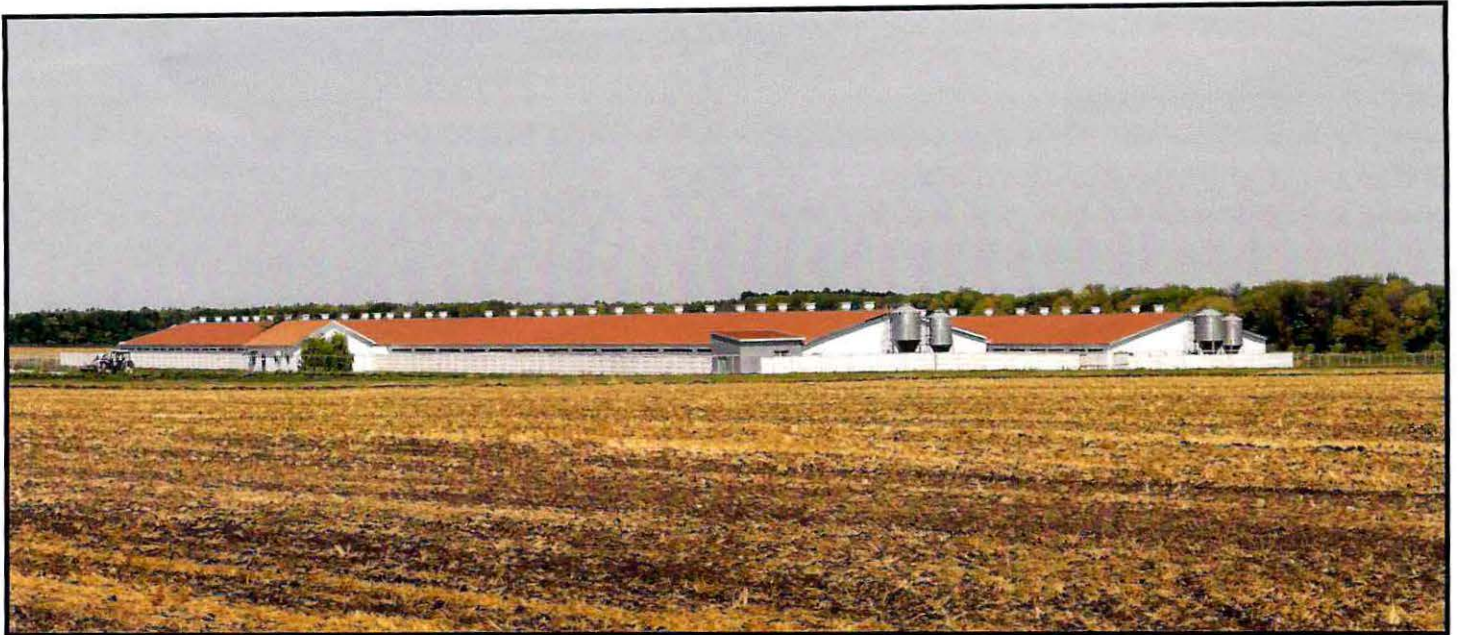
NDSU

Kalpana Katti, Fargo

Grant Amount: \$64,748

The goal of the proposed research is to develop health targeted high value crops for North Dakota by evaluating the nutritional and anticancer properties of compounds from the extracts of oregano and related high phenolic crops, targeting effectiveness in treating prostate and breast cancer at the bone sites, which are the terminal stage for these cancers. Currently, there are no anticancer drugs to treat the prostate and breast cancer bone metastasis. The proposed studies expand a prior APUC funded project that showed the anticancer capabilities of oregano and cranberry extracts using the unique testbed for metastasis that is developed at NDSU and helped identify specific phenolic compounds in the extracts that are likely to inhibit cancer.

FARM DIVERSIFICATION



Modern swine facility

Farm Diversification Grants give priority to projects dealing with the diversification of a family farm through non-traditional crops, livestock, or on-farm, value-added processing of agricultural commodities. Non-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.

HERD AND ENVIRONMENTAL TECHNOLOGY EXPANSION

Dakota Valley Growers, LLLP
Russell Edgar, Bathgate

Grant Amount: \$128,500

The project will expand current cattle feeding capacity and add state-of-the-art fertilizer processing equipment. Results will be locally produced, sustainable beef and fertilizer. Environmental engineers will be consulted for the facility advancement, local permitting, and outreach needs.

MARKETING AND SALES EXPANSION OF NORTH DAKOTA BEEF

Legendary Steaks LLC
Chelsie Gross, Napoleon

Grant Amount: \$26,250

Marketing expansion will be conducted by Legendary Steaks through wrapping of the company's reefer trailer utilized for sales at farmers markets, local events, and transporting orders.

SWINE FINISHING BARN EXPANSION

Sundale Hutterian Brethren Association
James Hofer, Milnor

Grant Amount: \$18,750

A swine finishing facility is to be added that will

house 5,000 pigs. There will be two- 125.5ft x 186ft state-of-the-art barns, housing 2,500 pigs each and will be connected by an 80ft hallway containing an office area. The latest technology and biosecurity measures will be utilized, including significant attention to air quality within and outside the barn to ensure optimal animal health while minimizing potential odors. There will be curtained walls on the north side, with a wall of fans on the south side to ensure constant air flow. They will also contain electronic sorting scales that will separate the pigs into three groups, depending on their size and weight, providing each with feed specific to their needs. The barns will contain slatted concrete floors over an engineer-designed, concrete manure containment pit. This housing method ensures clean housing for the pigs, while containing the manure in an environmentally approved manner. The manure will be applied as a valuable fertilizer to surrounding crop acres, leading to improved soil health and a bump in crop production.

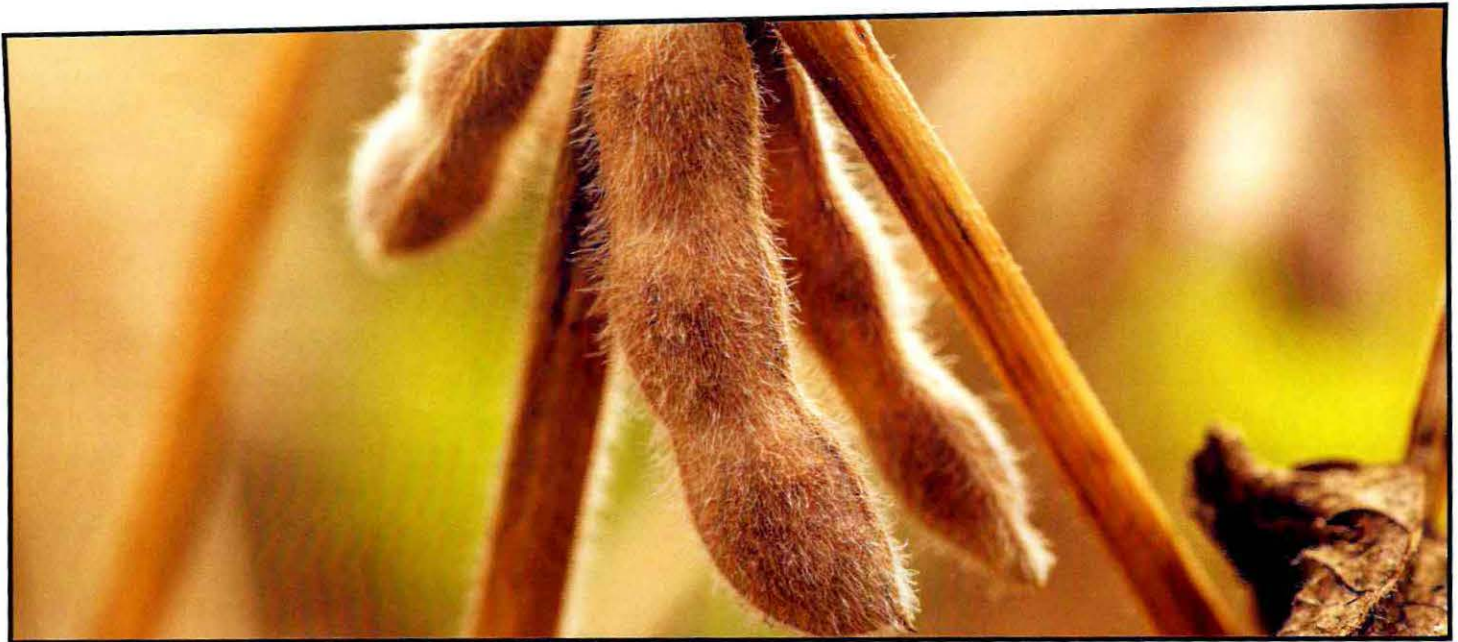
ESTABLISHMENT OF A MEAT PROCESSING FACILITY NEAR WALHALLA

Smoke Wagon Meats, LLC
Autumn Bennet

Grant Amount: \$150,000

A new custom-exempt meat processing facility and retail space will be established for the local community and tourists visiting the Pembina Gorge State Recreation Area. Custom smoking services and deer processing will be key aspects of the business alongside beef and pork processing offered for local consumers, farmers, and hunters.

MARKETING & UTILIZATION



Ripe soybean pods

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.

ESTABLISHMENT OF A SOYBEAN CRUSH FACILITY

Epitome Energy, LLC
Dennis Egan, Grand Forks

Grant Amount: \$250,000

Epitome Energy, LLC will build, own, and operate a new soybean crush facility on a +/-70 acre site near Grand Forks, North Dakota. When operating at capacity, the proposed facility will process up to 42 million bushels per year of soybeans into soybean oil, soybean meal, and soybean hulls. The facility will create certainty for soybean growers seeking new market opportunities and will enable investors focused on generating meaningful financial returns to capture basis. When fully operational, 50-60 new permanent jobs will be created while indirectly supporting an additional 800 jobs in and around Grand Forks, helping drive economic growth and adding new

value to the area's already thriving agribusiness environment.

IMPLEMENTATION OF X-RAY TECHNOLOGY

North American Bison, LLC
Mike Jacobson, New Rockford

Grant Amount: \$250,000

X-ray technology to detect foreign materials in meat processing and manage product quality will be installed at the North American Bison, LLC facility in New Rockford, ND. It will be used to meet customer requirements for product safety and allow the continuation to partner with large retailers in the United States and abroad.

DEVELOPMENT OF AN EFFICIENT MARKETING PLAN

Dakota Angus, LLC
Ashley Bruner, Drake

Grant Amount: \$ 100,000

An aggressive marketing budget is sought by Dakota Angus to advertise in local communities to show consumers they are present and want to be their choice for local, quality beef, located in North Dakota. They want to expand advertising efforts to more mediums and have a broad approach to hit the variety of media that consumers today are using, beyond the traditional forms of advertising. The project also includes education for kids at schools where Dakota Angus beef is provided and opportunities to learn where their food comes from and showing them the importance of agriculture in their life, even if they don't live on a farm or ranch.

FEASIBILITY STUDY FOR AN INDUSTRIAL HEMP PROCESSING PLANT

Hemp Industries LLC
Amanda Jelinek, North Dakota

Grant Amount: \$48,000

The project is for completion of a business plan and feasibility study for an industrial hemp receiving and processing facility in North Dakota with the primary focus on processing of fiber and includes seed and oil product for wholesale distribution for use in manufacturing applications. Site assessments for the respective facility will be completed.

UPDATING NECESSARY EQUIPMENT FOR KUCHEN

Grandma's Kuchen LLC
Lois Vanderwal Dobson, Ashley

Grant Amount: \$100,000

Grandma's Kuchen will be updating baking equipment to expand production of kuchen made from locally sourced ingredients to keep up with demand. Additional glass freezers will be purchased for a more functional retail display to accommodate the expansion.

FEASIBILITY OF A WESTERN NORTH DAKOTA OIL SEED CRUSHING PLANT

Buckshot Seeds, LLC
Mark Erickson, Williston

Grant Amount: \$120,000

There is an increased need for crushing capacity as the demand for food grade oils worldwide is outstripping production. Buckshot Seeds intends to build a processing facility that can handle local feedstuffs and process them into premium oil and oil meal products. The project will focus on the completion of a feasibility study to determine if a crushing plant should be built in western North Dakota.

INSECT AG TECHNOLOGY APPLICATIONS TO NORTH DAKOTA AGRICULTURAL ECONOMY

Chapul Farms ND One LLC
Patrick Crowley, North Dakota

Grant Amount: \$32,500

This project is to accelerate the development of insect agriculture infrastructure to enhance the agricultural economy of North Dakota. The steps taken in this project will move from an initial feasibility analysis and completed FEL 2 Design

phase to final stages of design and market development in anticipation of Q2 2024 launch of construction of an industrial scale insect farm at the selected site. The premise of an insect farm is to use under-valued agricultural by-products as upstream feed inputs to the farm. The result is an expedition bioprocessing of these materials into two products: healthy fats and proteins (insect larvae), and high-value soil fertilizer amendments (insect frass manure). Markets for both products exist in North Dakota and are supplied by international imports. This project is a model for sustainability, circular economies, and ag tech job creation in the state.

STRENGTH FROM THE SOIL

EcoBalance Global, LLC
Kyle Eichman, North Dakota

Grant Amount: \$162,000

EcoBalance Strength from the Soil Project seeks to increase the adoption of practices that benefit the climate and monetize these benefits in the form of carbon credits and value-added products and byproducts that can be sold at a premium in response to emerging and growing consumer demand for products with sustainability attributes. Practices further result in a wealth of on-farm benefits for land productivity, including increased durable soil carbon, water holding capacity, nutrient retention, forage quality, and other co-benefits that may positively impact agricultural operations for North Dakota's producers.

E. FAIRVIEW BIOFUELS FACILITY

Greenwood Renewable Ventures LLC
Preston Anderston, East Fairview

Grant Amount: \$60,000

Greenwood Renewable Ventures (GRV) deploys patented processes to simultaneously produce

multiple forms of low-carbon renewable bioenergy. The proposed project will co-produce ethanol, renewable natural gas (RNG) and digestate comprised of a soil amendment, fertilizer, and compost. The facility will utilize grown-for-purpose sugar beet crops as the feedstock for these energy products. Located in North Dakota, the facility is planned to initially process up to 900,000 tons of sugar beets annually and will result in the production of 1 billion cubic feet of renewable natural gas, 22 million gallons of ethanol, and 600,000 tons of soil amendments. GRV anticipates the facility to create 100 full-time jobs and 250 seasonal jobs once it is operational. The planned facility will be adjacent to infrastructure required to transport and deliver the products produced to consumers. Energy products generated from this facility will be sold into the renewable fuels markets around the United States while the digestate products will be used locally to the extent possible.

SLATTED FLOOR CATTLE BARN WITH RNG CAPTURE

PermanentFarming
Steve Polski, North Dakota

Grant Amount: \$172,000

The project will research the engineering and design necessary to integrate three key elements of the "beef feedlot of the future" - a system that would enable large scale beef finishing in North Dakota. This system could allow for an increase in beef feeding capacity in the state and provide significant economic return by keeping more North Dakota raised calves and grains in the state. Research and Engineering needed to select potential sites, test RNG production potential, optimize the pre-treatment process, determine how best to integrate the pre-treatment with the digester will be completed.



RAISING THE GLASS FOR WOLF CREEK WINERY

Wolf Creek Winery LLC
Randal Albrecht, Coleharbor

Grant Amount: \$35,000

Raising the Glass for Wolf Creek Winery is developing a strategic and sound marketing plan that enhances and supports the overall business plan. The knowledge, development, education, and application of the Wine Creek Winery wines to influence increase of sales, revenue, and increase customer traffic flow, as a North Dakota winery that produces grape and fruit wine using North Dakota grown grapes and fruit. The need to dismiss past misconceptions about North Dakota wines, such as the belief that they are all fruit-based or exclusively sweet. By focusing on quality improvements in recent years, it's aimed to redefine the reputation of the region's excellent wine making.

UPGRADING PRODUCTION OF KETTLE SYSTEM

Golden Plains Frozen Foods, LLC DBA Zalvina Foods
Tim Roche, Leeds

Grant Amount: \$40,157.30

A production mixing and cooking kettle will be added to the company's production room. This addition will enable increased output more than 80% compared to the current one-kettle system. The production team will be able to continuously mix, cook, and package sauces and pasta with sauce. While one kettle is pumping product into packaging, other team members may now be loading ingredients and cooking, enabling continuous pumping of sauce and paste into packaging.

DOMESTIC AND INTERNATIONAL PROMOTION OF NORTH DAKOTA AGRICULTURAL PRODUCTS

ND Department of Agriculture
John Schneider, Bismarck

Grant Amount: \$70,000

The North Dakota Department of Agriculture is offering a reimbursement project for ND companies, producers, processors, and producer associations attending domestic trade shows and international trade missions marketing raw and value-added agricultural products produced in North Dakota.

MARKET EXPANSION

Guardian Grains LLC
DeAnna Lozensky, Max

Grant Amount: \$47,000

Guardian Grains is strategically allocating

marketing funds across various channels to maximize impact and extend reach to a diverse audience. The comprehensive marketing plan encompasses the following initiatives: delivery vehicle wrap, digital ads, static posters, newly designed packaging, social media ads, social media marketing, magazine ads, newspaper ads. Nutritional testing for higher quality products will be completed alongside the marketing efforts.

GRAND FORKS BIO PLANT

Northdale Oil, Inc.
Scott Reck, Grand Forks

Grant Amount: \$50,000

Strong Communities, LLC will engage in a feasibility study to support Strengthen ND's efforts to increase sales of North Dakota-grown produce and products to North Dakota consumers, increase exports of North Dakota-grown produce and products, and elevate and expand North Dakota's value-added ag manufacturing sector. Through a partnership with Lund Oil, Inc., an oil and gas company, Strengthen ND can strategically place greenhouses and container farms to utilize industry-specific heat and waste to grow fresh produce. Through the employment of a qualified consultant, Strengthen ND and representatives of Lund Oil will work to understand not only the technical components of the project (square footage required, construction and maintenance costs, management plan, etc.) but also the potential produce output and distribution needs.

GREENHOUSES & CONTAINER FARMS FOR LARGE-SCALE VALUE-ADDED AGRICULTURE & FOOD DISTRIBUTION

Strong Communities LLC
Megan Langley, Minot

Grant Amount: \$50,000

Strong Communities, LLC will engage in a feasibility study to support Strengthen ND's efforts to increase sales of North Dakota-grown produce and products to North Dakota consumers, increase exports of North Dakota-grown produce and products, and elevate and expand North Dakota's value-added ag manufacturing sector. Through a partnership with Lund Oil, Inc., an oil and gas company, Strengthen ND can strategically place greenhouses and container farms to utilize industry-specific heat and waste to grow fresh produce. Through the employment of a qualified consultant, Strengthen ND and representatives of Lund Oil will work to understand not only the technical components of the project (square footage required, construction and maintenance costs, management plan, etc.) but also the potential produce output and distribution needs.

TRADE SHOW BLITZ

CoJack Snack and Pack LLC
Kris Volden, Devils Lake

Grant Amount: \$73,750

CoJack Snack and Pack will attend multiple trade shows throughout the United States to promote and market its products utilizing North Dakota agriculture products both domestically and internationally, and further grow its snack food division.

DOMESTIC AND INTERNATIONAL PROMOTION OF NORTH DAKOTA AGRICULTURAL PRODUCTS

North Dakota Department of Agriculture
Shanna Johnson, Bismarck

Grant Amount: \$81,000

The North Dakota Department of Agriculture is offering a reimbursement project for ND companies, producers, processors, and producer associations attending domestic trade shows and international trade missions marketing raw and value-added agricultural products produced in North Dakota.

REVITALIZATION OF AN ETHANOL PROCESSING FACILITY IN GRAND FORKS

BI Biorefinery, LLC
Drew Leehan, Grand Forks

Grant Amount: \$205,000

The project aims to revitalize an existing ethanol facility in Grand Forks through the adoption of technology to improve wastewater management. Market analysis will determine feedstocks and uses for high-grade ethanol production. Outputs are set to be pharmaceutical-grade ethanol for industrial and medical uses, animal feed, and renewable natural gas. The process changes within the facility will materially alter the co-products produced. BI Biorefinery seeks to utilize grant funding to bring these co-products to market in the region.

DEVELOPMENT OF HIGH-PROTEIN AND GLUTEN-FREE WAFFLE MIXES

Dakota Don's Artisan Waffles, LLC
Don Miller, Grand Forks

Grant Amount: \$12,000

Consumer demand is on the rise for more health-targeted foods and food sources. Dakota Don's Artisan Waffles strives to enter new markets with the development of gluten-free and high-protein waffle mixes. Ingredients will continue to be locally sourced when possible, and marketing efforts will include focus of North Dakota products.

NATURE-BASED TOURISM



Kids at a pumpkin patch

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 various 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.

ESTABLISHMENT OF A PUMPKIN PATCH

Pumpkin Pets and Pals, LLC
Crystal Sonsalla, Marmarth

Grant Amount: \$51,620

A pumpkin patch will be established in rural Southwest North Dakota for not only family entertainment, but to provide an insight into agriculture for children, parents, and the public. The project includes purchasing of equipment for pumpkin production and improving safety measures, as well an upgrade of a water well to support irrigation. Advertising will be done through radio stations and social media platforms.



A field of North Dakota hemp

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 agriculture 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.

TRACEABILITY OF INDIVIDUAL BEEF CATTLE

701x Inc.

Max Cossette, Fargo

Grant Amount: \$50,000

The project will focus on design and development of an RTLS (real time locating system) for feedlots to capture individual beef cattle data. Prototypes will be used to prove data traceability of individual cattle from ranch origination, during transportation, time at feedlots, and at the processing plant for carcass data. 701xTLite tags will be placed on the cattle designated for a feedlot and later to a processing plant at various ranches. Prototype RTLS and camera systems will be installed at the designated feedlots to provide data on the individual cattle. The data from the RTLS prototypes will be verified and validated

with the camera footage. The 701x software app will store and display the individual cattle data and records.

HEMP DECORTICATION PROCESS STARTUP

Dakota Hurd Co LLC

Aaron Templin, Wahpeton

Grant Amount: \$146,352

Dakota Hurd Company is working with regional experts and equipment manufacturers to create a system to efficiently and effectively decorticate, separate, clean, and sort the two major elements making up the industrial hemp plant, fiber and hurd. This process will allow farmers in the region to have the option to produce industrial hemp in their fields, as well as to fulfill regional demands

for these products. It will also give hemp grain producers in the region an outlet for a product currently being left out in the field.

PIONEERING SUSTAINABLE, AI-ASSISTED AGRICULTURE

Aigen Inc.
AnnaMaria White, Fargo

Grant Amount: \$50,000

Aigen, an agricultural tech startup, has introduced the Aigen Element - an autonomous, solar and wind energy powered, AI-driven farming solution. The system is designed to remove herbicide resistant weeds, decrease herbicide reliance, and minimize fossil fuel use. The product seeks to reduce workload and dependence on fossil fuels for farmers, but also contribute to improving crop yield and soil health, and become a major innovation in the pursuit of sustainable agriculture.

PROTOTYPE OF ARTIFICIAL PHOTOSYNTHESIS FOR CO2 REDUCTION

Carbon Convert LLC
Jim Silrum, Bismarck

Grant Amount: \$100,000

The project aims to develop technology that employs artificial photosynthesis to reduce carbon dioxide (CO₂) into two commercially viable elements - oxygen and carbon monoxide. Initiated from an idea proposed by Marlo Anderson, the project leverages a unique thin-film technology developed by NASA. Currently, the process of constructing a small-scale prototype to demonstrate the ability to harness light energy to break down CO₂ into oxygen and carbon monoxide is in process. These by-products hold potential for various industries, including healthcare, water treatment, pharmaceutical, metal fabrication, and food and

beverage sectors. By combining the produced carbon monoxide with hydrogen extracted from water, diverse combustion fuels may be generated, further enhancing the technology's commercial appeal.

MULTI-MODE UAV IMAGING SYSTEM AND AI FOR PRECISION AGRICULTURE

SafetySpect Inc.
Joe Vacek, Grand Forks

Grant Amount: \$20,000

SafetySpect, Inc. strives to revolutionize agricultural practices with innovative multimode imaging technology, integrated with edge computing. This advanced system, designed for drone implementation, offers a transformative solution for agricultural monitoring. Their vision is to commercialize this technology, making it accessible to a broad range of users including individual farmers, applicators, and agricultural cooperatives. The system's scalability ensures its adaptability for varying field sizes and types of crops. Traditional farming methods often involve preemptive use of fungicides and insecticides to combat prevalent plant diseases like rust, root rot, stem rot, or leaf blight. SafetySpect's approach, utilizing cutting-edge hyperspectral imaging technology, either permanently installed or drone-mounted, focuses on precise disease detection in crops. This method facilitates targeted treatments, presenting a more efficient alternative to conventional practices. The result may offer a significant reduction in farming input costs, aligning with our commitment to enhance agricultural productivity and sustainability.

IDENTIFYING CANADIAN THISTLE AND PALMER AMARANTH UTILIZING DRONES AND AI

Botlink, LLC
Matt Sather, Fargo

Grant Amount: \$48,000

The project will consist of multiple phases, including aerial image collection of both Canadian thistle and palmer amaranth, uses those images to train machine learning algorithms to automatically detect those species, and then deploying that software to commercial audience to use across multiple industries. This project is a culmination of various technologies (imagery drones, artificial intelligence/machine learning, spray drones) merging into a single useful tool for agriculture and weed mitigation efforts.

MANUFACTURING VETERINARY VENTILATORS IN NORTH DAKOTA

CorVent Medical, Inc.
Richard Walsh, Fargo

Grant Amount: \$84,000

CorVent Medical seeks to adapt outdated human critical care ventilators for veterinary use. The project will involve modifying ventilators for in-field use and implementing the ability for specific clinical settings for both medium and large animals. Market development, training, and education tools will be additionally developed within commercialization efforts.

ELECTRONIC ACREAGE REPORTING

Independent Data Management, LLC DBA MyAgData
Michelle Tressel, Fargo

Grant Amount: \$30,000

MyAgData aims to provide electronic acreage reporting services to growers in North Dakota and nationwide. It will be a SaaS platform for providing high-quality data reporting, empowering growers and commercial sellers to utilize their data to work for them by leveraging core agricultural technology to remove regulatory and compliance burdens and harness efficiency. Work will be completed alongside the USDA to provide a digitized way for farmers to conform to the required regulatory process.

DEVELOPMENT OF HIGH-PERFORMANCE ANODE MATERIALS FROM NORTH DAKOTA AGRICULTURAL BY-PRODUCTS

Peak Anodes LLC
David Straley, Bismarck

Grant Amount: \$100,000

Peak Anodes seeks to evaluate and validate the electrochemical behavior of composite anode materials consisting of developed polymer-derived ceramic resin and North Dakota corn or corn stover as a carbon source to demonstrate a viable alternative to battery-grade graphite. The proposed technology may offer benefits for reduced reliance on foreign sources, produce stable anode material with competitive energy capacity, offer lower energy requirements, and utilize agricultural waste, creating a circular economy.



DEVELOPMENT OF A NORTH DAKOTA ODOR FOOTPRINT TOOL

Lake Agassiz Regional Council
Mitch Calkins, North Dakota

Grant Amount: \$27,040

Lake Agassiz Regional Council will spearhead the development of an Excel-based odor footprint tool for North Dakota (NDOFT). It will follow a similar format to that of the South Dakota Odor Footprint Tool (SDOFT) and establish appropriate setback distances between animal production facilities and their neighbors to minimize unacceptable odor annoyance. The NDOFT is planned initially to be a downloadable Excel spreadsheet, and then advance to an interactive website for public access.

FUNDING SOURCES

APUC's appropriation for the 2023-2025 biennium totaled \$5,110,417 and was provided from the following sources:

- \$3,000,000 from Bank of North Dakota
- At the beginning of the biennium, an additional \$2,110,417 authorized as carry-over authority from the previous biennium.
- No funding was appropriated directly from the state general fund.

AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND

GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring

BND 
Bank of North Dakota

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ABOUT ADD

The Agriculture Diversification and Development Fund (ADD) was established through HB No. 1475 during the 67th Legislative Assembly to support new or expanding value-added-agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs and grow North Dakota's economy. The funding opportunities include grants, interest rate buydowns and loans.

The North Dakota Department of Agriculture (NDDA) houses the ADD grant committee. The committee is tasked with the review and recommendation of the grant funding portion of the ADD program.

Applicants must complete the ADD application form and submit a complete business plan, current balance sheet and income statement along with full sources and use of funds.

ELIGIBILITY

A value-added agriculture business registered with the North Dakota Secretary of State's office or a North Dakota resident that diversifies a crop or animal industry and provides collateral uses for agriculture resources. Businesses with a majority ownership comprised of North Dakota residents will have priority over majority non-North Dakota-owned applications. Companies outside North Dakota must have an established relationship with a North Dakota partner which includes an individual, company or agency to validate the credibility of the proposal and comply with the intent of the Code. The types of projects may include but are not limited to:

- Food production and processing facilities
- Feed or pet food processing facilities
- Commodity processing facilities
- Agriculture product manufacturer
- Animal production facilities

Priority consideration is given to projects most consistent with the mission of the Agriculture Diversification and Development Committee as established in North Dakota Century Code 4.1-01.1. Emphasis will be given to those proposals deemed most likely to generate economic returns and support agricultural-based prosperity of a region or sector of the state.

USE OF PROCEEDS

Proceeds may be used to:

- Purchase or lease equipment.
- To establish a value-added agriculture business.
- To expand an existing value-added agriculture business.

Proceeds may not be used to:

- Fund salaries or operating expenses normally associated with standard business practices.
- Refinance an existing loan or debt.

ADMINISTRATION

ADD COMMISSIONERS

The ADD committee consists of 11 board members. The Agriculture Commissioner appoints five members and the Governor appoints one member.

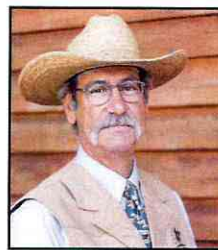
The board also includes three statutory members: the North Dakota Agriculture Commissioner, the Director of the Department of Economic Development & Finance, and the President of North Dakota State University, or their designees. The remaining two members must be representatives from Independent Community Banks of North Dakota and North Dakota Bankers Association.



RACHEL RETTERATH, CHAIR
Commissioner's Appointee



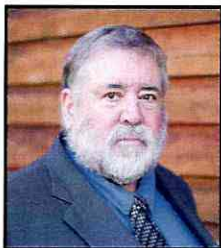
MATTHEW GLESSNER, VICE CHAIR
Commissioner's Appointee



DAN KALIL
Commissioner's Appointee



KEITH PELTIER
Commissioner's Appointee



BILL ONGSTAD
Commissioner's Appointee



WADE BOESHANS
Governor's Appointee



DENNIS WALSH
Independent Community
Banks of North Dakota



DIANNE PIERCE
North Dakota
Bankers Association



KEVIN SONSALLA
Commerce Designee



DOUG GOEHRING
Agriculture Commissioner



DAVID COOK
NDSU President

ADD STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



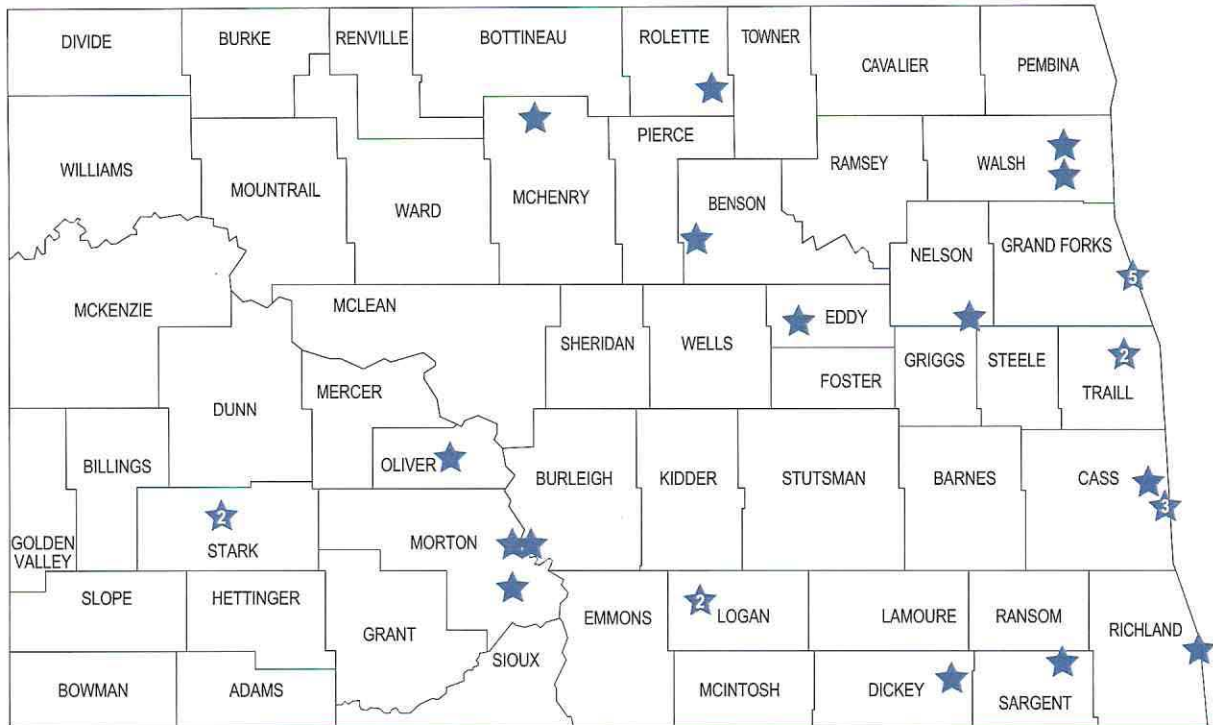
HEATHER LANG
Ag Business Development
Coordinator



TALEY DAVIS
Ag Development Specialist

PROJECT MAP

In 2023-24, ADD funded 29 projects in 20 North Dakota communities.



- Aneta - Larsgaard Wool Mill LLC
- Bismarck - Homeland Hempcrete
- Buxton - Central Valley Bean Cooperative
- Buxton - NoKota Packers, Inc.
- Center - Square Butte Farm
- Dickinson - Badlands Feeds LLC
- Dickinson - Key-Lix of ND, LLC
- Esmond - Rhino Meat Processing LLC
- Fargo - Dakota Hurd Co LLC
- Fargo - North American Bison LLC
- Fargo - Proof Artisan Distillers LLC
- Grafton - Campbell, Inc.
- Grand Forks - Associated Potato Growers, Inc.
- Grand Forks - Billie's Soap
- Grand Forks - Epitome Energy LLC
- Grand Forks - Three Farm Daughters LLC
- Grand Forks - Red River Potatoes, LLC
- Harwood - Pingree Transload LLC
- Mandan - Holle Farms Trucking LLC
- Milnor - The Dairy Dozen-Milnor, LLP
- Minto - Lone Wolf Farms
- Mylo - Lewey's Meat Shop
- Napoleon - Gross Cattle Company LLC
- Napoleon - Rock Valley Feeders LLP
- New Rockford - North American Bison LLC
- Oakes - Four Star Ag
- St. Anthony - St. Anthony Meats
- Upham - 1481 Meats Inc.
- Wahpeton - Giant Snacks Inc.



Pinto beans

VOLM PACKAGING MACHINE AND PALLETIZER

Associated Potato Growers, Inc.
Mike Torgerson, Grand Forks

Grant Amount: \$250,000

Associated Potato Growers Inc. has been a cooperative since 1948, comprising 14 growers who cultivate a variety of red and yellow potatoes. At APGI, they wash and pack potatoes for wholesale customers. As demand continues to rise, they recognize the need to add additional packing equipment to facilities. By purchasing an additional packaging machine and palletizer, they will be able to significantly increase productivity, create new jobs, and enhance profitability for growers. This investment will not only support the cooperative's growth but also strengthen their ability to meet the needs of customers in an expanding market.

FEEDMILL EXPANSION

Badlands Feeds LLC
Heather Buckman, Dickinson

Grant Amount: \$100,000

This project aims to establish a connection between already existing pelleting equipment and newly installed storage bins, allowing Pingree to maximize the use of additional space. By implementing this connection, they will be able to install new elevator legs, which will significantly increase product storage capacity. This expansion will also enable them to diversify product offerings, enhance operational capabilities and overall efficiency.

BILLIE'S SOAP GRAND FORKS EXPANSION

Billie's Soap
Billie & Dale Kellar, Grand Forks

Grant Amount: \$500,000

Billie Soap is seeking to raise \$1.4 million to support its expansion in the Grand Forks area, which will include the establishment of a larger manufacturing facility. This initiative aims to create both full-time and part-time job opportunities, contributing to local employment growth. Additionally, the expansion will facilitate the production of new products utilizing North Dakota agricultural resources and enhance our

research and development efforts to explore potential new product lines. This strategic investment not only strengthens our operational capabilities but also reinforces our commitment to supporting the local economy and sustainable practices.

CAMPBELL INC WASH PLANT RENOVATION

Campbell, Inc.
Greg Campbell, Grafton

Grant Amount: \$50,000

Campbell Inc. of Grafton, ND, is currently undergoing a renovation of its potato washing and packing facilities, which began in July 2023. This renovation includes a 30 by 80-foot addition featuring concrete flooring, electrical wiring, and insulation, along with the installation of three new chrooms. A key component of the project is the implementation of a fully automated packaging line that will automatically weigh, stack, and palletize bags or bulk containers of potatoes, preparing them for truck delivery. This additional packaging line, sourced from another facility, will be completely refurbished to fit the new layout. Furthermore, five new conveyors are being installed to streamline connections between all machinery. In July 2024, an Oculus automated potato sorter will be added to ensure that all products meet quality specifications for accounts receiving potatoes. This comprehensive upgrade aims to enhance efficiency and improve product quality at Campbell Inc.

EDIBLE BEAN WAREHOUSE MODERNIZATION AND EXPANSION

Central Valley Bean Cooperative
Daniel Fuglesten, Buxton

Grant Amount: \$250,000

Central Valley Bean Cooperative (CVBC) is

a member-driven cooperative with over 400 members, established in 1982 by edible bean growers seeking a processing facility in Eastern North Dakota. Serving growers within a 200-mile radius of Buxton, ND, CVBC plans to demolish its outdated bagging and palletizing equipment and invest in new automated systems. This upgrade will include expanding and heating the current warehouse to accommodate the new machinery. With a primary focus on pinto beans, CVBC's processing plant in Buxton is recognized as a leading facility in the industry. Supported by satellite receiving stations across North Dakota's edible bean growing regions, CVBC efficiently markets its products both locally and globally. This project will enhance operational efficiencies, creating a safer and more enjoyable work environment for employees, while providing significant value to growers and improving service for an expanding customer base.

DAKOTA HURD CO

Dakota Hurd Co LLC
Justin Berg, Fargo

Grant Amount: \$125,000

Dakota Hurd Company is an industrial hemp processing facility located in Wahpeton, ND, specializing in the harvesting of hemp hurd, the inner woody core of the hemp stalk. Renowned for its lightweight, strength, durability, and absorbent properties, hemp hurd is increasingly sought after for various applications. The primary focus of Dakota Hurd Company is to meet the specifications of the building-grade hurd market, particularly in the production of hempcrete, a sustainable construction material. Through their operations, they aim to contribute to the growing demand for eco-friendly building solutions while ensuring high-quality standards in the products.

EPITOME ENERGY LLC

Epitome Energy LLC
Dennis Egan, Grand Forks

Grant Amount: \$500,000

Epitome Energy LLC plans to construct, own, and operate a new soybean crush facility on a +/-70-acre site near Grand Forks, North Dakota. Once fully operational, the facility is expected to process up to 42 million bushels of soybeans annually into soybean oil, soybean meal, and soybean hulls. The project is projected to generate approximately \$680 million in revenue against \$645 million in expenses. This facility will provide certainty for soybean growers by opening new market opportunities and enabling investors to capture financial returns. Additionally, the operation will create 50-60 permanent jobs and indirectly support around 800 jobs in the Grand Forks area, contributing to economic growth and enhancing the value of the region's robust agribusiness sector.

ONION PACKAGING AUTOMATION

Four Star Ag
Barry Vculek, Oakes

Grant Amount: \$200,000

The project involves the addition of an automated weigher, automated bagger, and automated palletizer, along with related conveyors, to enhance the onion bagging operation at Four Star Ag. This automation will significantly speed up the bagging process and reduce labor requirements, enabling the company to meet sales goals during peak demand periods. By streamlining operations, Four Star Ag aims to increase overall sales and total revenue, positioning the company for greater efficiency and profitability in the competitive agricultural market.

GIANTS PALLETIZING PROJECT

Giant Snacks Inc
Robert Schuler, Wahpeton

Grant Amount: \$500,000

Giant Snacks aims to increase automation within their company to facilitate growth and enhance workplace safety. Repetitive motion jobs are the leading cause of occupational injuries, accounting for nearly two-thirds of workplace incidents. To address this issue, they plan to implement a robotic system that will automate the palletization of our finished products, which are packaged in boxes. Each typical pallet contains between 187 and 240 cases, and manual palletizing involves approximately 320 repetitive motions per day. By introducing this automated equipment, they will significantly reduce the physical strain on workers, thereby creating a safer work environment while improving efficiency in operations.

BEEF CONFINEMENT BARN

Gross Cattle Company LLC
Donovan Gross, Napoleon

Grant Amount: \$50,000

The project involves the construction of an advanced beef confinement barn designed to optimize cattle-raising operations for Gross Cattle Co. Key components of the facility will include a concrete floor, a wooden structure, roofing, and a roll-up curtain on the north wall, with a comprehensive cost breakdown totaling \$1.7 million. This strategic investment aims to enhance operational efficiency, reduce costs, and ensure effective climate control. Ultimately, these improvements will enable the company to compete more effectively in the wholesale meat market, positioning Gross Cattle Co. for sustained growth and success.



Sunflower seeds

LOADING OPERATION

Holle Farms Trucking LLC
Andrew Holle, Mandan

Grant Amount: \$175,000

In response to the abrupt closure of the creamery in Mandan, North Dakota, this team has developed a strategic plan to transport milk for Land O'Lakes and two additional dairies to market. Effective immediately, they will facilitate the shipment of two loads of milk daily to Pollock, South Dakota, and one load every other day to Perham, Minnesota. This arrangement will ensure that the needs of Land O'Lakes and the other dairies are met efficiently. Additionally, they will utilize non-Land O'Lakes product to top off each load, maximizing capacity and ensuring that all shipments are conducted with full loads to enhance operational efficiency.

OFFSITE BUILDING COMPANY, HOMELAND HEMPCRETE, EXPANDING OPERATIONS

Homeland Hempcrete
Matt Marino, Bismarck

Grant Amount: \$148,250

Homeland Hempcrete has developed an innovative process that merges the efficiencies of off-site construction with natural building practices. The company has designed a panelized system that uses hempcrete as the insulation for their wall assemblies, prioritizing the use of locally sourced materials. In 2023, Homeland Hempcrete will achieve a significant milestone by utilizing stalks derived from North Dakota industrial hemp for the first time. As this goal comes to fruition, the next step is to enhance manufacturing capacity to complete the North Dakota supply chain, as there are currently few state-wide or regional outlets for industrial hemp without a manufacturer like Homeland Hempcrete. The company has been actively designing custom equipment and processes to scale operations in line with the burgeoning industry, and the upcoming task is to begin constructing and implementing these solutions.

KEY-LIX OF NORTH DAKOTA, LLC FACILITY

Key-Lix of ND, LLC
Jed Archibald, Dickinson

Grant Amount: \$150,000

Key Lix of ND LLC is a livestock supplement agriculture processing manufacturer dedicated to producing the highest quality products while maintaining competitive pricing. The company is currently constructing a new manufacturing facility in Dickinson, ND, which will utilize canola meal and molasses sourced from North Dakota producers as raw materials. This facility will manufacture a range of products, including tubs, loose minerals, pastes, and custom supplements.

At launch, the facility is expected to employ 10-15 individuals, with projections to increase to over 20 employees once production reaches full capacity. Key Lix of ND LLC is registered with the North Dakota Secretary of State and is a newly established subsidiary of Utah-based Key Lix LLC, a family-owned and operated business since 1941. This expansion reflects the company's commitment to supporting local agriculture while delivering quality livestock supplements to the market.

LARSGAARD WOOL MILL

Larsgaard Wool Mill LLC
Judy Larsgaard, Aneta

Grant Amount: \$50,000

This report seeks approval for funding to support the construction of a wool mill, which will enhance local agricultural productivity by processing up to 350 pounds of wool and fleece per month. The facility will add significant value to these raw materials, fostering economic growth within the region and promoting sustainable



Bison

practices in the wool industry.

IMPLEMENTING NEW TECHNOLOGY TO OPTIMIZE QUALITY FOR BUSINESS LONGEVITY

Lone Wolf Farms
Christopher Bjorneby, Minto

Grant Amount: \$50,000

Lone Wolf Farms will engage Techmark Inc. and Samson Electric to provide equipment and technical expertise for the installation of advanced computer control and refrigeration systems. This project will encompass modern computers, wiring, sensors, frequency drives, refrigeration equipment, and software designed to enhance product quality. By leveraging a combination of fresh air and refrigeration when necessary, the systems will optimize product quality and longevity while maintaining reasonable power consumption levels, as determined by new computer software. Studies indicate that the implementation of frequency drives and automated controls can reduce energy consumption by up to 35%, resulting in significant electricity savings and a positive environmental impact. Additionally, Lone Wolf Farms will collaborate with Exeter Engineering to develop AI software capable of categorizing potato defects according to USDA standards 1 and 2. This initiative aims to minimize food waste, further reducing our environmental footprint and promoting sustainability.

NOKOTA PACKERS

NoKota Packers, Inc.
Carissa Olsen, Buxton

Grant Amount: \$250,000

For 44 years, Nokota Packers has been a premier potato wash plant in the Red River

Valley, shipping red and yellow potatoes from September to May, sourced from farming operations within a 100-mile radius of Buxton, ND. Thanks to its state-of-the-art storage facility, the company can supply the fresh potato market throughout this extended season. Nokota provides essential services, including storage, washing, packing, and shipping for its contracted growers, delivering potatoes to customers nationwide. This automation project is a critical step toward ensuring the sustainability of Nokota Packers in the fresh potato industry. The initiative will enhance efficiency by increasing washing capacity, improving the quality of the finished product, and addressing vacant positions that are often abandoned due to the repetitive and physically demanding nature of the work. Importantly, the existing workforce will be able to focus on other responsibilities, as the automation will not result in job losses. Upgrading outdated technology and equipment while adding automation to our packaging lines will enable Nokota Packers to expand its capacity, improve efficiencies, and create greater opportunities for growth and profitability.

NORTH AMERICAN BISON, LLC - ANIMAL WELFARE AND PRODUCTION FACILITY

North American Bison LLC
Jim Wells, Fargo

Grant Amount: \$500,000

The project involves the completion of an upgraded Animal Welfare facility designed to enhance the safety of animal handling during offloading and management. This development coincides with the enhancement of employee work transition areas, aimed at expanding existing SQF (Safety and Quality Processes). Key components of the project include the design and construction of a new entry barn facility and an improved animal handling area, featuring upgraded unloading docks for both semi-trucks

and stock trailers. Additionally, the project will enhance employee parking and transition areas, promoting proactive measures to address any concerns related to quality and safety for the workforce and the products produced.

PINGREE TRANSLOAD

Pingree Transload LLC
Carl & Julie Peterson, Harwood

Grant Amount: \$175,000

Currently, there is no rail facility available for shipping niche grain products in the prime growing areas of North Dakota. Pingree Transload believes that the lack of cost-effective shipping options is causing buyers to overlook local producers. Their goal is to capture new Identity-Preserved (IP) business, which could provide significant benefits to regional farmers, potentially generating nearly \$1 million in contract premiums within the first year. Pingree Transload, LLC is an identity-preserved grain handling and transportation facility located in central North Dakota, with direct access to the RR/VW railroad in Stutsman County. They aim to facilitate the successful management of IP projects between developers and end purchasers by offering a range of logistics services tailored to meet customer needs. These services include variety testing, seed increases, grower contracting and in-season crop management, product cleaning, product storage, and transportation.

DISTILLED SPIRITS, RTD CANNING LINE AND EQUIPMENT FOR WHISKEY AND CORN VODKA PROCESSING

Proof Artisan Distillers LLC
Joel Kath, Fargo

Grant Amount: \$100,000

Proof Artisan Distillers grant funds will be

utilized to procure equipment for an aluminum canning line for ready-to-drink cocktails, allowing them to transition existing products such as Fargo Whiteout, White Russians, and Red River Mudslides, as well as new seltzer offerings, from plastic bottles to more readily recyclable aluminum cans. Additionally, they will invest in whiskey production and chill filtering equipment, which will increase whiskey production capacity and enhance the quality of their already award-winning whiskeys. This expansion will also support contract bottling for out-of-state brands and provide additional capacity for corn vodka contract distilling and bottling. Proof Artisan Distillery is committed to producing nationally acclaimed spirits crafted from locally grown agricultural products, including corn, potatoes, and barley.

RED RIVER POTATOES PRODUCTION EXPANSION

Red River Potatoes, LLC
Jack Wiegand, Grand Forks

Grant Amount: \$200,000

Red River Potatoes, a prominent potato waste dehydration plant, is pleased to announce a significant expansion of its operations. Established in 2021, the facility has effectively transformed potato by-products into valuable ingredients for livestock and pet food. This expansion project, funded through a combination of financial institutions and private investments, aims to triple the plant's current capacity.

ADDITION/STATE INSPECTION

Rhino Meat Processing LLC
Ryno Conradie, Esmond

Grant Amount: \$100,000

This project aims to enhance facilities by adding

space for value-added processing, establishing an office for North Dakota Meat Inspection, and creating a retail area for local sales. Additionally, they will upgrade existing refrigeration systems to include a drip cooler and box cooler, which will enable an increase in slaughter volumes and expand the customer base. The project will incorporate several key pieces of value-added equipment, including a smokehouse and various processing tools. They anticipate that this expansion will result in a 50% increase in production volume and support the hiring of 1-2 additional full-time and part-time employees.

BISON FEEDING OPERATION

Rock Valley Feeders LLP
Cole Johnson, Napoleon

Grant Amount: \$500,000

The project aims to construct facilities that will enhance the management and finishing of bison in North Dakota, focusing on meat sales, consumption, and the promotion of bison as a viable product. This initiative is designed to improve the overall efficiency and effectiveness of bison production, ultimately contributing to the growth of the bison industry in the region.

SQUARE BUTTE FARM BEEF

Square Butte Farm
Joshua Albers, Center

Grant Amount: \$110,000

The project aims to annually grow and finish 980 cattle sourced from their own herd or purchased within North Dakota. The facilities will be designed for functionality across all seasons while prioritizing the well-being of the cattle and the surrounding environment, featuring a contained waste bed pack design. Cattle will be fed for ten months and harvested upon

reaching finish. To promote sustainability, most feed products will be grown on-site, with the remainder sourced locally from North Dakota. Waste management will adhere to an NRCS manure application plan to ensure responsible handling of materials. Additionally, by utilizing North Dakota contractors for construction and operations, this initiative will bolster the local economy and create opportunities for the next generation of family to enter the business.

ROBOTIC MILKING BARN

The Dairy Dozen-Milnor, LLP
Richard Millner, Milnor

Grant Amount: \$150,000

Five Star Dairy is investing \$300,000 to add a new robotic milking barn to its operations. Recently, the dairy converted its milking parlor to robotic milking, driven by numerous advantages. This transition aims to enhance milk production, improve cow comfort, and promote herd health, while also reducing labor hours and employee turnover. Additionally, it creates higher-skilled labor positions, increases operational efficiency, lowers overhead costs, and decreases feed expenses. The project is expected to improve milk production and quality, ultimately boosting profitability. This expansion also lays the groundwork for advancing robotic dairies in North Dakota.

THREE FARM DAUGHTERS

Three Farm Daughters LLC
Mollie Ficocello, Grand Forks

Grant Amount: \$51,581

The project involves the construction of a new co-packing plant and warehouse facility in Grand Forks, ND. This facility will be food-grade compliant and will focus on co-packing bulk



Robotic dairy

pasta, with the potential to expand into additional product lines. It will provide ample warehouse space to support the growing business of Three Farm Daughters, while also offering services to other companies seeking food-grade co-packing and warehousing solutions in the region. This new facility aims to enhance local food production capabilities and create additional opportunities for collaboration within the food industry.

1481 MEATS ADDITIONAL EQUIPMENT

1481 Meats Inc.
Tyler & Kelani Welstad, Upham

Grant Amount: \$70,881

1481 Meats is planning to purchase several key pieces of equipment for use in a custom and state inspected slaughter facility. The acquisition of a burger former will enable the production of high-quality ground meat products. Additionally, a tumbler will be purchased to enhance product quality by improving tenderness, flavor, and appearance. The purchase of an elevating offal



Meat processing

cart is requested to eviscerate animals under inspection, a tool preferred by North Dakota state inspectors to ensure compliance with regulatory standards.

LEWEY'S MEAT SHOP

Lewey's Meat Shop
Steve Lewis, Mylo

Grant Amount: \$133,209

Lewey's Meat Shop is an exciting new start-up located in Mylo, ND, specializing in locally raised, high-quality beef and pork. The full-service shop, owned and operated by Steve and Patsy Lewis, is set to open early 2025. With over 40 years of industry experience, Steve brings a wealth of knowledge to ensure the shop's success and its distinction from local competitors. Lewey's Meat Shop will source meats from ND farmers, support the local economy, and create employment opportunities.

ST. ANTHONY MEATS CUSTOM PROCESSING

St. Anthony Meats
Steve Gotta, St. Anthony

Grant Amount: \$250,000

St. Anthony Meats plans to purchase 2 acres of land on Highway 6 in St. Anthony, ND, to establish a slaughter and processing facility that will serve local livestock producers. The facility is designed to have the capacity to slaughter, age, and process up to 15 beef per week, offering custom slaughter and processing services to ND producers. The commercial facility will feature state-of-the-art equipment and ample space to meet the requirements for becoming a federally inspected facility in the future. This project aims to support livestock producers and enhance the availability of high-quality products for local customers.

NORTH AMERICAN BISON - OUT-BARN PROCESSING AND HANDLING

North American Bison LLC
Jim Wells, New Rockford

Grant Amount: \$200,000

NAB, LLC is exploring new uses for various components of the bison carcass, including hides and other offal, which were previously unused. These materials will be processed into proteins and supplements for human consumption by third-party companies producing finished products. To support this new production category, NAB plans to establish a production space, separate from the current facility for the proper preparation, packaging, storage, and shipping of these raw materials. The project involves constructing a pre-fabricated steel barn unit that will be insulated, creating a safe, clear climate-controlled environment for handling and processing bison hides.

FUNDING

ADD's appropriation for the 2023-2025 biennium totaled \$7,500,000.

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

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Bismarck, ND 58505-0020

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BANK OF NORTH DAKOTA

1200 Memorial Hwy.

Bismarck, ND 58504

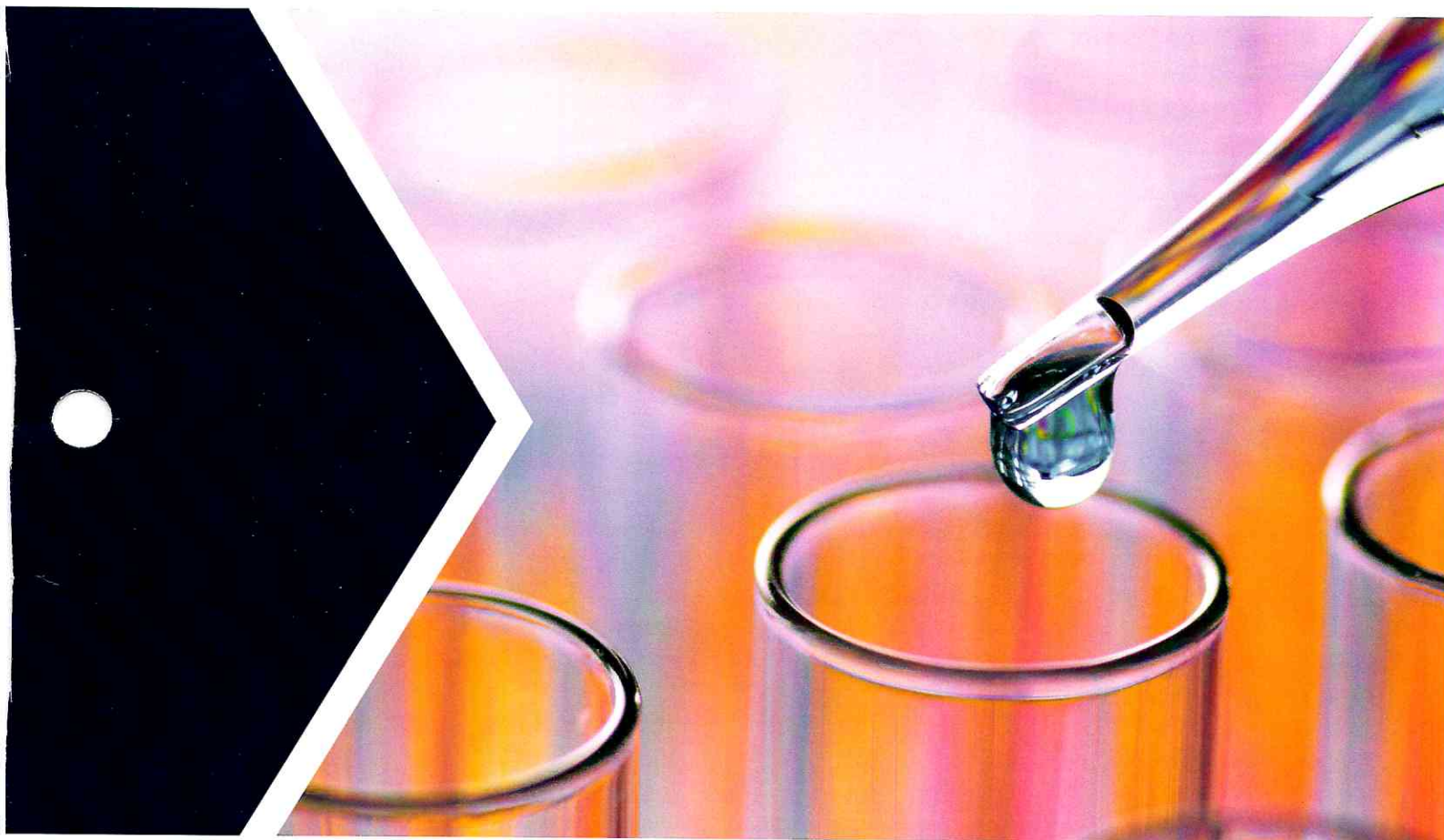
701-328-5600

800-472-2166



BIOSCIENCE INNOVATION GRANT (BIG) PROGRAM


GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring

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ADMINISTRATION

The purpose of the BIG program is to foster the growth of the bioscience industry in the state. Grants focus on one or more of the following areas:

- Supporting biotechnology innovation and commercialization in areas including:
 - Crop genetics
 - Biofuels;
 - Biomaterials;
 - Biosensors and biotechnology in relation to food, nutrition, animals, humans, equipment, medical and health products and services;
 - Medical diagnostics;
 - Medical therapeutics; and
 - Farm-based pharmaceuticals;
- Promoting the creation of bioscience jobs in the state to be filled by graduates from institutions under the control of the state board of higher education;
- Encouraging the development of new bioscience technologies and bioscience startup companies in the state;
- Leveraging the agriculture industry in the state to support the development of bioscience technologies impacting livestock operations and crop production;
- Promoting bioscience research and development at institutions under the control of the state board of higher education;
- Encouraging coordination and collaboration among other entities and programs in the state to promote bioscience innovation goals.

BIOSCIENCE INNOVATION GRANT PROGRAM STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



HEATHER LANG
Ag Business Development
Coordinator



TALEY DAVIS
Ag Development Specialist

2023-24 PROJECTS



North Dakota bees and honey

EXPANSION OF ETHICAL GENETIC MEDICINES

Agathos Biologics, LLC
James Brown, Fargo

Grant Amount: \$300,000

The project aims to develop products and services for expanded access to genetic medicines to help patients with unmet medical needs. A pre-clinical gene therapy treatment is set to enter clinical trials with additional research to be completed on other cells for identification of potentially useful candidates. Successful trials will allow Agathos Biologics to commercialize, expand the biotechnology industry and have a positive impact on patients, providers, and pharmaceutical developers.

DEVELOPMENT OF MEDICAL GRADE HONEY PRODUCTS

Biomed Protection North Dakota, LLC
Michelle Berg, West Fargo

Grant Amount: \$100,000

Research will be conducted to investigate the

therapeutic potential of antioxidant-rich honey from North Dakota for medical use in improving health and well-being. Commercialization efforts will include marketing honey-based nutritional supplements and specialty honey products.

ADVANCEMENT OF SIGNATURE: AI POWERED BIOMETRICS SYSTEM FOR NEURONAL HEALTH DIAGNOSIS

BraLN, Inc. DBA BrainTX
Robert Konopacz, Bismarck

Grant Amount: \$310,000

Artificial Intelligence Powered Theronostic Technology is a significant innovation in medicine. The project will design proprietary platforms to provide novel drug discovery, rapid development of genetically engineered neurons, and precise biometric endpoints to accelerate clinical approvals. With Artificial Intelligence Deep Learning Powered Technology, BrainTX's Theranostics could provide life-changing or life-saving benefits for patients with severe disease. Future therapies represent a shift in approach to treating brain disorders with less

focus on rectifying “chemical imbalances” and more emphasis on selective modulation of neural circuits.

AT-HOME STREP TEST ANALYSIS

Checkable Medical Incorporated
Patty Post, West Fargo

Grant Amount: \$232,300

An analysis of the Checkable at-home strep test and its mobile application will be completed with serial testing in an attempt to pinpoint the optimal time to perform an at-home rapid strep test when symptoms occur. Application features such as routine implementation, reminders, and telehealth follow-ups will be reviewed. Information gathered will allow improvement of the technology and further education for consumers as pertaining to at-home testings and the ability for access to healthcare services from the comfort of home.



A sample at-home strep test

RESPOND II VENTILATOR COMMERCIALIZATION

CorVent Medical, Inc
Travis Murphy, Fargo

Grant Amount: \$50,000

The RESPOND II Ventilator is anticipated to be a revolutionary ICU quality ventilator that offers greater reliability, no maintenance, and lower cost. Design and software configuration have been completed and work will move to a necessary verification and validation process for FDA 510(k) clearance. CorVent Medical will be moving operations from California to Fargo, North Dakota.

BUILDING AN END-TO-END TRANSPORTATION SOLUTION

Cotasys Inc.
Jeremy Vrchota, Fargo

Grant Amount: \$123,000

The bioscience and biotechnology industries are subject to challenges when transportation of goods is delayed. The project aims to reduce those challenges by bringing customs, warehouses, and real-time tracking all into one user interface for ground, air, and water transportation. Users will be able to view end-to-end transit times and all associated costs from shipping, port usage, customs, and warehousing.

ELEVATING THE FAMGENIX DIGITAL PLATFORM

FamHis, Inc. DBA FamGenix
Michael Brammer, Delray Beach, FL

Grant Amount: \$240,000

The FamGenix digital platform strives for a preventative approach to medicine, commonly

referred to as Precision Medicine, through storing networks of family health history. Population screening will be utilized to identify individuals with high risk of hereditary health complications. Integration with genetic testing companies will be sought to store genetic data on patients within the platform.

ACCELERATING SINGLE CELL DISCOVERY AND ANTIBODY ENGINEERING

Genovac Antibody Discovery LLC
Brian Walters, Fargo

Grant Amount: \$642,667

In collaboration with The Massachusetts Institute of Technology, North Dakota State University, PhenomeX, and Enpicom, aims to develop machine learning (ML) tools for antibody engineering. The project focuses on engineering antibodies and nanobodies with improved properties for research, diagnostics, and potential therapeutics. By leveraging ML techniques, Genovac aims to design antibodies that are cost-effective, stable, and exhibit enhanced biological functionality compared to parental antibodies.

HIGH QUALITY SYNTHETIC TARGETED VECTORS

Lilium Therapeutics Inc.
Yonatan Lipsitz, Fargo

Grant Amount: \$200,000

Lilium Therapeutics is building synthetic targeted (STAR) vectors for specific, safer, higher capacity, and efficient delivery vehicles to make gene therapies. The STAR vectors are planned to bring genetic medicines to the masses by unlocking new diseases and new patient populations for these curative therapies. Development will target cancer and cardiac diseases.

INTEGRATED BATTLEFIELD ANALGESIA TOOLKIT (I-BAT)

Lincoln Therapeutics, LLC
Michael Burke, Fargo

Grant Amount: \$136,000

Currently, opioids are the standard treatment for battlefield injury pain management. They can cause death due to respiratory depression or result in addiction of wounded military personnel. The goal is to develop intranasal ketamine as a safer, fast acting, non-addicting far forward battlefield pharmaceutical. Three registration quality intranasal multi-dose ketamine product batches will be manufactured and packaged. Product produced will be utilized by Department of Defense clinical researchers conducting a PK/BA study at the Uniformed Services University in Bethesda. The study is necessary in obtaining FDA approval. Final release of the products will be at the Fargo GMP pharmaceutical packaging and finishing facility.

VARIETY IDENTIFICATION SYSTEM OF DURUM: THE DURUMFILER

National Agricultural Genotyping Center, Inc. (NAGC)
Megan O'Neil, Fargo

Grant Amount: \$109,065

Variety identification for many crops relies on professional inspections of visual traits defined for each variety. However, varieties are increasingly complex with traits that may not be obvious while looking at the crop in the field or kernel characteristics. For wheat, further discrimination of specific crops into market classes, such as durum, requires genetic-based biotechnology with fine-scale resolution. The National Agricultural Genotyping Center will increase its testing capacity and create an innovated variety identification system,

DurumFiler, to assist the U.S. durum industry in monitoring the varietal purity of seed within the market.

A NOVEL SOLUTION FOR TINNITUS

Peacenquiet, Inc.
Kurtis Goos, Minnetonka, MN

Grant Amount: \$250,000

Pnq Health was created to fill a market gap in the treatment of tinnitus. It strives to provide patients access to effective treatment support that is easily accessible and safe with a clinical care model driven by an intelligent treatment mobile application. An individualized acoustic solution involving pattern recording will automatically determine the optimal treatment for each patient.



Durum

DUETTE™ DUAL BALLOON INDWELLING CATHETER

Poiesis Medical LLC
Charlene Johnson, Jupiter

Grant Amount: \$480,000

Poiesis Medical will establish operational facilities in North Dakota to support the "Made in the USA" movement. This project will utilize allocated funds to relocate operations and manufacture procedural trays locally, which will create employment opportunities and stimulate population growth, all while ensuring a U.S.-controlled supply chain for critical medical innovations. Poiesis aims to provide advanced technology to U.S. veterans and governments contracted facilities, while fostering collaboration with already existing North Dakota biotech companies to enhance the state's biosciences ecosystem.

PRESSURE INJURY PREVENTION ASSESSMENT: PILOT STUDY

SafetySpect Inc.
Kenneth E. Barton, Grand Forks

Grant Amount: \$70,000

SafetySpects innovative project, the Pressure Injury Prevention Assessment (PIPA), is an advanced medical device that employs multimodal spectroscopy and artificial intelligence for non invasive early detection of pressure injuries across all skin tones. Key objectives include developing user interface software, securing IRB approval, collecting and analyzing data from high-risk subjects, and creating a risk scoring system for timely interventions. By standardizing skin assessments and increasing monitoring frequency, PIPA aims to improve patient outcomes and quality of life, while also paving the way for successful commercialization of the technology.

PINGOO - AI-POWERED PATIENT EDUCATION COACH

Silverberry Group, LLC
Shayan Mashatian, Grand Forks

Grant Amount: \$25,000

Pingoo is an AI-driven health coaching platform that provides users with personalized health evaluations and advice aimed at enhancing health outcomes and preventing complications. Utilizing machine learning and advanced technology, including ChatGPT engine, Pingoo delivers an exceptional experience for patients undergoing surgery or managing chronic diseases. The platform has garnered positive feedback and successfully signed its first enterprise client. Silverberry is looking to further develop the product, expand market research while growing its team through sales professionals, business developers, and customer support services.

BIOFUEL AND BIOMATERIAL PRODUCTION FROM NORTH DAKOTA BIOMASS USING THE SANDWICH GASIFIER

Singularity Energy Technologies, LLC
Dr. Nikhil Patel, Grand Forks

Grant Amount: \$150,000

SET's project leverages patented sandwich gasifier technology to revolutionize agricultural and municipal waste management and renewable energy production. This technology converts waste into clean syngas for biofuel and biomaterial synthesis, offering a sustainable alternative to fossil fuels with high efficiency and near-complete carbon conversion. The goal is to optimize feedstock and equipment, enhance the existing gasification system, and assess scaling up to a 25 TPD capacity. A marketing plan will identify potential markets and partnerships, supporting a circular economy in North Dakota's

agricultural and biotech industries while fostering job creation and environmental solutions.

MIST - U.S. DESIGNED AND MANUFACTURED MEDICAL GRADE NEBULIZER

TailWind MedTech Inc.
Richard Walsh, Fargo

Grant Amount: \$170,000

TailWind MedTech aims to address the reliance on foreign manufacturing by designing and producing a cost-effective high-quality vibrating mesh nebulizer in the United States. Objectives will be to support the nebulizer's design, testing, mold development for manufacturing, and marketing efforts.

THERATEC NEXT GENERATION PLATFORM

TheraTec, Inc.
Tony Hyk, Horace

Grant Amount: \$100,000

TheraTec's next generation platform project aims



A mesh nebulizer

to enhance remote care for physical therapists, particularly in rural and underserved areas, while relocating the production of its sensor from China to North Dakota. The new platform will enable rapid feature updates and incorporate advanced security measures to protect patient data. The engineering team and external software partners will be supported in developing software, as well as the design and production set-up for the new wearable sensor and assisting marketing efforts to educate and gather feedback from existing and potential customers.

THERMASOLUTIONS STERILIZATION

ThermaSolutions Sterilization, LLC
Steven Davis, White Bear Lake, MN

Grant Amount: \$700,000

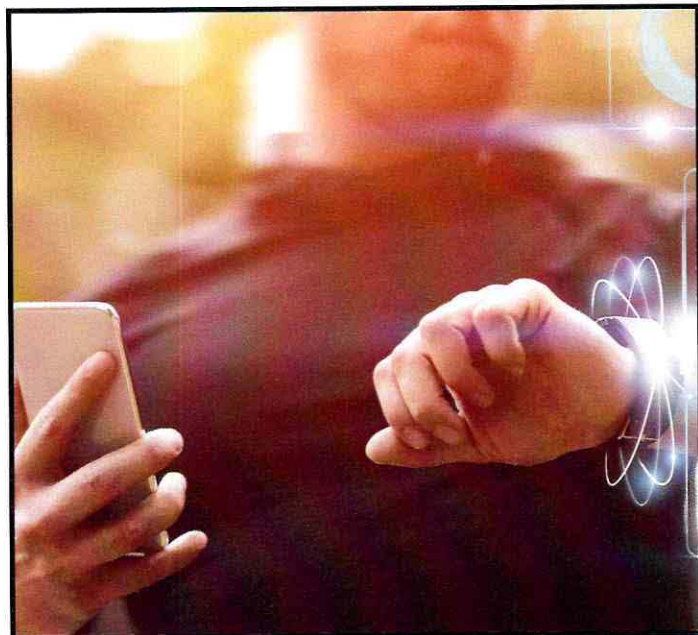
ThermaSolutions aims to establish the world's most environmentally friendly medical device sterilization plant. The project aims to utilize sterilization equipment, sterilization chambers, and catalytic abators, ensuring sustainable practices in the sterilization process.

THINAIR EXPANDS PRODUCT PORTFOLIO

Thin Air Surfaces, LLC
Jim Albrecht, Wahpeton

Grant Amount: \$300,000

ThinAir, a medical device start-up based in North Dakota, is expanding its product portfolio to include portable stretcher/gurney utilizing patented small cell pressure redistribution technology. This innovation aims to address the 12-20% prevalence of pressure injuries in emergency departments, where 40% of admitted patients initially receive care, averaging 6.5 to 15.4 hours. ThinAir plans to be positioned as a leading supplier of support surfaces, enhancing national recognition through collaboration with



A wearable health sensor and app

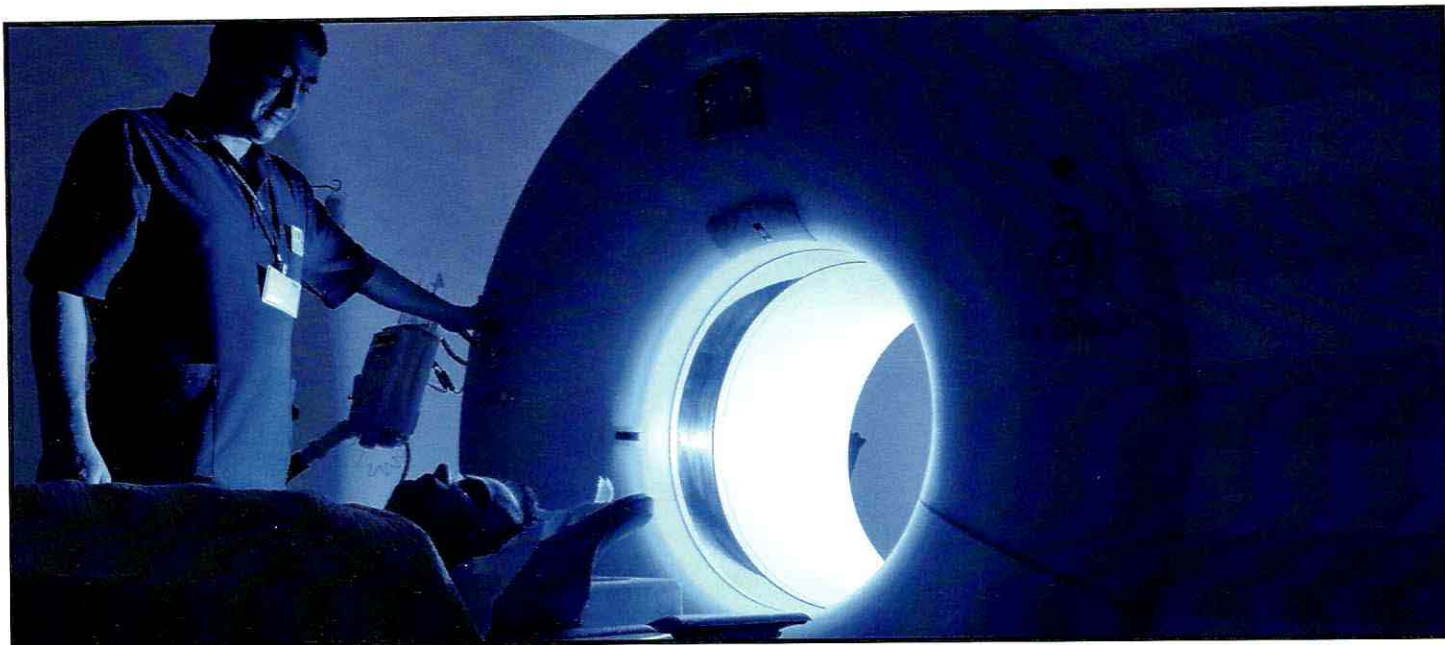
key stakeholders. The project is supported by the National Science Foundation and UND's nursing and biomedical engineering programs, will establish evidence-based practices for widespread adoption, significantly improving patient outcomes and creating high-quality job opportunities for graduates in North Dakota.

RAPID MULTIPLEX POINT-OF-CARE PATHOGEN TESTING TO SUPPORT FAR FORWARD MILITARY NEEDS

Thrixen LLC
Ben Boedeker, Fargo

Grant Amount: \$180,000

Thrixen aims to achieve several key goals including onshore novel thrice biotechnology from Singapore to Fargo, enhancing U.S. - based research, development, and production. Developing compact, lightweight point of care infectious disease testing capabilities for forward deployed combat teams, will enable advanced care during prolonged evacuation times typical in peer-to-peer conflicts. By utilizing Thrice platform



MRI machine

technology to address testing gaps in military medicine, ensuring 100% transference to civilian healthcare applications. Establishing innovative educational systems that bring together Department of Defense, industrial and academic scientists will assist in training students in real world problem solving integrating them into the company's leadership upon graduation.

TWL PHARMAPAC GMP PHARMACEUTICAL BLISTER PACKAGING OPERATIONS START-UP AND QUALIFICATION

TWL Pharma Pac, LLC
Michael Burke, Fargo

Grant Amount: \$110,000

The primary objective of this project is to ensure that the Fargo pharmaceutical packaging facility meets the standards for final packaging and product release in accordance with Good Manufacturing Practices (GMP). This will involve conducting both an internal quality review and a third-party evaluation by a major Contract Development and Manufacturing Organization (CDMO), Catalent. The registration batch of

pharmaceutical products will be packaged in unit-dose intranasal delivery devices and will undergo GMP blister packaging at the new Fargo facility. This operation will validate the site and the established GMP Standard Operating Procedures (SOPs), enabling TWL Pharma Pac to offer pharmaceutical packaging services to third-party pharmaceutical companies and CDMOs. This initiative represents a significant step in establishing North Dakota's first GMP pharmaceutical product packaging operation.

WHEELWISE AND WALKWISE FOR CANES VALIDATION, INTEGRATION, AND COMMERCIALIZATION

WalkWise, Inc.
Peter Chamberlain, Fargo

Grant Amount: \$175,000

The grants will be utilized to commercialize this patented technology, enabling healthcare providers nationwide to enhance senior health and safety while reducing overall care costs. The new devices will undergo comprehensive testing, and the resulting data will be fully

integrated into the existing WalkWise system. To educate the market about this groundbreaking device for senior care, WalkWise will engage in various outreach efforts, including participation in numerous conferences and content marketing initiatives. Additionally, they will provide robust support for healthcare professionals using this new technology, offering customer support materials, training resources, how-to videos, and other content focused on best practices with the new system.

REAL-TIME MRI-GUIDED CARDIAC ABLATIONS

Imricor Medical Systems, Inc.
Steve Wedan, Burnsville, MN

Grant Amount: \$1,158,000

The project titled "Real-time MRI-guided Cardiac Ablations" represents the final steps in commercializing a groundbreaking technology for cardiac ablation procedures in the United States. Cardiac ablation is a minimally invasive procedure in which a catheter is guided into the heart to deliver energy that modifies heart tissues responsible for irregular heartbeats, thereby restoring normal rhythm. Common conditions treated with ablation include atrial fibrillation, atrial flutter, and ventricular tachycardia. Traditional ablation procedures rely on x-ray guidance, which provides limited visibility of the heart. Imricor's patented technology enables cardiac ablations to be performed under real-time MRI guidance, offering a clear view of the heart. This innovative approach aims to achieve higher first-time success rates, reduce procedure times, and lower treatment costs per patient, all while eliminating radiation exposure for patients, physicians, and medical staff. Having been under development for 16 years, Imricor's technology is already approved and commercially available in Europe. This project will facilitate a pivotal clinical trial, with the intention of submitting the results and necessary design and testing data to obtain

FDA approval for the technology in the U.S.

EXPLORATION INTO PHARMACEUTICAL APPLICATIONS FOR BILLIE'S SOAP FORMULATIONS

Billie's Soap & Spa Products, Inc. DBA Billie's Soap
Billie Kellar, Grand Forks

Grant Amount: \$260,000

Billie's Soap is a certified primary sector manufacturing and sales company that specializes in value-added, agriculturally derived skincare products. Founded in 2007, the company has primarily focused on developing formulas in the cosmetic skincare sector. The success of three of these formulations has paved the way for Billie's Soap to expand into the pharmaceutical skincare product space, as any product making claims in the U.S. must be registered as a drug and undergo proven clinical testing. This project aims to explore initial pharmaceutical applications for the three current formulations, advancing them toward Investigational New Drug (IND) application pathways. Additionally, the project will establish an FDA-qualified pharmaceutical research and production facility that will be accessible to all North Dakota companies in need of these services.

PROJECT SPIRITWOOD

Chapul Farms ND One LLC
Todd Severson, McMinnville, OR

Grant Amount: \$90,000

Chapul, LLC (Chapul Farms) is in the process of developing an insect bioconversion facility designed to transform agricultural byproducts into high-value animal feed (insect larvae) and soil health products (insect frass), exemplifying

a model of future circular food systems. The industrial-scale insect agriculture facility will be situated near Jamestown, ND, within the Spiritwood Energy Park (Project Spiritwood). This location is strategically co-located with its primary feedstock, spent wet distillers grains from Dakota Spirit Ag Energy, a corn bioethanol facility owned by HarvestOne. Currently, the project is in the final Front End Loading Phase 3 (FEL3), with development efforts supported by the North Dakota Department of Agriculture, the North Dakota Department of Economic Development, Nexus PMG, and Chapul.

FRONTIER BIOFORGE BESPOKE GENETIC ENGINEERING PLATFORM

Frontier Bioforge LLC
Wyatt Warkenthien, Horace

Grant Amount: \$180,000

Frontier Bioforge's project seeks to reduce the barriers to genetically modifying non-model organisms. They aim to establish a genetic screening and engineering service line that enables researchers to send non-model microbes



Electrolyte powder

for genetic engineering. Traditionally, this process involves hiring a research assistant and spending a year developing methods in the lab; however, this service can return an engineered microbe within approximately one month. This initiative will empower researchers across the U.S. and around the world to efficiently and effectively make edits to organisms that are typically difficult to modify, thereby accelerating advancements in their respective fields.

CLINICAL STUDY AND KRAMPADÉ ORIGINAL ZERO, AND KRAMPADÉ 2.0 ZERO

Krampade, LLC
Eric Murphy, Grand Forks

Grant Amount: \$25,000

This project marks the initiation of the first clinical study aimed at documenting the effectiveness of Krampade 2K in alleviating menstrual cramps. Utilizing a double-blinded, crossover study design, they intend to provide the gold standard of clinical evidence that Krampade can mitigate menstrual pain by assessing its effectiveness across the pain spectrum. The second component of this project involves expanding zero-sugar selections within the Krampade Original and Krampade 2.0 product families. These products are among the top sellers, and customer feedback indicates a strong demand for additional flavors. The introduction of new flavors, such as orange and fruit punch, will enhance our product offerings and help us attract new customers. Their products are widely used by individuals following a keto diet and serve as a key source of potassium, helping to prevent what is commonly referred to as "keto flu." The marketing efforts will be implemented on a nationwide scale, with a strong international presence primarily through our Amazon store.

ACCURATE CONTINUOUS AMBULATORY BLOOD PRESSURE MEASUREMENT

Krisara Engineering LLC
Dave Jorgenson, Fargo

Grant Amount: \$110,000

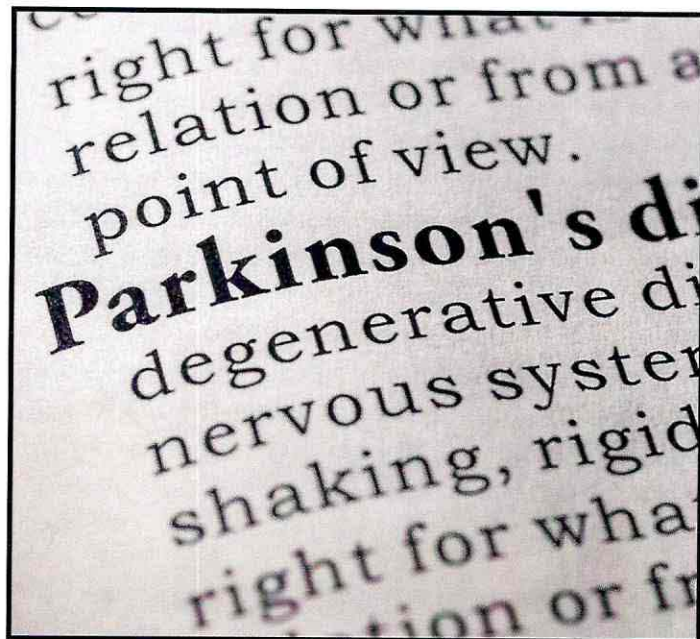
It is widely recognized that blood pressure is a critical indicator of cardiovascular health and disease. However, relying solely on traditional blood pressure measurements during clinical visits, or even on home monitoring, is insufficient due to the infrequent measurements and discomfort associated with cuff inflation. What is needed is a system that enables continuous blood pressure measurement during movement. The primary challenge in achieving ambulatory continuous blood pressure monitoring is the discomfort and noise generated by cuff inflation. Currently, there is no clinically relevant solution available for comfortable ambulatory continuous blood pressure measurement. While this is a complex problem to solve, the market potential is significant, with an estimated value of \$4.7 billion in 2023 and continuing to grow.

MINDMEND BIOTECH LLC

MindMend BioTech LLC
Mercedes Terry, Hobbs, NM

Grant Amount: \$60,000

MindMend Biotech LLC is dedicated to developing innovative technology for the treatment of Parkinson's disease, aiming to address current gaps and limitations in PD management and therapy by seeking to slow the progression of the disease. This project will involve rigorous research, prototyping, and testing to ensure the technology's efficacy and safety. They plan to secure intellectual property protection and share research findings while maintaining transparent communication with stakeholders. MindMend Biotech LLC intends



to commercialize this technology through collaborations with healthcare professionals and institutions, following regulatory approval. Through these efforts, they aim to enhance Parkinson's disease treatment and improve the quality of life for the millions of individuals affected by this condition. In pursuit of this mission, MindMend Biotech plans to collaborate with the University of North Dakota's Biomedical Engineering Innovations-Based Learning program, offering employment opportunities to UND BME students and providing them with real-world experience in biomedical engineering.

TERSA SAVA

Modern Hygiene, Inc. DBA Tersa
Ray Kelly, Fargo

Grant Amount: \$17,000

The project is focused on the development and commercialization of a cutting-edge therapeutic solution aimed at enhancing sports recovery, mental health, and trauma therapy outcomes. Utilizing advanced technology, the therapy pod is designed to provide non-invasive and culturally

sensitive therapeutic interventions for a diverse range of users. Proposed commercialization efforts include partnering with academic institutions, Indigenous communities, and high-profile stakeholders to conduct research, refine the product, and effectively market it to target audiences. Through comprehensive marketing strategies, strategic partnerships, and a commitment to quality and efficacy, the project seeks to achieve widespread adoption and impact, ultimately improving the well-being of individuals across various demographics and communities.

NEXT GENERATION OPTICAL NAVIGATION FOR SPINAL SURGERY

PathKeeper, Inc. DBA Pathkeeper Surgical
Erez Lampert, Norwich, CT

Grant Amount: \$600,000

The Pathkeeper System is a proprietary 3D optical navigation system that leverages AI algorithms and optical imaging to provide real-time, high-resolution imaging. This technology assists spine surgeons in navigating complex anatomical structures with enhanced precision during the placement of spinal devices. The combination of precise navigation, efficient workflow, and radiation-free imaging contributes to superior surgical outcomes. The Pathkeeper project proposed for this grant aims to create a high-quality toolkit to complement the navigation system. The steps to achieve this goal include ideation, safety and efficacy testing, accuracy assessments, acquisition of FDA clearance for the new kits, and a full market release of these enhanced tools.



Model of a spine

CORVENT RESPOND II VENTILATOR COMMERCIALIZATION AND NEXT GENERATION PRODUCT FEASIBILITY

CorVent Medical, Inc.
Travis Murphy, Fargo

Grant Amount: \$750,000

The project is focused on obtaining FDA 510k clearance for the RESPOND II Ventilator, with submission targeted for late 2023. Corvent has completed design and software configuration and will begin verification and validation in mid-June. The company is also negotiating a move to a new headquarters in Fargo, transferring manufacturing and warehousing from California, with plans to be operational by early fall. Manufacturing will comply with FDA Good Manufacturing Practices and the company's Quality Management System.



NAGC equipment

UPGRADING THE GENOTYPING TECHNOLOGY AT THE NATIONAL AGRICULTURAL GENOTYPING CENTER (NAGC)

National Agricultural Genotyping Center, Inc.
Megan O'Neil, Fargo

Grant Amount: \$135,000

NAGC aims to address the growing demand for large-scale genotyping projects in agriculture by acquiring new high-throughput genotyping instrumentation. The upgrade will enhance capacity, reduce turnaround times, and expand service offerings, meeting the needs of clients across North Dakota and the U.S. The proposed commercialization efforts include partnering with agricultural stakeholders, offering advanced genotyping tests, and actively disseminating project outcomes through various media channels.

MULTIMODE SPECTROSCOPY FOR ENHANCED COMMERCIALIZATION IN FOOD AND AGRICULTURAL PRODUCT QUALITY AND TRACEABILITY

SafetySpect Inc.

Kenneth E. Barton, Grand Forks

Grant Amount: \$600,000

SafetySpect, a Grand Forks-based company specializing in multimode optical sensors with AI capabilities, is advancing technology to address key challenges in agricultural, food, and environmental safety. The company's current project focuses on the development of Quality, Adulteration, and Traceability (QAT) technology, which combines three modes of spectroscopy enhanced by fusion AI. This technology enables non-invasive, real-time analysis of food and agricultural products throughout the supply chain, improving product quality, traceability, and safety.


BELLA BLOOD AND FLUID WARMER

TailWind MedTech Inc.

Richard Walsh, Fargo

Grant Amount: \$750,000

This project aims to test the feasibility of a chemically energized blood and fluid warmer, a critical technology currently unavailable to U.S. warfighters and first responders. In addition to military applications, the technology has numerous civilian uses, expanding the total addressable market (TAM) to over \$1 billion in the U.S. alone. The commercialization process will include both U.S. government and military contracts, as well as commercial partnerships with multiple distribution channels. As a veteran-owned company, Tailwind will receive prioritization in government contracting opportunities. The Tailwind commercial sales team, with over 30 years of medical device experience, will also pursue large purchasing



groups like Premier, Vizient, and HealthTrust, which contract with major health systems such as Sanford Health, Altru, Essentia, and Mayo Clinic, among others.

THINAIR MEDICAL DEVICE COMMERCIALIZATION

Thin Air Surfaces, LLC
Jim Albrecht, Wahpeton

Grant Amount: \$500,000

Thin Air Surfaces LLC (thinAIR), a North Dakota-based medical device start-up, is preparing to introduce its patented small-cell pressure redistribution technology to the medical device market. The immediate application focuses on improving patient safety and comfort on operating room tables, particularly for long procedures that put patients at risk for pressure injuries. Pressure injuries affect 2.5 million patients annually and are the second most common diagnosis in U.S. health system billing records (NPIAP, 2021 Fact Sheet).

Grant funding will support the company's commercialization efforts through collaboration with key partners, including the College of Nursing and Professional Disciplines, the Biomedical Engineering Department at the University of North Dakota, and medical device manufacturer ComDel Innovation. These efforts will validate the efficacy of the technology and ensure the delivery of a commercially viable, FDA-registered medical device. This work positions thinAIR for rapid expansion beyond the operating room, allowing for the development of a diverse product portfolio in additional markets.

FUNDING SOURCES

The appropriation for the Bioscience Innovation Grant Program for the 2023-2025 biennium totaled \$12 million and was provided from the following sources:

- Strategic Investment & Improvements
Fund (SIIF) \$5,500,000
- General Fund \$6,500,000

Tuberculosis in the United States:

All 50 states are classified as “free” of tuberculosis within the cattle herd.

Disease is present in wildlife in parts of Hawaii and Michigan. These areas are designated as Modified Accredited Free Zones, and require additional testing and surveillance of cattle herds.

Tuberculosis is common in humans around the world and is becoming more common in the US human population. Tuberculosis can be spread from people to cattle and back to people.

We identify infection within cattle at slaughter on a yearly basis in one to several herds.

Recent Cases:

ND last case in 2019 (Maintained free status)

SD last case in 2024 (Maintained free status)

MN last case in 2009 (Lost free status until 2010)

MT last case in 2021 (Maintained free status)

CA last case in 2013 (Lost free status 2008 until 2011)

TX last case 2022 and others (Maintained free status)

Sources of tuberculosis include humans, Mexican source cattle, and in many instances a source is not identified. Many tuberculosis cases genetically trace back to Mexican origin lines of tuberculosis.

Our success at control is largely related to our aggressive tracing and testing when an infected slaughter animal is found. When localized and response is adequate, states typically do not lose status.

Brucellosis in the United States:

All 50 states are classified as “free” of brucellosis in the cattle herd.

Yellowstone bison and elk continue to be a source of brucellosis to cattle around the Park in an area known as the Designated Surveillance Area (DSA).

There are currently three herds under quarantine and testing after contracting brucellosis while in the DSA, two in Montana and one in Wyoming.

Brucellosis will continue to be a regional issue until the wildlife issues are handled.


Aggressive surveillance of cattle coming out of the DSA, and rapid tracing of positive animals has limited the spread, and loss of status of states.

Ethan Andress, DVM

ND State Veterinarian

1/15/2025

 An official website of the United States government [Here's how you know](#)



Animal and Plant Health Inspection Service

U.S. DEPARTMENT OF AGRICULTURE

Menu

Status of Current Eradication Programs

Last Modified: September 03, 2024

Current APHIS Veterinary Services (VS) disease eradication programs include cooperative State-Federal efforts directed at cattle and swine brucellosis, bovine and cervid tuberculosis, and pseudorabies in swine. The following table shows the status of States in these programs.

State	Cattle Brucellosis [*]	Swine Brucellosis ^{**}	Bovine TB ^{***}	Cervid TB ^{***}	Pseudorabies ^{****}
	Last updated April 17, 2024	Last updated April 17, 2024	Last updated April 17, 2024	Last updated April 17, 2024	Last updated April 17, 2024
AL	Free	Free	Free	MA	Stage 5
AK	Free	Free	Free	MA	Stage 5
AR	Free	Free	Free	MA	Stage 5

State	Cattle Brucellosis *	Swine Brucellosis **	Bovine TB ***	Cervid TB ***	Pseudorabies ****
AZ	Free	Free	Free	MA	Stage 5
CA	Free	Free	Free	MA	Stage 5
CO	Free	Free	Free	MA	Stage 5
CT	Free	Free	Free	MA	Stage 5
DE	Free	Free	Free	MA	Stage 5
FL	Free	Free	Free	MA	Stage 5
GA	Free	Free	Free	MA	Stage 5
HI	Free	Free	Free	MA	Stage 5
IA	Free	Free	Free	MA	Stage 5
ID	Free	Free	Free	MA	Stage 5
IL	Free	Free	Free	MA	Stage 5
IN	Free	Free	Free	MA	Stage 5
KS	Free	Free	Free	MA	Stage 5
KY	Free	Free	Free	MA	Stage 5
LA	Free	Free	Free	MA	Stage 5
MA	Free	Free	Free	MA	Stage 5
MD	Free	Free	Free	MA	Stage 5

State	Cattle Brucellosis[*]	Swine Brucellosis^{**}	Bovine TB^{***}	Cervid TB^{***}	Pseudorabies^{****}
ME	Free	Free	Free	MA	Stage 5
MI	Free	Free	MA/Free	MA	Stage 5
MN	Free	Free	Free	MA	Stage 5
MO	Free	Free	Free	MA	Stage 5
MS	Free	Free	Free	MA	Stage 5
MT	Free	Free	Free	MA	Stage 5
NC	Free	Free	Free	MA	Stage 5
ND	Free	Free	Free	MA	Stage 5
NE	Free	Free	Free	MA	Stage 5
NH	Free	Free	Free	MA	Stage 5
NJ	Free	Free	Free	MA	Stage 5
NM	Free	Free	Free	MA	Stage 5
NV	Free	Free	Free	MA	Stage 5
NY	Free	Free	Free	MA	Stage 5
OH	Free	Free	Free	MA	Stage 5
OK	Free	Free	Free	MA	Stage 5
OR	Free	Free	Free	MA	Stage 5

State	Cattle Brucellosis *	Swine Brucellosis **	Bovine TB ***	Cervid TB ***	Pseudorabies ****
PA	Free	Free	Free	MA	Stage 5
RI	Free	Free	Free	MA	Stage 5
PR	Free	Free	Free	MA	Stage 5
SC	Free	Free	Free	MA	Stage 5
SD	Free	Free	Free	MA	Stage 5
TN	Free	Free	Free	MA	Stage 5
TX	Free	Free	Free	MA	Stage 5
UT	Free	Free	Free	MA	Stage 5
VA	Free	Free	Free	MA	Stage 5
VI	Free	Free	Free	MA	Stage 5
VT	Free	Free	Free	MA	Stage 5
WA	Free	Free	Free	MA	Stage 5
WI	Free	Free	Free	MA	Stage 5
WV	Free	Free	Free	MA	Stage 5

* Class A (less than .25 percent herd infection rate) or Class Free

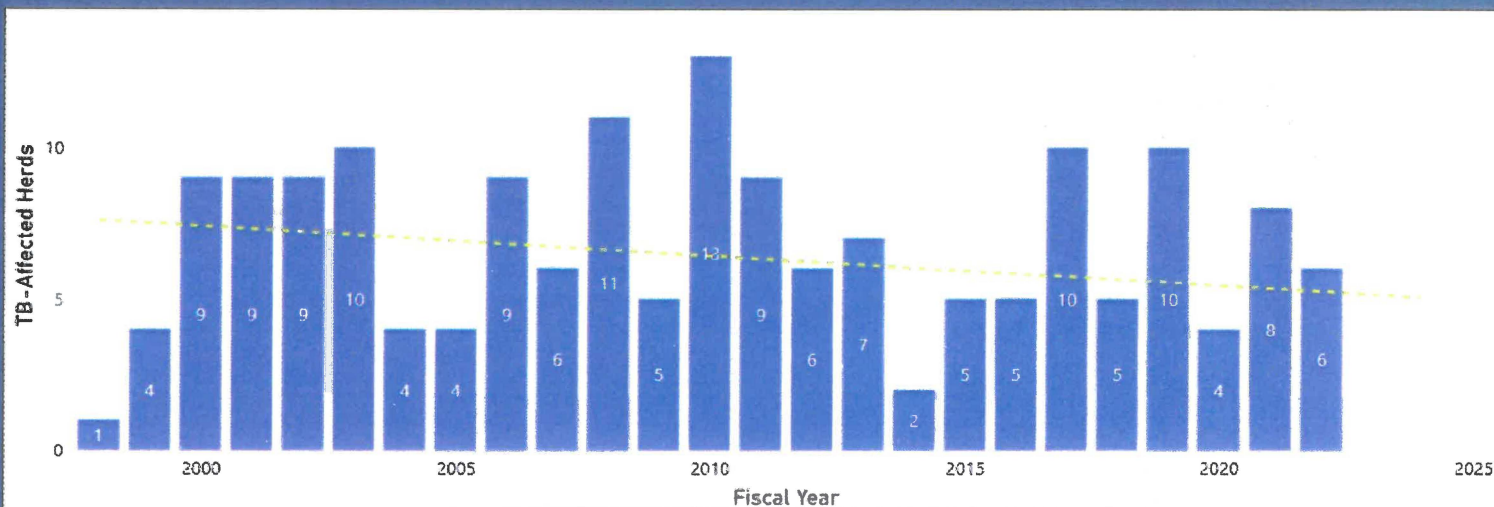
** Stage 1, 2, or Free

*** Modified Accredited (MA), Accredited Free (Free), or Modified Accredited Advance (MAA)

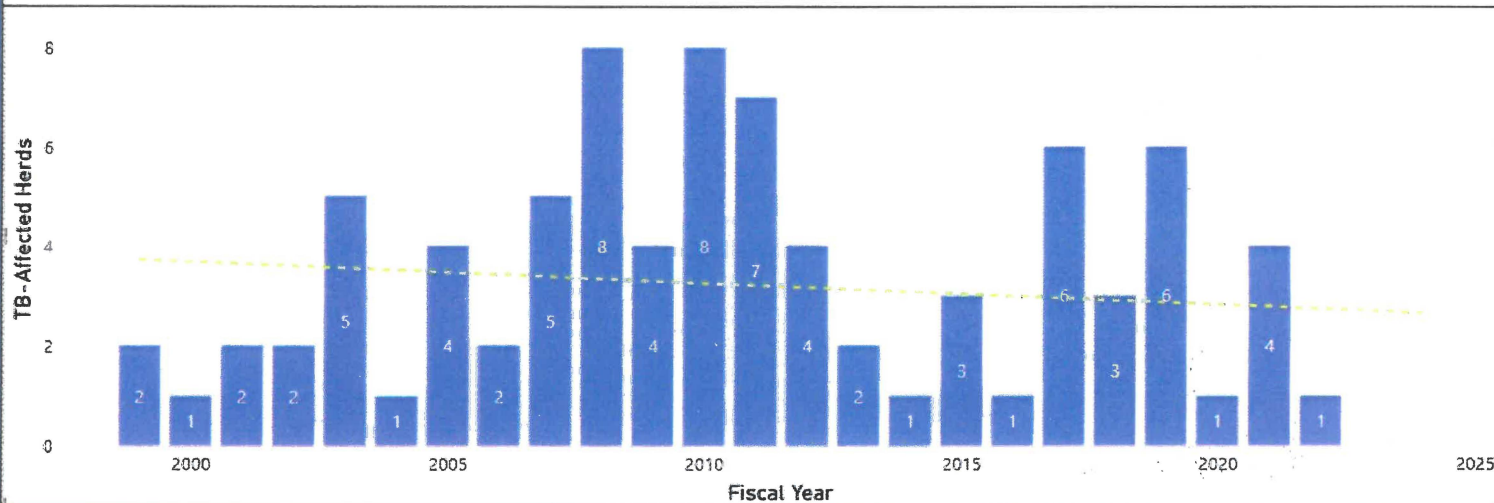
**** Stage 1, 2, 3, 4, or Free

***** A State that APHIS has determined conducts an active State scrapie control program consistent with Federal re

TB-Affected Cattle & Bison Herds FYs 1998 - 2024



TB-Affected Cattle & Bison Herds w/o HI & MI FYs 1998 - 2024

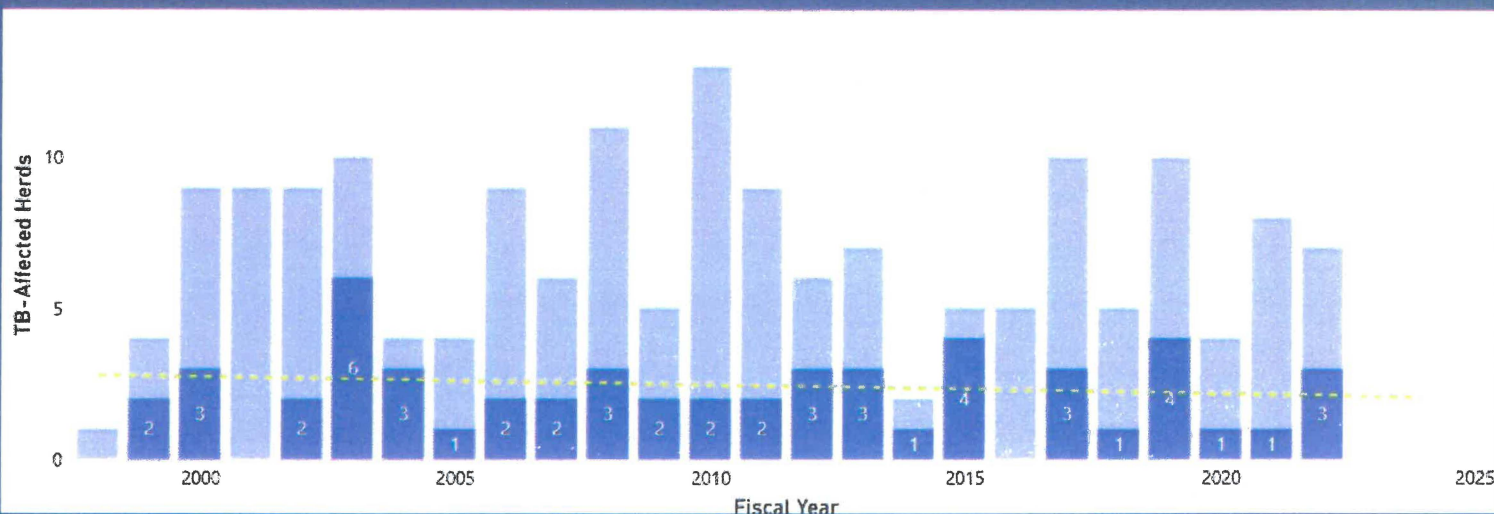




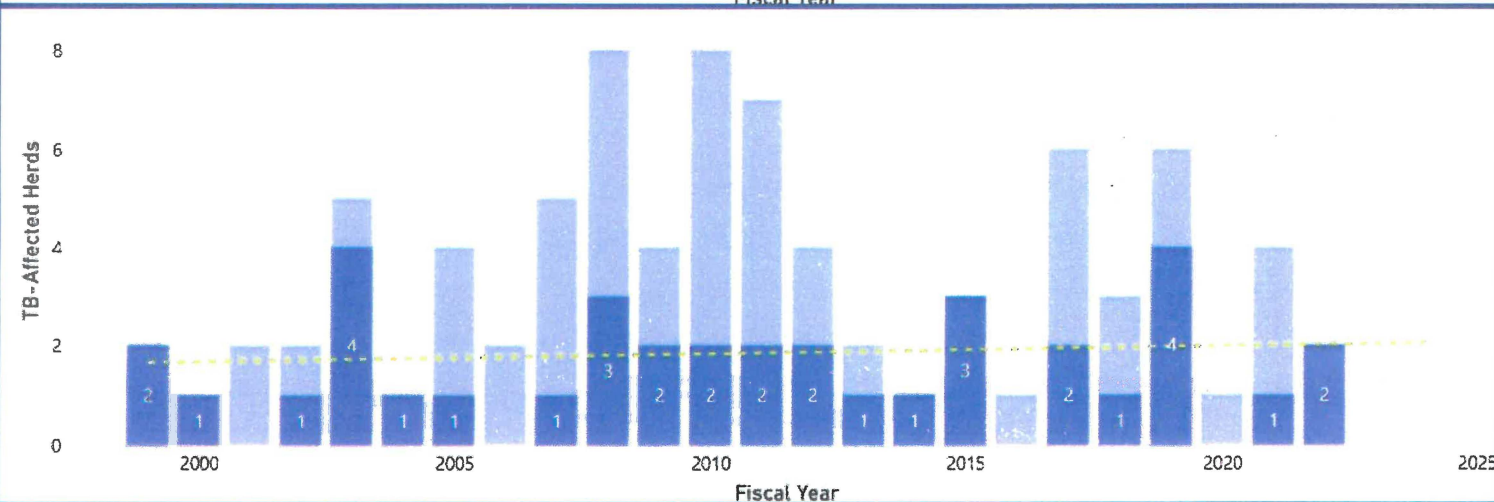
Animal and Plant Health Inspection Service
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Filtered for Dairy Herds (dark blue)

TB-Affected Cattle & Bison Herds FYs 1998 - 2024



TB-Affected Cattle & Bison Herds w/o HI & MI FYs 1998 - 2024

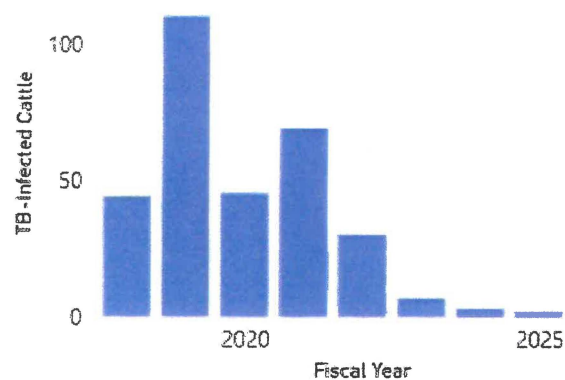


TB-Infected Cattle FY 2018 - Present

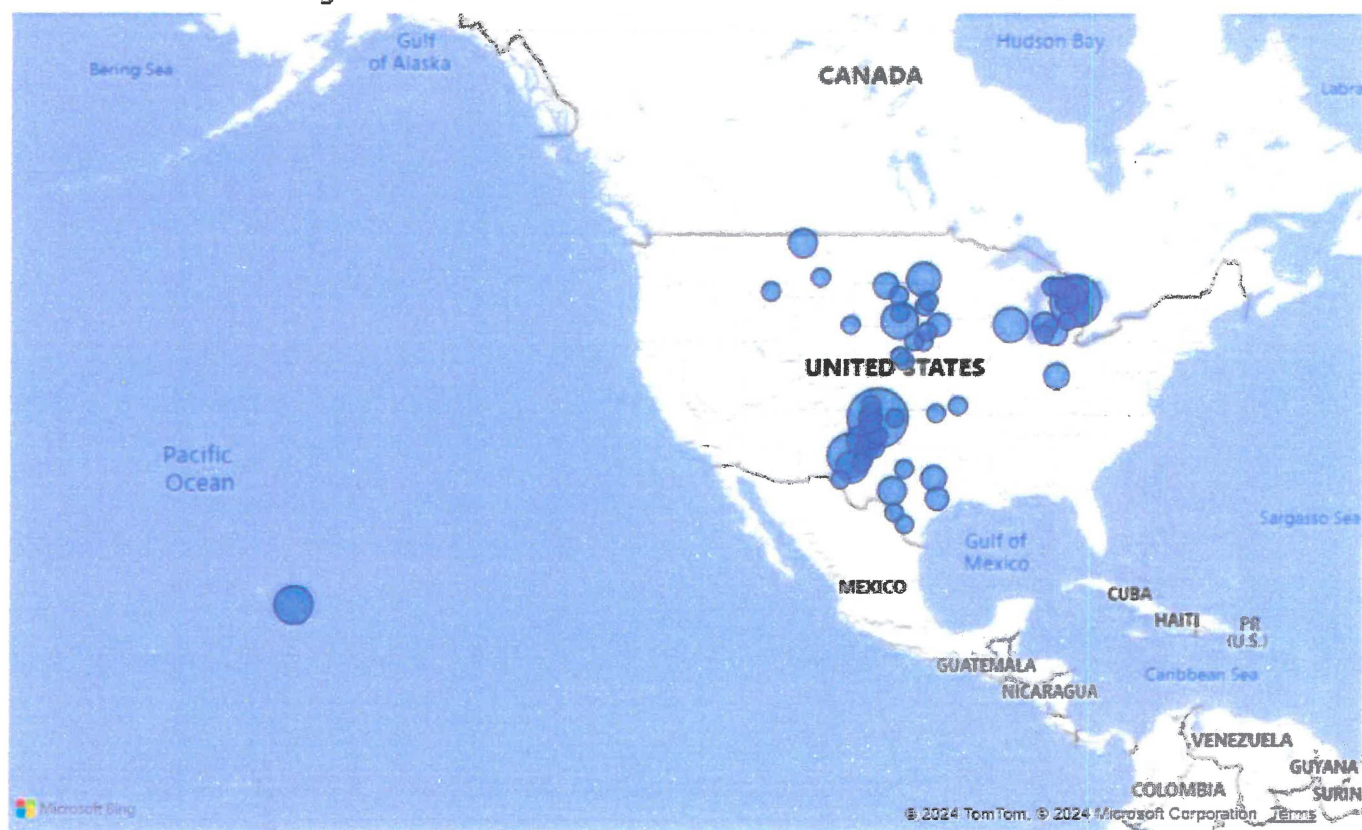
TB-Infected Cattle by Fiscal Year

2025	2
2024	3
2023	7
2022	30
2021	69
2020	45
2019	110
2018	44
Total	310

TB-Infected Cattle by Fiscal Year



TB-Infected Cattle Origin Counties

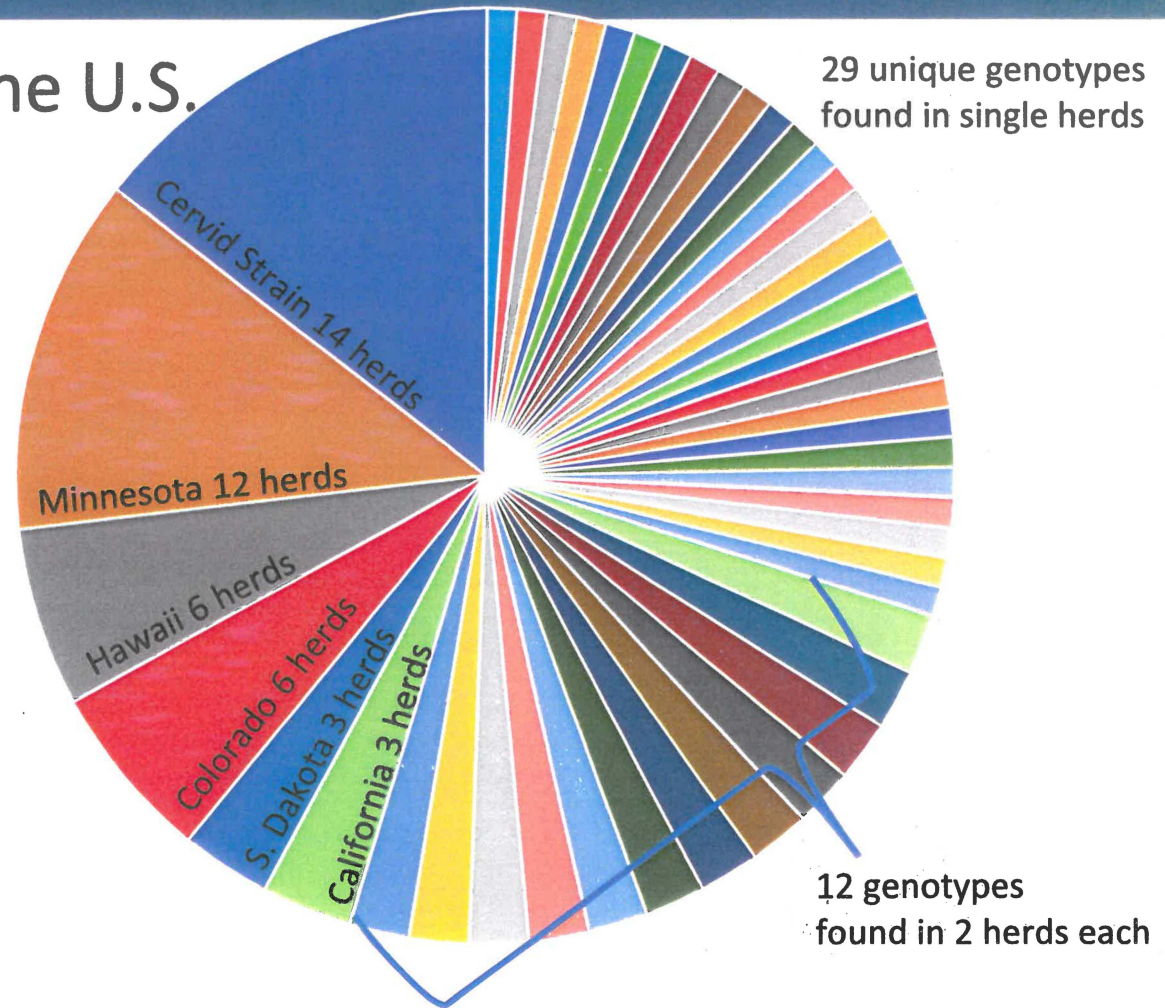




Mycobacterium bovis in the U.S.

Fiscal Years 1998 -2024

- 183 affected herds
 - 97 shown
 - 86 in Michigan not included
- Each section is a unique whole genome sequence of *M. bovis*
 - 47 unique strains (w/o MI)



Tuberculosis (*M. bovis*)



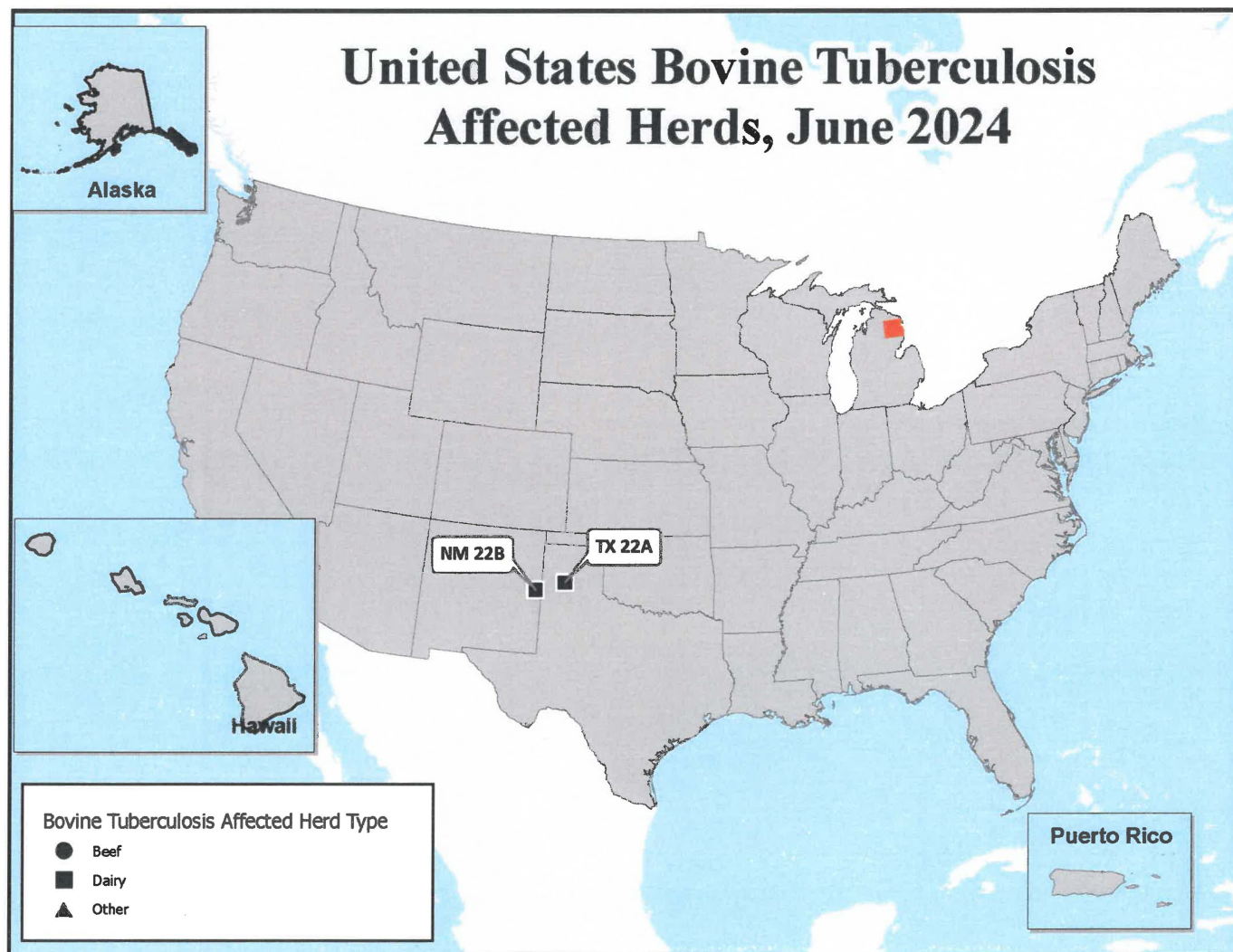
FY24 Q3 (April-June 2024) Updates

TB Affected Herds Under Quarantine Q3 (April-June 2024)

Location ¹	Date Detected	Method of Detection	Herd Type	Herd Management Status	Next Test Tentative Start Date
NM 22B*	July 2022	Epi Investigation	Dairy	Test and Remove Phase	Pending Culture
TX 22A*	July 2022	Movement Testing	Dairy	Test and Remove Phase	Pending Culture

1. Herds are named with the last 2 digits of the calendar year and in order of occurrence within a state during that year

* These herds are under the same ownership



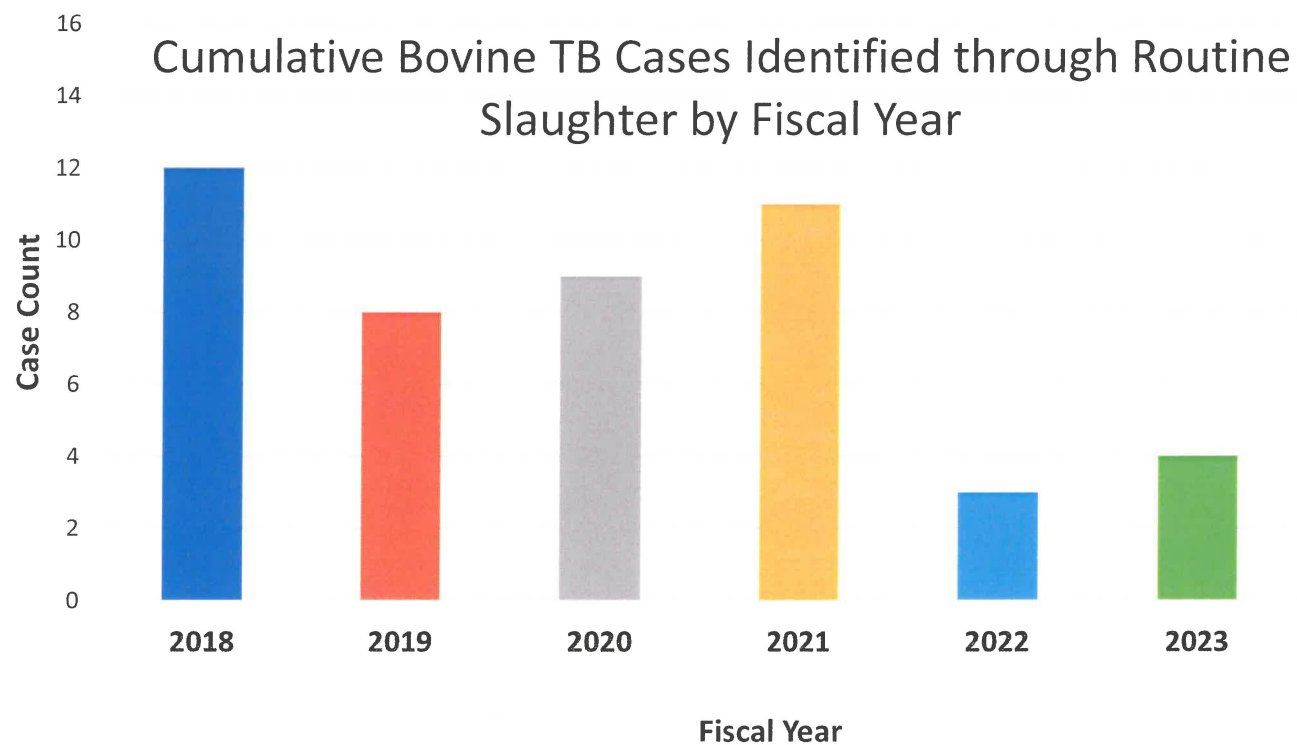
Affected herds are mapped to the center of their county.

TB Affected Herds Under Quarantine Q3 (April-June 2024)

- NM 22B→ still conducting WHTs of herds within complex
 - Confirmed July 2022
 - Test-and-Remove Model completed by CEAH
 - Removal test (5th) Sept. 2023
 - Removal test (6th) completed Dec. 2023- Negative
 - Verification Test June 2024- **Cultures pending**

TB Affected Herds Under Quarantine Q3 (April-June 2024)

- TX 22A → Still conducting WHTs of herds within complex
 - Confirmed July 2022
 - Test-and-Remove Model completed by CEAH
 - Epidemiologically linked to NM 22B
 - Removal test (5th) Sept. 2023
 - Removal test (6th) completed Dec. 2023-Negative
 - Verification Test June 2024- **Cultures pending**



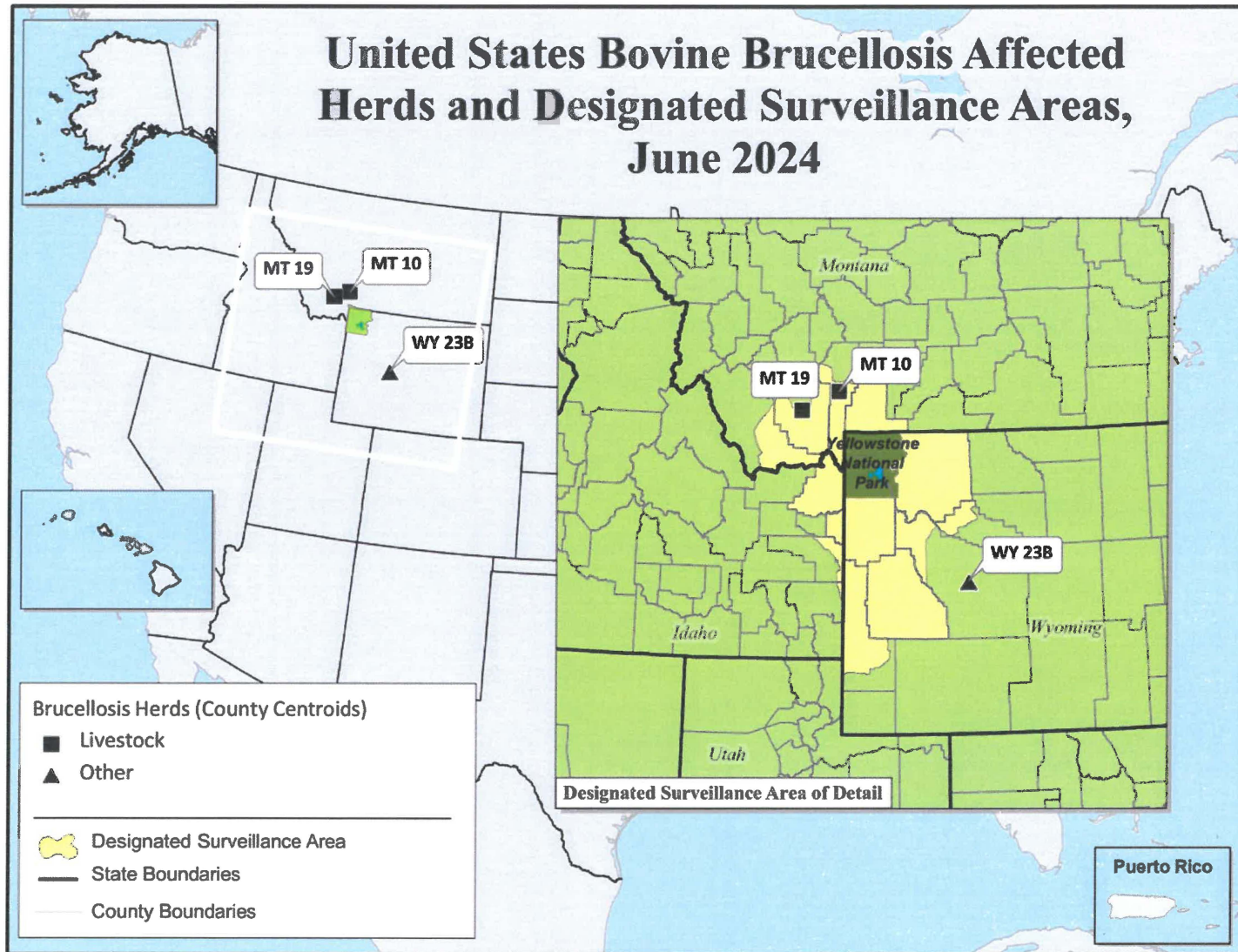
Slaughter Type	Month confirmed	Slaughter Plant State	Slaughter Origin State	Outcome/current status
Beef	October 2023	MI	MI	Assurance Testing Pending
Beef	November 2023	TX	MX	Investigation Conducted by MX Authorities
Beef	December 2023	NE	CO	MT origin state. Investigation Complete

Brucellosis (*B. abortus*)



FY24 Q3 (April-June 2024) Updates

United States Bovine Brucellosis Affected Herds and Designated Surveillance Areas, June 2024



Brucellosis Affected Herds Under Quarantine Q3 (April-June 2024)

Herd ¹	Date Detected	Method of Detection	Herd Type ²	Herd Management Status	Next Test Tentative Start Date
MT 10	November 2010	DSA Surveillance Testing	Livestock	Test and Remove	Fall 2024
MT 19	December 2019	DSA Surveillance	Livestock	Test and Remove	Fall 2024
WY 23B	November 2023	Livestock Market	Beef	Test and Remove	Fall 2024

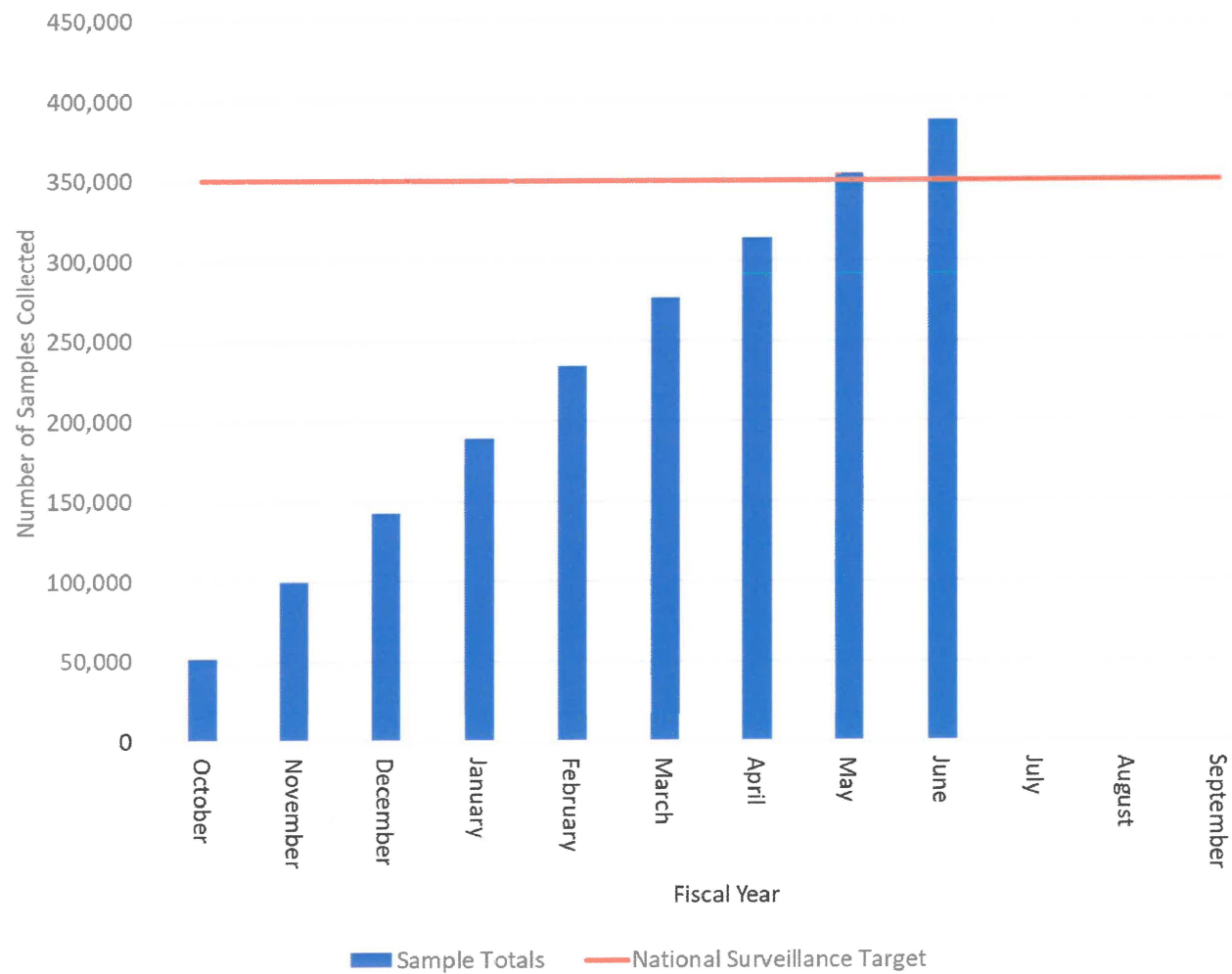
1. Herds are named with the last 2 digits of the calendar year and in order of occurrence within a state during that year.
2. Current Montana state statute prevents public disclosure of herd type.



Brucellosis Affected Herds Under Quarantine Q3 (April-June 2024)

- MT 10
 - Herd still under quarantine and management practices are focused on isolating movement of animals between herds/locations for husbandry practices. Fall testing and continued movement to finishing/slaughter channels
- MT19
 - Herd still under quarantine and management practices are focused on isolating movement of animals between herds/locations for husbandry practices. Fall testing and continued movement to finishing/slaughter channels
- WY 23B
 - Identified through routine market testing surveillance
 - First WHT completed November 2023 and revealed 2 reactors confirmed culture positive
 - Hold order in place November 2023 and quarantined
 - Testing plan is scheduled for May/Nov/Post-calving respectively
 - Herd is in DSA and the epidemiologic investigation is ongoing
 - 27 head still under quarantine. There were some late calvers. The rest of the herd was released. Test the entire herd and WHT 1 for the quarantined herd will be this fall – depending on weather and vet availability.

FY2024 Cumulative National Brucellosis Slaughter Surveillance Samples



2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1009
1/24/2025

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

8:30 a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Pollination production in ND
- Noxious weeds impact in ND
- Managing soil health
- Agriculture Grants and Implications
- Commodity group involvement
- Agricultural Products Utilization Commission (APUC)
- APUC projects and grants
- ND Wineries and Vineyards
- State Board of Agricultural Research and Education
- Trade Office
- Global Trade Office and Global Engagement
- Upcoming Trade Missions
- International tariffs and trades
- Northern Crops Institute (NCI)
- COVID-19 Funds
- Lincoln Therapeutics advancements
- BioND

8:33 a.m. Doug Goehring, North Dakota Agriculture Commissioner, testified in favor and provided testimony #31280, #37349, #37350, and #37351 and continued with previous testimony #29036, #29050, #29051, #29052, #29053, and #29054.

10:01 a.m. Chairman Monson recessed the hearing.

10:17 a.m. Chairman Monson reconvened the hearing.

10:20 a.m. Doug Goehring, North Dakota Agriculture Commissioner, testified in favor.

11:17 a.m. Richard Glynn, Executive Director, BioND, testified in favor and submitted testimony #31313, #31314, #31315, and #31316.

Additional written testimony:

Levi Kinnischtzke, Fiscal Analyst, Legislative Council, submitted neutral testimony #31275.

11:28 a.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Burgum Budget				Armstrong Budget				Armstrong Budget Compared to Burgum Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		468,861	325,965	794,826		383,276	266,444	649,720		(\$85,585)	(\$59,521)	(145,106)
Health insurance increase		271,679	214,749	486,428		271,679	214,749	486,428				0
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688	1.00	107,344	107,344	214,688				0
Adds funding for travel		748,900	218,808	967,708		748,900	218,808	967,708				0
Adjusts base level funding for operating expenses		(296,796)	625,775	328,979		(296,796)	625,775	328,979				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant program		(80,000)		(80,000)		(80,000)		(80,000)				0
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000			3,000,000	3,000,000				0
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000			300,000	300,000				0
Adds funding for the North Dakota trade office				0		400,000		400,000		400,000		400,000
Total ongoing funding changes	1.00	\$1,820,384	\$6,978,684	\$8,799,068	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$314,415	(\$59,521)	\$254,894
One-Time Funding Items												
Bioscience innovation grant program		\$5,500,000		\$5,500,000			\$5,500,000	\$5,500,000		(\$5,500,000)	\$5,500,000	\$0
Livestock planning program			\$660,000	660,000			660,000	660,000				0
Total one-time funding changes	0.00	\$5,500,000	\$660,000	\$6,160,000	0.00	\$0	\$6,160,000	\$6,160,000	0.00	(\$5,500,000)	\$5,500,000	\$0
Total Changes to Base Level Funding	1.00	\$7,320,384	\$7,638,684	\$14,959,068	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	(\$5,185,585)	\$5,440,479	\$254,894
2025-27 Total Funding	81.00	\$22,141,317	\$34,755,990	\$56,897,307	81.00	\$16,955,732	\$40,196,469	\$57,152,201	0.00	(\$5,185,585)	\$5,440,479	\$254,894
Federal funds included in other funds			\$17,994,832					\$17,965,927		(\$28,905)		
Total ongoing changes - Percentage of base level	1.3%	12.3%	25.7%	21.0%	1.3%	14.4%	25.5%	21.6%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	1.3%	49.4%	28.2%	35.7%	1.3%	14.4%	48.2%	36.3%	N/A	N/A	N/A	N/A

CORN

Corn production in North Dakota was once concentrated in the southeastern corner of the state, but is now statewide. This surge in production is the result of new higher-yielding, early maturing varieties, the need for crop diversification and the growth of the state's ethanol industry.

Most corn grown in the state is corn for grain, also known as "field corn," used for livestock feed, sweetener and ethanol.

Researchers continue to find and develop new uses for corn, such as fabrics, tires, cleaning products, resins and solvents.

Corn is believed to be one of the first agricultural crops grown in North Dakota. More than 300 years ago, the women of agricultural tribes of Native Americans (Mandan, Arikara, and Hidatsa) raised corn along with beans, squash and tobacco in their gardens in the Upper Missouri Valley.



NORTH DAKOTA
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Doug Goehring
Agriculture Commissioner

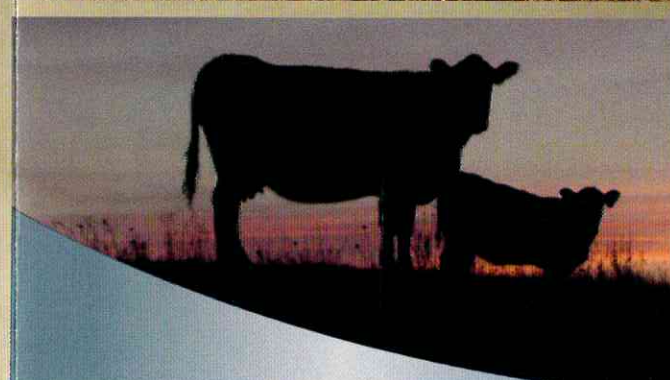
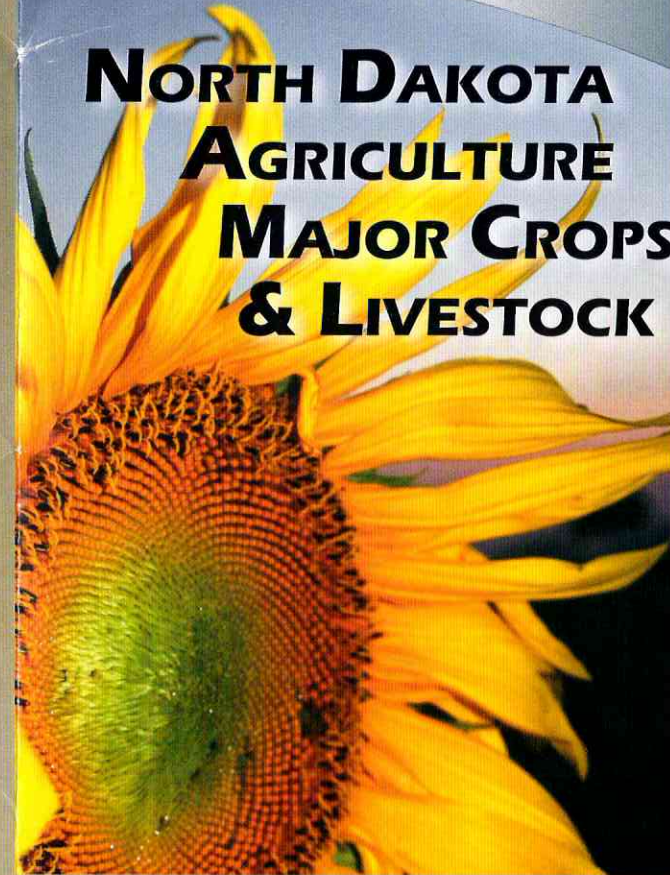


AG FOUNDATION

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#31280

NORTH DAKOTA AGRICULTURE MAJOR CROPS & LIVESTOCK



Swine

Corn

Million loaves of bread
servings of French fries

SUNFLOWERS

The most easily recognizable North Dakota crop, sunflowers were raised here by American Indians. In the 18th century, the plant was taken to Russia where modern commercial varieties were developed.



Sunflowers

North Dakota farmers grow two types of sunflowers: the large striped-shelled varieties used for snacks and food ingredients, and the smaller, black-shelled varieties used to make oil and for birdseed.

Sunflower oil is used for cooking around the world. Most sunflower oil produced in the U.S. is the NuSun variety, which provides optimal health benefits, better taste and superior performance, and is trans-fat free.

North Dakota traditionally leads the nation in sunflower production.

DRY BEANS

A half century ago, few farmers grew beans in North Dakota. Today, there are thousands. These producers lead the nation in growing all dry beans and in one specific variety - pinto beans.



Dry beans

Members of two food groups – vegetable/fruit and protein/meat – beans are a staple in many cultures, and are enjoying a renewed popularity in the U.S. for their versatility, taste and nutritional benefits. They are high in protein, phosphorous, iron, Vitamin B and fiber. They are low in fat, calories and sodium and have no cholesterol.

Beans were grown centuries ago in what is now North Dakota by the Mandan Indians.



Flowering flax

FLAX

Seen from a distance, a field of flowering, blue flax can look like a shimmering lake.

An ancient crop, flax is the source of numerous products, including paint and wood finishings, linoleum and high quality paper and linen.

It is also a highly nutritious food; recognized for its healthful benefits.

North Dakota grows nearly 80 percent of the U.S. flax crop. It is often grown in rotation with small grains, such as wheat and barley.

HONEY

Those stacks of boxes often seen in North Dakota fields are apiaries – honeybee colonies. North Dakota is the number one honey-producing state. North Dakota beekeepers with five or more colonies produced over 31 million pounds of honey in 2022.

Long summer days, plenty of alfalfa and sweet clover, and a favorable summer climate all contribute to the state's prominence in the honey industry.

Many beekeepers overwinter their bees in California, Florida and other, warmer states, where the insects are valuable for pollinating fruit and nut trees.

SOYBEANS

Known as the “miracle bean” because of its many uses, soybeans are a legume, related to clover, peas and alfalfa. Native to Asia, they first arrived in the United States as ballast in ships.

The only beans with complete protein, soybeans are used in food products, animal feed and hundreds of industrial applications. Soybean products include vegetable oil, margarine, inks, paints, biodiesel fuel, solvents and hydraulic fluids.

Soybeans are an increasingly important commodity in North Dakota; ranking third behind spring wheat as the state's top cash crop. Cass County in eastern North Dakota is the number three soybean growing county in the nation.



Soybeans ready to harvest



Honeybee colonies

CANOLA

Thirty years ago, canola was virtually unknown in North Dakota. Today, the state leads the nation in canola production. The distinctive, bright yellow fields can be seen across the state.

After harvest, canola seeds are delivered to a processing plant where they are crushed, and the oil extracted. Leftover seed material is used for livestock feed.

Canola is used to make shortening, margarine and salad oil, as well as cosmetics, hydraulic fluids and suntan oil. Of the food oils, it is the lowest in saturated fats, highest in monosaturated fat and is a rich source of Vitamin E and essential fatty acids.

POTATOES

Potatoes are one of America's favorite vegetables – the average consumer eats 142 pounds each year. North Dakota is one of the few places where potatoes are grown for all four of the industry's main uses: fresh (table stock), processed (French fries, potato rounds and hash browns), chips and seed.

North Dakota potatoes are shipped throughout North America, South America, the Pacific Rim and Asia.

Potato production, long centered in Red River Valley, has expanded into central North Dakota where potatoes are grown under irrigation.

BARLEY

Perhaps the oldest domesticated grain, barley has been cultivated for at least 10,000 years. Now it is grown in about 100 countries around the world.

Two grades of barley are produced in North Dakota. The lower grade is used for high quality livestock feed. The higher grade malting barley is for human consumption; mainly for brewing beer. The barley is processed into malt; the same ingredient used in malted milk shakes. A 48-pound bushel of barley will produce about 525 12-ounce bottles of beer.

Pearled or hulled barley is an increasingly popular ingredient in cereals, soups, salads and desserts.

SPECIALTY CROPS

North Dakota soil ranges from thick black loam in the Red River Valley, some of the richest agricultural soil in the world located in the eastern portion of the state, to more porous, sandy soils in the west. This environment is ideal for growing an immense variety of crops. North Dakota farmers also grow buckwheat, oats, rye, millet, garbanzo beans, white wheat, black beans, Great Northern beans (native to ND), crambe, safflower, sorghum, mustard, niger, vegetables and fruits such as grapes, strawberries, raspberries and chokecherries.

LIVESTOCK

Cattle outnumber people in North Dakota more than two to one. The beef cattle industry contributes approximately \$1.4 billion annually to the state's gross business volume.

North Dakota beef cattle production is principally commercial cow-calf operations.

Popular breeds include Black Angus, Red Angus, Hereford, Simmental, Charolais and Gelbvieh.

The total number of swine in the state is about 155,000, while sheep and lambs total 64,000.

North Dakota's dairy cows produce about 319 million pounds of milk each year. Most dairy cattle in North Dakota are Holsteins.

North Dakota raises about one million turkeys every year.

Other livestock raised in North Dakota include horses, bison, farmed elk, goats and non-traditional livestock such as white-tail and fallow deer and furbearers.

**North Dakota farmers & ranchers
annually produce enough...**

Canola

Irrigated potatoes

Barley

Sheep

Beef cattle

**Wheat for 12.5
Potatoes for 2.8 billion s**

North Dakota Agriculture BY THE NUMBERS

- 24% - People employed directly by production agriculture or agriculture-related industries
- \$11.2 Billion - Cash receipts of North Dakota's largest industry
- 25,900 - Number of farms and ranches
- 1,514 acres - Average farm size
- 90% - Approximate land area in farms and ranches
- 39.2 Million - Acres of farm and ranch land

North Dakota Rank

Rank	Crop	Percent of US total
1st	Spring wheat	54
1st	Durum wheat	49
1st	Sunflower, non-oil	48
1st	Sunflower, oil	48
1st	All dry edible beans	40
1st	Pinto beans	70
1st	Rye	22
1st	Oats	23
1st	Canola	85
1st	Flaxseed	79
1st	Honey	25
2nd	Pink beans	26
2nd	Small red beans	37
2nd	Barley	28
2nd	Lentils	19
2nd	Peas, dry edible	36
2nd	Sugarbeets	20
3rd	Black beans	19
3rd	Navy beans	30
4th	Chickpeas	5

Sources: USDA National Agricultural Statistics Service, USDA Economic Research Service, 2023



Harvesting wheat

WHEAT

One of the world's most important food grains, wheat leads North Dakota's crops in acreage and is tied with corn in total value. Grown on approximately 6.2 million acres, it accounts for about one-quarter of total crop land. This production is spread across the state, with all of North Dakota's 53 counties typically having wheat in their crop mix.

The value of North Dakota's wheat production was \$2.76 billion in 2023.

North Dakota leads the nation in the production of spring wheat and durum wheat, accounting for one-half of U.S. production of both crops. Winter wheat is also grown, but on a minor level.

Hard red spring wheat

Flour millers prize the "aristocrat of wheat," for its gluten strength. They blend it with lower protein wheats to improve the quality of bread flours. One bushel of wheat makes about 42 (1.5-pound) loaves of bread.

Durum

The name "durum" comes from the Latin word for hard, and durum is indeed the hardest of wheats. This variety, with its large, amber kernels, is the choice for making spaghetti, lasagna and hundreds of other pasta shapes. One bushel of durum makes about 210 servings of pasta.

PULSE CROPS

Pulse crops – dry peas, lentils and chickpeas – are among the oldest cultivated plants, going back some 10,000 years.

Pulses are a food staple in many parts of the world. Rich in protein, folate and dietary fiber, pulses are also excellent animal feed; providing energy and protein.

Members of the legume family, pulses are an excellent rotational crop since they fix nitrogen in the soil for future plantings.



Dry peas

SUGARBEETS

Warm days and cool nights in North Dakota's Red River and Yellowstone River Valleys are ideal for raising sugarbeets.



Sugarbeets

This root crop grows from a seed the size of a grain of rice to a plant with a taproot six to eight feet in length. The average sugarbeet yields one pound of sugar.

The harvested sugarbeets are cleaned and sliced into noodle-like strips. Juice is extracted from these strips, cleaned, filtered and boiled. Most of the sugar is processed into granulated sugar, but some is made into brown sugar, powdered sugar or sugar cubes. The used strips are dried and used for livestock feed.



Bioscience Association of North Dakota
4200 James Ray Drive, Suite 500, #503
Grand Forks ND
Richard Glynn, Exec. Director
Ph: 701-738-2431
richard@ndbio.com

January 24, 2025

Dear Chairman, Monson and Members of the House Appropriations Government Operations Committee;

The following is testimony to this Committee in support of HB 1009, "A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer", etc."

Most specifically I am here to testify in support of the Bioscience Innovation Grant Program portion of the Ag Budget. The Bio Innovation Grant program is a grant program that awards grants to biotechnology companies engaged in crop genetics, biofuels, biomaterials, biosensors and biotechnology in relation to food, nutrition, animals, humans, equipment, medical and health products and services, medical diagnostics, medical therapeutics and Ag based pharmaceuticals. The purpose of the BIG program is to foster the growth of the bioscience/bio tech industry in the State.

The goal of the Bioscience Association of North Dakota is similar to that of Bio Innovation Grant program, i.e. to foster the growth of the bioscience/bio tech industry in North Dakota. In partnership with the Department of Agriculture, the Bioscience Association expanded the Bioscience Industry in North Dakota through the Bio Innovation Grant program by making grants to companies either recruited from outside the State or by helping companies located in the State develop their technology and commercialize their products. To date, these companies have created or are projected to create 214 new jobs. The average salary for an employee in companies such as these is \$73,531 a year. Therefore, the State of North Dakota is slated to receive, or has received, at least \$15,735,634 a year in new salary benefits.

As Stated in an article published by the Greater Fargo Moorhead Economic Development Corp., December 19, 2022, By Meghan Feir Walker; "The Gross Regional Product (GRP) contributed by the bioscience industry in the Fargo-Moorhead MSA (alone) has grown from less than \$50 million in 2011 to over \$208 million in 2021. The growth of bioscience occupations in the FM metro has grown 40.9 percent in that same period, eclipsing the national growth rate of 23.4 percent."

But there is more to this story than the economic benefits that have resulted from supporting these companies. It is "WHAT" they are doing in this state that is having a nationwide, even a worldwide impact,

on the inside of the heart to help break up the electrical signals that cause irregular heartbeats. This can help the heart maintain a normal heart rhythm. The difference between this treatment and standard ablation treatment is that they use an MRI machine instead of an X-ray machine to watch the catheter as it progresses through the body and into the heart. It also allows more proficient positioning of the catheter in order to perform its burning or freezing. The success rate now is about 40% using the standard old method. The success rate utilizing this system is 90%. Imricor will move its R&D and manufacturing from Burnsville to North Dakota. This will create 40 to 50 new jobs in ND.

This is one of many companies that BioND is recruiting to the State. The Bio Innovation fund presents an incentive to these companies to move and also encourages local companies to expand their operations within this State.

It is the Association's hope that this Committee passes the Agricultural Budget with the \$12 million request to refund the Bio Innovation Fund program so that we can continue to expand and grow biotech companies.

Thank you for your time and attention.

Richard Glynn
Executive Director
Bioscience Association of North Dakota



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January 13, 2025

Commissioner Doug Goehring
Office of the Agriculture Commissioner
600 E Boulevard Ave Dept. 602
Bismarck, ND 58505-0020

Honorable Commissioner Doug Goehring:

The Greater Fargo Moorhead Economic Development Corporation (GFMEDC) is writing to affirm our support for any upcoming funding considerations for the Bioscience Association of North Dakota (BioND).

As a regional economic development organization, the GFMEDC is laser focused on industries that hold great promise for the state's economic future, strengthen the composition of local industry clusters, and support continued economic diversification. The bioscience industry, with its vast applications, is one of the targeted sectors we believe holds significant potential for the region and state's future economic prosperity. Because of this, we value the close partnership with BioND to drive positive impacts in this high growth industry sector.

BioND has been an extremely consequential and impactful force in growing the North Dakota bioscience industry since its formation in 2010. The association has been instrumental in marketing the state, attracting companies, creating partnership, attracting investment, and advocating for policies that make our state more competitive and attractive to emerging bioscience and medical device innovators.

BioND continues to be a critical partner in telling the story of the North Dakota bioscience sector and attracting bioscience and medical device companies to consider investing in their growth in North Dakota. Since 2019, the GFMEDC has engaged with more than 30 bioscience and medical device companies in collaboration with BioND. Many of these engagements have developed into exciting success stories such as Agathos Biologics, Aldevron, Checkable Medical, CorVent Medical, FamGenix, Genovac Antibody Discovery, TailWind MedTech, Theratec Inc., TWL Pharma Pac, Walkwise, and many more.

The GFMEDC has most recently partnered with BioND to organize two critical industry enhancing BioScience Summits, in 2023 and 2024 and is looking forward to continuing this annual partnership with our third Summit later this fall. The 2nd annual BioScience Summit, held in Fargo on September 17 and 18, 2024 welcomed more than 275 attendees from 16 states and countries like Israel, Norway and Singapore and has led to a number of ongoing project opportunities and strategic partnership conversations.

In the 15 years since BioND was established in 2010, the statewide GDP from the bioscience sector has grown from \$52.6 million to more than \$418.6 million in 2023 (a nearly ten fold in growth in 13 years). The bioscience industry employs approximately 1,467 with an average earning of \$111,516 per employee. Statewide job growth in the sector of 58% over the last 5 years has pushed jobs from 927 in 2018 to 1,476 in 2023 which far outpaces the national bioscience job growth rate of 22%. (Source: Lightcast Q4 2024 Data Set)

We have tremendous momentum in this space with world class research capabilities and talent production from our colleges and universities; powerful capital access programs for technology innovators through the Bioscience Innovation Grant (BIG), LIFT, PACE, and North Dakota Development Fund; and major ecosystem anchors like Aldevron and CorVent that are already attracting other biotech partners and collaborators to relocate to be near them. In recent years, the GFMEDC has seen increased interest from biotech and medical device companies from other states with several new firms locating here over the last few years.

We believe strongly in the potential of the biotechnology industry to become a future driver of North Dakota's economy and further believe that BioND is positioned to continue to be a major contributor to this success. As such, we would like to urge you to strongly consider supporting any upcoming funding requests for BioND.

Sincerely,



Ryan Aasheim
Chief Business Development Officer



Thursday, January 23, 2025

To: Chair Monson and Members of the House Appropriations Government Operations Committee
From: Michael Burke, CEO/Manager - Lincoln Therapeutics and TWL Pharma Pac

Dear Chair and Members,

Lincoln Therapeutics is a pharmaceutical company developing intra nasal ketamine and esketamine in partnership with the Department of Defense for pain uses including Far Forward Battlefield Injury and mental health conditions including Post Traumatic Stress Disorder. TWL Pharma Pac is a joint venture between Lincoln and Thrifty White Pharmacy with a GMP manufacturing facility in Fargo. Lincoln is developing pharmaceutical products and TWL is final manufacturing and packaging pharmaceutical products for Lincoln and other pharmaceutical and healthcare customers. TWL Pharma Pac is the first GMP final dosage form pharmaceutical packaging business operating under Federal FDA requirements in North Dakota. Both businesses are part of the growing biopharmaceutical ecosystem in North Dakota.

We received two BIG Grants (Grant #23-369/ Grant #23-357) in the amount of \$136,000 and \$110,000 respectively. Total BIG Grant award was \$246,000. The two BIG Grants were to help with the building of a manufacturing facility space in Fargo including the purchase of equipment. To date, the total spend for this project is \$2,002,582.

Expense Items	\$ Amount
GMP Room Modification	\$204,388
Blister Machine	\$1,661,740
Video Jet (Packaging Equipment)	\$136,454
Total Spend	\$2,002,582

BIG Grants (Grant #23-369/ Grant #23-357)

The first grant was used for the purchase of the Blister Machine "Pharmaworks TF2 Blister Line" which manufactures cold formed and thermoformed blister packs and the second grant was used for the purchase of carton and printing equipment used to print lot number, expiration date, and GTIN Serial # and



barcode on FDA approved pharmaceutical products final packaging.

The BIG program has been instrumental to our business in North Dakota. Thank you for your commitment to growing the biopharmaceutical ecosystem and for supporting these programs.

Best Regards,

Michael Burke
 CEO/Manager
 Lincoln Therapeutics
 TWL Pharma Pac

706 38th St NW Unit A, Fargo, ND 58102



BioND

**Bioscience Association of North Dakota
4200 James Ray Drive
Grand Forks, North Dakota**

CORVENT MEDICAL HOSTS RIBBON CUTTING ON NEW MANUFACTURING FACILITY IN FARGO, NORTH DAKOTA



Pictured from the left: James Jake; Jeremy Nelson; Rep. Kelley Armstrong; Randy Schneider; Richard Walsh; Travis Murphy; Richard Glynn; John O'Mahoney

Corvent Medical, the maker of the “RESPOND VENTILATOR”, used in providing mechanical ventilation for diseases such as COVID, board and collaborators are shown cutting the ribbon on their new 17,000 square foot Headquarters and Manufacturing facility located in what is known as the “Prax Building” at 4897 Amber Valley Parkway , Suite 2, Fargo, North Dakota.



The ribbon cutting was attended by more than 50 people and was “MC’d” by Richard Glynn, the Executive Director of the Bioscience Association of North Dakota, introduced the CEO of Corvent Medical, Mr. Richard Walsh.



Richard spoke of how he and his team came from California at the behest of a friend and business acquaintance. How he was told what a great place (just a little cold) North Dakota was and what a great business climate there was here. How he was met at the airport by Richard Glynn and then toured around the State meeting people who would be important in developing and then commercializing their product. That Richard moved the company from California to Fargo, in January Of 2021 and how he, and the company, thrived here and raised and spent more than 21 million

dollars of private investment money along with 4 million dollars from various agencies of the North Dakota government to help with the development and commercialization of their product. That the company has hired 25 workers now and intends to hire another 10 by the year's end. That next year they expect to be up to 100 people. How his experience in bringing his company to North Dakota has been nothing but positive. But that would not have been possible without the help and guidance of the Bioscience Association of North Dakota. And that he looks forward to the years ahead.



Richard was followed by Representative Kelley Armstrong who is a proponent of the expansion of the Biotech Industry in North Dakota. Representative Armstrong pointed out that this was economic development at its best. Bringing in a company that “spends 5 times more than it receives from State in incentives” and creating a long term commitment in the State. He congratulated Corvent on developing and commercializing a product that saves so many lives and he thanked the Bioscience Association for facilitating their move here and he looks forward to working with the Association on projects such as this in the future.

There were more representing the North North Dakota Agencies commercialization of Department is very and works very closely the expansion of the



speakers, such as Madison Bodine, Dakota Department of Agriculture. One of the who supported the development and their product. The North Dakota Agriculture active in economic development in the State with the Bioscience Association to promote Biotechnology Industry in the State.



Randy Schneider, a CPA from Bismarck who is the Treasurer of the of Association who helped Corvent with “financing” and Mr. Eric Murphy (right), a Representative from District 43 who is a proponent of expanding the Biotech Industry in North Dakota and works closely with the Bioscience Association in North Dakota, to bring industries such as this to the State.



The program concluded with John Machacek, Chief Innovation Officer for the Greater Fargo Moorhead Economic Development Program representing Ryan Aasheim, Chief Business Development Officer, welcoming Corvent to Fargo and what a unique contribution to the Fargo Business Community Corvent is and will be making to the Fargo Business Community.

ND DEPARTMENT OF AGRICULTURE - HB 1009					
2023-2025 BREAKDOWN OF FUNDS					
FUND	AMOUNT	% of TOTAL BUDGET		ADJUSTED AMOUNT	% of TOTAL BUDGET
GENERAL FUNDS	48,031,339.84	54.8%		16,531,339.84	29.4%
SPECIAL FUNDS:					
FUND 224 (APUC)	5,110,417.00	5.8%		5,110,417.00	9.1%
FUND 308 (Ag Comm Oper)	5,317,276.68	6.1%		5,317,276.68	9.5%
GAME & FISH	648,228.00	0.7%		648,228.00	1.2%
FUND 376 (ERP)	8,564,065.00	9.8%	22.4%	8,564,065.00	15.3%
FEDERAL FUNDS	19,970,336.17	22.8%		19,970,336.17	35.6%
TOTAL	87,641,662.69			56,141,662.69	
Note - this general fund amount includes the \$6,500,000 Bioscience and the \$12,000,000 ADD (Ag Diversification and Development) general fund transfers.					
Excludes Bioscience and ADD general fund transfers.					

North Dakota Hemp Processors**

Year	Cannabinoids*	Grain	Fiber	Total
2016		1		1
2017		3		3
2018		4		4
2019	8	3	1	12
2020	14	7	5	22
2021	19	5	5	23
2022	14	5	3	18
2023	7	3	1	11
2024	6	1	1	8

**Some processors do multiple types of processing

*Cannabinoids were not allowed until 2019

The following cannabinoid processors from 2022 that did not renew in 2023

PROCESSOR NAME
1881 EXTRACTION CO
Green mountain botanical's
Homestead Acres, LLC
Lifted Pharmaceuticals
NDSU PILOT PROCESSING PLANT
RED RIVER HEALTH, LLC
White Weasel Farm LLC

The following cannabinoid processors from 2023 that did not renew in 2024

PROCESSOR NAME
GHA Enterprise
PRAIRIE PRODUCTS

To our knowledge, the only processor who left due to changes from 2023 session is Prairie Products.

International and Domestic Marketing FTE
2023-2025 Biennium

Events and Coordination Activities

ND businesses, Commodity Groups, ND Trade Office and other trade associations

- September 2023 - Americas Food and Beverage Show in Miami
- October 2023 - Pride of Dakota Show to recruit POD companies to trade shows
- October 2023 - Food Export Midwest quarterly meeting- Food Export Midwest is an association for companies to use for funding on helping to export. They have a lot of training and assistance programs. We are members of the association.
- November 2023 - Agriculture led mission to Vietnam with ND companies
- November 2023 - Commodities Annual meeting – Commodity groups come to give updates on their associations. I speak to them about trade shows and exporting, networking.
- December 2023 - Wheat Commodity meeting
- January 2024 – Soybean and Corn Council meetings in Fargo as well as meeting with Northern Crops Institute
- February 2024 - Gulffood in Dubai International trade show with the North Dakota Trade Office
- March 2024 – Expo West in Anaheim California trade show
- March 2024 - Alimentaria Barcelona International trade show
- April 2024 - Food Export Midwest meeting in Arlington VA
- April 2024 - Trade Mission to Dehli India with USDA Foreign Ag Service
- May 2024 - Global Business leaders conf in Fargo with ND Trade Office
- May 2024 - National Restaurant Association trade show in Chicago
- June 2024 - Summer Fancy Food trade show in New York
- July 2024 - North Dakota Trade office Board Meeting
- August 2024 - Commodity Group Convention in Jamestown
- August 2024 - Midwest Agricultural Export Summit in South Dakota
- September 2024 - Americas Food and Beverage show in Miami
- September 2024 - NASDA conference in Indianapolis
- October 2024 - Food Export Midwest in Chicago
- October 2024 - SIAL Paris International Trade show with the North Dakota Trade office
- November 2024 - Commodity Council meeting. Commodity groups come to give updates on their associations. I speak to them about trade shows and exporting, networking.
- December 2024 - Morocco Trade mission with USDA Foreign Ag Service

This position also assists with ND Trade Office and works closely with them on the missions and reverse missions. Works closely with commodity groups and their companies that may be ready for export. Member of Food Export Midwest and helps to get companies signed up for assistance with them. Attends pre mission meetings to assist with anything the agency can help with. Attends Pride of Dakota shows to recruit companies that may be ready to start selling outside the region and internationally. Assists ND companies to get prepared for trade shows domestically and internationally. Research on countries that ND companies would be a good fit or that have a lot of opportunity for ND. Companies that attended trade shows reported increase in sales and newly exporting internationally because of contacts made at trade shows. The companies that attend find it very valuable to use this program to help grow their sales.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1009

1/30/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

2:44 p.m. Chairman Monson opened the hearing.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Grassland Grazing Grant Program
- SIIF Fund
- Travel budget for Agriculture Commissioner
- Wineries and Vineyards in ND
- Trade Missions for the Agriculture Commissioner
- Trade Office Budget funds
- International Trades and agreements
- Northern Crops Institute (NCI)
- Agricultural Products Utilization Commission (APUC)
- APUC Applicants and Grantees
- APUC Grant scoring process
- Agricultural Commissioner's Grants and Projects
- APUC personal stories and impacts
- Great Plains Food Bank

2:45 p.m. Doug Goehring, North Dakota Agriculture Commissioner, testified in favor and provided testimony #33022 and #33023.

3:42 p.m. Dan Kalil, Chair of APUC, Agriculture Products Utilization Commission, testified in favor.

3:59 p.m. Rodger Gussiaas, Owner, Healthy Oilseeds. LLC, testified in favor and submitted testimony #33011.

4:03 p.m. DaeAnna Lozensky, Co-Founder, Guardian Grains LLC, testified in favor and submitted testimony #33010.

4:13 p.m. John Hild, Triple G Projects, testified in favor.

4:19 p.m. Casey J. Murphy, Co-Owner and Operator, Cows and Co. Creamery, testified in favor and submitted testimony #32927.

4:26 p.m. Tellan Steffan, CEO, EcoBalance Global, submitted testimony in favor #32959 and #32960.

4:30 p.m. Larry Frei, Predator Control, testified in favor.

Additional written testimony:

Christian E. Miller, Farm Manager, John Miller Farms inc, submitted testimony in favor #32634.

Matt Marino, CEO and Co-Founder, Homeland Hempcrete, submitted testimony in favor #32678.

Christopher Zeena, Owner, Machinery Management Service/Bob Wallace Orchards, submitted testimony in favor # 32897.

Mollie Ficocello, Co-Founder, 3 Farm Daughters, submitted testimony in favor # 32978.

Kevin G. Leier, Executive Director, North Dakota Buffalo Association submitted testimony in favor #32591.

Travis Maddock, Partner, 6 in 1 Meats LLC, submitted testimony in favor #32891.

Nathan Schnieder, Secretary, Economic Development Association of North Dakota, submitted testimony in favor #32948.

Drew Combs, Executive Director, North Dakota Trade Office, submitted testimony in favor #33046.

Grant Gader Fiscal Analyst, Legislative Council, submitted neutral testimony #33025.

4:34 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk

01/29/2025

House Appropriations- Government Operations Division

RE: **HB 1009**- A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

Rep. Monson and Members of the Committee,

I appreciate the opportunity to stand before this committee to highlight the work the Department of Agriculture is doing to positively impact farmers and ranchers across our great state. My name is Kevin Leier, and among the many hats I wear in my professional life, today I am speaking specifically as the Executive Director of the North Dakota Buffalo Association, a board member of North American Bison LLC in New Rockford, ND, and a fifth-generation rancher in Pierce County.

Over the last two years, I have personally worked with Dr. Ethan Andress and the Board of Animal Health to address the overregulation of bison imports from Canada into North Dakota. While previous efforts to resolve this issue were unsuccessful, Dr. Andress' leadership allowed us to make meaningful progress. As a result, we successfully convinced the State Board of Animal Health to amend its import requirements, aligning them with federal regulations. Believe it or not, North Dakota previously had stricter requirements than the federal government for importing bison from Canada.

This change has already made a significant impact. Nearly 2,000 bison calves and yearlings have been purchased and sourced into North Dakota bison ranching operations from our northern neighbors. These animals are now entering the supply chain, supporting the continued growth of North American Bison LLC in New Rockford, ND.

With the support of Commissioner Goehring and the Department of Agriculture's grant program, North American Bison LLC has positioned itself as a leading USDA processing facility for bison in North America. This expansion has not only strengthened the company but has also created greater opportunities for ranchers. As we continue to raise, source, and secure a steady supply of this alternative protein—one that is in high demand across the United States and Canada—our industry is growing stronger.

In closing, I want to connect the dots on how these developments have directly benefited the bison industry in North Dakota. As a rancher, I can confidently say that the work North American Bison LLC has done—and continues to do—has helped drive our

market toward greater stability and profitability. This, in turn, has given me confidence in growing my own operation and preparing it for transition to the sixth generation of my family. The Department of Agriculture's grant support has played a major role in that growth, while the regulatory adjustments led by Dr. Andress and the Board of Animal Health have provided North Dakota bison ranchers with a competitive advantage by improving access to animals from Canada. These changes not only stabilize the supply of bison into our state's USDA processing facility but also enable North Dakota ranchers to expand their herds to meet the ever-growing demand.

Thank you for your time, your attention, and your service to our state. I welcome any questions you may have.

Chairman Monson and members of the House Appropriations – Government Operations Committee, I am Christian Miller, (Farm Manager) here to express my support of House Bill 1009, the budget of the agriculture commissioner.

I work for John Miller Farms in Minto, ND. We specialize in growing seed potatoes.

We typically ship potatoes in the spring and we have many loads that go up into Canada.

To ship seed potatoes into Canada, we are required to have our fields officially sampled for potato cyst Nematodes, to meet the import requirements. The department helps to coordinate, plan, and conduct the soil survey.

Once we begin to ship, each load of potatoes requires a phytosanitary certificate, also issued by department staff. If trucks are behind schedule or delayed, the department also makes themselves available to help ensure that the truck can get loaded and delivered in a timely fashion. Our shipping schedule is very busy and we don't want to have trucks waiting, the department is very good at keeping things moving.

We greatly appreciate the work of the department of agriculture. They care about the farmer and understand how we have a small window of opportunity to get things done. Whether it's in the field or getting product down the road.

Chairman Monson and committee members, thank you for your time. I encourage a do pass on HB 1009.

Our mission at Homeland Hempcrete is to accelerate the adoption of sustainable, resilient, and locally sourced materials to build better homes. In order to achieve this we needed to implement a different installation method that could address the materials shortcomings.

In 2022/2023, Homeland Hempcrete received APUC funds to develop this new method. Through this program we were able to begin the design work necessary to create the first of its kind, Structural Hemp-Insulated Panels for the construction industry utilizing locally grown and processed industrial hemp. We are currently the only company in the US offering this service, and North Dakota is now one of the first states in the country to have a fully circular economy (Grown, processed, manufactured, and installed for end use) utilizing industrial hemp for construction, making the state a national leader in the industry.

We have now built in 8 states (4 more proposed this year). We received additional investment funding to help increase our capacity in ND which allowed us to move into a larger facility in Bismarck to help fulfill orders, and increase our max capacity to approximately 50 homes per year from one facility. None of this would have been possible without the ground work done during our participation in the APUC program to get us started. Being a small company in a small industry every single dollar counts. There have been multiple times in the last few years we were barely able to afford rent for our shop. We aren't completely out of the dark but I'm happy to say most of those days are behind us, and we would not have been able to weather the storm without programs like APUC.

1/30/2025

House Appropriations – Government Operations Division

RE: HB 1009

Chairman Monson and Members,

My name is Travis Maddock and I am a small business owner and cattle producer from Maddock. I stand today to share how the Agricultural Diversification and Development Fund (ADD), administered by the Department of Agriculture, has positively affected our small businesses and our ranching operation.

In 2020 my family, along with other partners, purchased the Prairie West Meat facility in New Salem. At that time, the capacity was between 6-7 large animal units per week and their value-added processing was limited to occasionally smoking game and custom products for local friends.

Since our purchase, we have invested over \$500,000 into the facility to expand slaughter and processing capacity, with \$200,000 of these investments coming from an ADD grant. The facility is now USDA-FSIS inspected and can comfortably harvest 15 large animal units per week and value-added processing (smoked and prepared meats) has increased 10-fold.

These improvements have provided much needed capacity to regional cattle producers in need of slaughter and processing, either for their own use or for direct-to-consumer sales. The additional value-added processing not only gives our ranching customers more options, but we are now producing smoked- and prepared-meats for commercial customers as well, co-packing under their house brands. Meats that are prepared in New Salem, North Dakota at 6 In 1 Meats are now sold online and found in many convenience stores and groceries across the upper-Midwest.

As our capacity has expanded, so has our payroll, which has increased over 75% from 2022. We now have 4 full-time employees and 3 part-time employees and are advertising to hire 2 more full-time workers as the value-added business continues to grow.

In 2025, we will continue to expand, adding more coolers, capacity, and workers, and our initial investments, added in a large part by the ADD grant, will help leverage this continued growth. Each owner of the facility now has their own meat brand and label and we continue to feature locally grown and harvested meat products across the state.

In closing, the ADD grant has allowed our small business the opportunity to grow, be more profitable, and to make a positive economic impact to not just the New Salem area, but across the state and region.

Thank you for your time, I welcome questions.

January 29, 2025

Chairman Monson and members of the House Appropriations – Government Operations Committee, my name is Zeena Christopher. My family and our businesses would like to express our strong support of House Bill 1009, the budget of the department of agriculture.

Our family owns two small businesses in North Dakota that are strongly impacted by the work of the North Dakota Department of Agriculture.

One of our businesses is Machinery Management Service, Inc out of Hankinson, ND. We disassemble agricultural machinery for exporters, and we handle the logistics of shipping machinery all over the world. Many countries are becoming quarantine clean countries and require us to thoroughly clean the machines, inside and out and obtain a phytosanitary inspections and certificates from the USDA. Without the team from the Department of Ag assisting us with these inspections and certification, we would not be able to compete in the industry. We have worked with inspectors in several states and the team from North Dakota is by far the best we have worked with, being very knowledgeable, professional, and yet flexible to help meet our sailing schedules.

Our other business is Bob Wallace Orchards, LLC. We are a family run winery that just opened a couple of years ago. We have been so blessed to have the ND Department of Agriculture sponsor the Pride of Dakota shows in several cities in the state. This has given us the exposure needed to get our business started and growing. The POD shows have been a catapult for many small businesses in North Dakota and the exposure we receive is amazing! The customers talk about the shows all year long just waiting for them each year.

Without these services and programs, our businesses would not be what they are today. We greatly appreciate the work and support the department of agriculture gives us.

Thank you for your time. I would encourage you to pass HB 1009.

Respectfully,

A handwritten signature in cursive script that reads "Zeena Christopher". The signature is written in dark ink and is positioned above the printed name.

Zeena Christopher

Casey Murphy
Co-owner of Cows and Co Creamery
Carrington, ND
7321 1st St. NE Carrington ND 58421
701-652-5457

Chairman Monson and members of the committee, I sincerely thank you for your time and dedication to the state of North Dakota. I am writing to voice my approval for HB1009 specifically for the funding allocated to the Agricultural Products Utilization Commission.

Together with my wife and mother-in-law, I own and operate Cows and Co Creamery on our farmstead near Carrington North Dakota. Cows and Co's story began with a big idea from my wife and a spark from APUC.

My wife's story began in the Netherlands, where she was born on her parent's 50 cow dairy farm. Her family sold their farm in the Netherlands around the year 2000 and grew their herd to 150-200 milking cows near Edmonton Alberta. In 2008, they again moved their family. This time they moved near Carrington and began milking around 350 cows. Over the next few years they expanded to milking ~1500 cows 3x a day. While my wife was in Nursing School at the University of North Dakota, she hatched a plan to add her own twist to her family's dairy farming legacy in the form of artisan gelato. ~8 years ago we created an initial business plan that included converting one stall of my in-laws garage into a licensed and inspected dairy processing facility, purchasing an italian gelato cart capable of serving 400+ scoops, and purchasing a 30 gallon vat pasteurizer as well as gelato making equipment. We intended to create a value added agricultural product to test the "farm to table" market while diversifying the family dairy farm. Our plan was to avoid the costs associated with a brick and mortar shop and to rather go find the customers at farmers markets, festivals and fairs. During our business planning, we became acquainted with APUC. We then submitted an initial grant application of around \$50,000.00 to help defray costs associated with startup. I can genuinely say I do not know that we would have taken our first step, had we not received that grant from APUC.

In the following 2-3 years, we doubled sales year after year and rapidly outgrew my in-laws garage. We purchased our own farmstead 3 miles from the dairy farm and began plans of converting an existing machinery shed into a farmstead creamery. We planned to expand into artisan gouda cheese and create a Cafe and commercial kitchen in the renovated machinery shed. We again sought funding through APUC and received a grant of roughly \$150,000 to help with the costs associated with this expansion. As a

result of this expansion, our business has grown rapidly to try to keep pace with demand.

Our current products, services, locations and operations are below as well as economic benefit.

Products

- Premium Gelato, Gouda Cheese of various ages, Cheddar Cheese Curds, Battered Cheese Curds, Glass bottle whole and chocolate milk, yogurt, and frozen macaroni and cheese.

Services:

- Cafe/bistro,
- ~Monthly pre-order delivery to 10 cities in North Dakota
- Cheese and gelato shipping nationwide
- Limited wholesale availability.
- Gelato cart events throughout the state

Locations:

- Cows and Co. Creamery Café is open select dates, usually 2-3 Saturdays per month. Reservation dinners. Private events.
- Milkhouse on-farm store. This is an honor-system store on the same grounds as the creamery but located in the former milkhouse of our retired dairy barn.
- Drekker Brewhalla Market. This location includes a gelato scoop shop offering 12 flavors as well as grab and go cheese, gelato, milk and yogurt.

Operations and Economic Benefit:

- Cows and Co is 1 of 3 licensed and inspected dairy processing plants and 1 of 2 licensed milk bottlers in ND
- 4 full time employees excluding owners. ~25 part time/casual staff
- Doubled sales annually from 2018-2023.
- Sales tax collected 2024 ~\$25,000
- ~1.75 million spent on local contractors and building materials over the last 7 years.
- Cows and Co is not only creating new wealth, jobs and value added agriculture, but is creating an experience and increasing agritourism.
- Cows and Co Festival, Christmas at the Creamery, Dairy open houses, dairy tours on open Cafe days.
- Tourism, customers from all over the nation, midwest, Canada.
- ~500 customers come to the Cafe on open days.
- Local businesses plan to be open when we are open in the Cafe
- Honor System Store sees 10-20 customers per day, many from out of state in the summer.

- Add value to milk from VanBedaf Dairy that would otherwise be processed in Perham Minnesota.
- Cows and Co uses ~1% of the milk from VanBedaf Dairy, but adds value at the equivalent of over 10% of VanBedaf Dairy revenue.
- Shipping boxes and tourism brings out of state dollars into the state
- Hosted trade delegations from Mexico, Japan, Nigeria
- VanBedaf Dairy is a huge economic driver in the community and state.
- Cows and Co is currently in an expansion building project to meet increasing demand.

I am thankful for the commitment from our great state and from the Department of Agriculture to provide opportunities for value added agriculture.

I am happy to answer any questions and sincerely thank you for your time and consideration. APUC has helped Cows and Co by being a catalyst for growth. I hope other producers and innovators will have the opportunity to access this fund into the future, whether they are a large commodity processor or a small gelato maker in a garage.



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Nathan Schneider
Economic Development Association of North Dakota
In Support of HB 1009
January 30, 2025

Chairman Monson and members of the House Appropriations - Government Operations Division:

My name is Nathan Schneider, and I am Vice President of Economic Development for the Bismarck Mandan Chamber EDC and serve as the Secretary/Treasurer for the Economic Development Association of North Dakota (EDND). It is in the capacity of an EDND board member that I provide support today. Thank you for the opportunity to provide testimony in support of House Bill 1009, the North Dakota Ag Department's budget bill, specifically supporting the continued funding for the Ag Products Utilization Commission (APUC) grant program. This program is a vital initiative that promotes early-stage uses of agricultural products and fosters economic development in our state.

Agriculture has long been a cornerstone of our economy, providing food, raw materials, and employment for countless families. However, the challenges facing the agricultural sector, including fluctuating commodity prices, climate variability, and evolving market demands—necessitate innovative approaches to maximize the value of agricultural products. APUC plays a critical role in addressing these challenges by supporting research, product development, and exploratory initiatives at the earliest stages of innovation.

Continued investment in this program directly contributes to economic development in several ways:

- **Value-Added Products:** The program supports early-stage projects that explore transforming raw agricultural commodities into higher-value products, creating new potential revenue streams for farmers and producers.
- **Job Creation:** By fostering innovation and entrepreneurship from the ground up, the grant program helps generate employment opportunities in rural and urban communities alike.
- **Market Exploration:** Grants have enabled local businesses to test and develop emerging ideas, laying the groundwork for future market entry and increased competitiveness of our agricultural sector both domestically and internationally.
- **Supporting Innovation:** Innovation is essential to the long-term viability of our agricultural economy. By providing the necessary resources for early-stage research and development, this grant program empowers farmers, researchers, and businesses to explore new ideas and pilot projects that address emerging challenges and seize future opportunities.

- **Strengthening Rural Communities:** Rural areas often face unique economic challenges. This program has proven instrumental in revitalizing these communities by promoting entrepreneurship, fostering early innovation, and encouraging resilience and adaptability.

In closing, continued funding for APUC is essential for maintaining the momentum of early-stage agricultural innovation and economic development in our state. The program's proven track record, over the past 40 years of fostering value-added products, job creation, and exploratory market development demonstrates its importance as a strategic investment in our agricultural economy.

On behalf of the Economic Development Association of North Dakota and its over 110 members that represent economic development organizations and private sector businesses, I respectfully urge you to support the continued funding of this invaluable program.



APUC Grant – Final Report

North Dakota Dept. of Agriculture
600 E. Boulevard Ave, Dept 602
Bismarck, ND 58505

Program: Agriculture Products Utilization Commission Grant Program

Grant Number: 23-432

Grantee Name: EcoBalance Global LLC

EcoBalance Global (EBG), headquartered in North Dakota, is dedicated to supporting local ranchers and farmers. EBG facilitates access to education on innovative sustainable practices, cutting-edge tracking and reporting technologies, and participation in emerging markets for Climate Smart commodities. These markets include carbon credits and value-added products and byproducts, which help diversify revenue streams and enhance economic returns for agricultural producers. Additionally, EBG's efforts contribute to improved soil health and forage quality, delivering economic and environmental co-benefits that foster sustainable farm operations and long-term operational efficiency.

The aim of EBG is to create sustainable wealth and employment opportunities for North Dakota agricultural producers through adoption of regenerative agricultural practices that increase carbon sequestration in the soil, monetize resulting durable soil carbon into carbon credits and value-added products, and promote these products in the marketplace to meet increasing consumer demand for sustainable products.

EBG utilized Agricultural Products Utilization Commission (APUC) grant funds to expand on our initial 8,478-acre pilot project. EBG successfully completed this expansion to over 18,000 acres in rural North Dakota as planned. Through this expansion, the company was able to evaluate results from all enrolled and utilize findings to successfully guide further marketing and product utilization beyond the grant term. As initially planned, through use of the funds the company was able to implement and expand on innovative Soil Organic Carbon (SOC) framework, robust end-to-end data management, marketing of carbon credits and value-added products, and complete the market research needed to launch a comprehensive EcoSmart Brand and Marketing strategy for the evolving carbon market.

EBG was also able to successfully bring the first of its kind low-carbon beef commodity to the market within the United States. Through discussions with product retailers, it became apparent



APUC Grant – Final Report

that the retirement of carbon credits within the supply chain is important. EBG decided to use an “inset” approach within the supply chain to strengthen the carbon reduction claims made against the products. The cattle in the program were inset with the carbon credits that were generated from the land where they grazed. By updating the ranch management plan to a more sustainable method such as rotational grazing, increasing sequestration and promoting healthier soil, and using the carbon credits generated on that land to create the low carbon beef commodity, EBG has successfully proven that the carbon credits can remain within the supply chain they are linked to. This method also ensured that cattle is a part of the sustainability solution, as opposed to the problem as many have argued in recent years. The fact that the cattle are part of the solution increases the likelihood that the ranching industry can expand to meet increased food needs fueled by population growth, and thrive, into the future as new environmental laws and restrictions are inevitably put in place.

In addition to the expansion of the pilot project acreage, the additional intended use of the funds was for commercialization of the carbon credits and value-added products. This was achieved through cultivating relationships with buyers in local and emerging markets, and through the company’s marketing strategy initiated with this project, that aims to build overall market demand for the products themselves. To put this marketing strategy into action, EBG contracted support from the Public Relations and Marketing firm Novitas. As a result of the company’s new efforts with the firm, EBG was able to spread knowledge and awareness of nature-based solutions to the growing environmental problems. EBG was featured in multiple publications both domestically and internationally, including Forbes Magazine¹. The company also expanded its social media presence and enhanced its website to educate viewers on the industry and the solutions the company could offer. EBG also worked with other contractors with experience in the space, such as GPT, to widen our depth of knowledge and our reach in the market to increase the likelihood of closing deals and building partnerships for the future.

The company was able to utilize the grant funding in line with the APUC mission, including for the following purposes:

EXPAND ND AGRICULTURAL PRODUCT USE: The project successfully expanded enrollment in the program by over 250%, from 8,478 acres prior to the grant to over 18,000 acres using APUC funds.

¹ <https://www.forbes.com/sites/stevensavage/2024/03/28/one-promising-way-beef-can-be-a-climate-friendly-source-of-protein/>



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PROCESSES & TECHNOLOGIES THAT IMPROVE EFFICIENCY: During the grant period, EBG expanded on its innovative framework and technology solutions offering. EBG utilizes an enterprise SaaS management system, EcoSmart Enterprise, to register, track, monitor and retire credits and commodities. Using grant funds, EBG was able to expand on our enterprise platform offering in multiple ways, including finalizing an online portal for current and future EBG customers to show the lifecycle of each carbon credit and commodity from beginning to end of the supply chain, in a user-friendly way. EcoSmart Enterprise can trace each credit and commodity, such as low-carbon beef, back to the specific ranch the credits and/or cattle are connected to. It then has the ability to follow these credits or commodities through each step in the supply chain, ending with the location and information of the end user of those credits/commodities. Our platform also goes one step further by connecting these credits to the blockchain and providing the link to the corresponding public ledger. The goal of these system enhancements was to offer the highest level of traceability, transparency and relevant information, while being able to tell the story of the environmental impacts the products have starting in North Dakota.

CONSUMER PREFERRED PRODUCTS: The carbon credits and value-added commodities respond to a growing consumer demand for sustainable products. EBG was able to sell these products to multiple end-users, including the sale of North Dakota raised low-carbon beef to a restaurant management group in Dubai and participating restaurants at Taste of Vail in Colorado. The company also completed a sale of carbon credits to offset emissions at the Pac-12 Championship Football game held at Allegiant Stadium in Las Vegas. The ability to utilize and sell carbon credits in multiple ways is a key lesson that we believe our framework uniquely enables and can be expanded through the state of North Dakota to assist in achieving some of the goals of the APUC grant.

DIVERSIFY AGRICULTURAL INDUSTRY: Through extensive research and relationship building during the grant period, EBG was able to identify sectors of interest for potential partnerships and locations of emerging markets to focus on. The team identified that universities with strong ties to the agriculture industry could be an option for potential partnerships where both sides could mutually benefit. EBG has visited with these universities and is pursuing several opportunities to leverage the knowledge gained from this grant initiative. The team also identified the Middle East and Central Asia as emerging markets for environmentally friendly and sustainable products. The EBG team attended the COP 28 Climate Change conference in Dubai, as a guest delegation for the Kazakhstan Department of Agriculture, for whom the



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company is actively working to finalize a carbon credit and climate smart commodity project to supply Central Asia and beyond with these products. As a first step and important result from this project, the team finalized a sale of low-carbon beef from North Dakota to the restaurant group in Dubai and is actively working on expanding its reach in the region.

MATCHING FUNDS: In addition to matching the required 25% of the grant funds, EBG invested over \$500,000 on the project to enhance each grant dollar invested. EBG has leveraged the \$2.4M in funding received prior to the grant period, along with an additional \$600K in funding since the grant period began. This increase in funding aligns with the team's commitment to finding an economical solution to agricultural emission reductions that benefits and incentivizes local ranchers and farmers.

IMPLEMENTATION FRAMEWORK: This project was managed by a dedicated team with experience in grant management, financial planning and project management. This enabled the team to utilize the funds as intended and carry out the project in a timely manner while meeting project objectives. This stewardship of grant funds was further bolstered by rigorous certification protocols as required by BCarbon registry and third-party verification. The company framework put in place ensured accurate tracking and reporting in line with grant requirements.

FINDINGS: EBG had many findings obtained throughout the course of the project that will be very beneficial for farmers and ranchers in North Dakota as the carbon and agricultural industry continues to develop sustainable and low carbon intensity practices. Regarding the voluntary market for carbon credit sales, we found that this market has not rebounded as quickly as anticipated after the downturn of nature-based credits in 2022. As a result, the company found that the market is less liquid than estimated in relation to sales of credits, but it is anticipated this will change as the U.S. SEC implements required ESG reporting for public companies and many state governments, large corporations and public corporations will have to focus more on meeting their stated emissions and sustainability goals for 2030 and 2040. In the short term, it was found that off-take agreements for the credits are still valued in more niche markets where sustainability and emission reduction is more important to the related stakeholders, and it is anticipated this will expand into the larger market as the industry develops in the U.S.



Figure 1: Value of N-GEO futures (nature-based carbon credit futures)²

Regarding a voluntary market premium for climate smart commodities, it was found that the premium an average consumer is willing to spend on these commodities, such as low-carbon beef, is still being determined within the U.S. While the data is being collected by early adopter retailers and restaurant chains, the larger retail businesses are hesitant to go under contract of long-term supply deals with commodity developers. The short-term solution to this delay in market adoption that EBG found was to work with emerging markets both domestically and internationally, and to do business with the niche market as described, even if at lower margins.

EBG also analyzed the value of grassland preservation, which would be enabled through a free-market approach via carbon storage certification, water credits, and other emerging crediting mechanisms. Approximately 0.63% of pastureland is converted into cropland each year in the Upper Great Plains. In North Dakota, this equates to 24,000 acres. The ND Priority Climate Action Plan (2024, Fig. 2) calls out agriculture as a large source of emissions, however this does not count soil carbon storage which likely offsets most of these emissions.

² July 31, 2024: <https://carboncredits.com/carbon-prices-today/>

Table 1.2 Rationale for Sector Selection

Sectors Included in Inventory	Rationale for Including in GHG Inventory
Agriculture and Natural and working lands ⁹	Agriculture accounted for 22% of emissions for the year 2018. With the state of North Dakota being largely rural, most land is in a natural state or utilized in agriculture. Nearly 40 million of the 45 million acres in North Dakota are utilized for farming. ¹⁰ The sector is widespread geographically across the state.

Figure 2: Snapshot from North Dakota Dept. of Environmental Quality “Priority Climate Action Plan”, 2024 ³

While cropland is vital to the production of food and fuel, preserved grasslands provide a myriad of environmental benefits. These environmental benefits provide value to the state of North Dakota through the following mechanisms:

- 1) Water runoff prevention⁴
- 2) Phosphorous⁵ and nitrogen⁶ runoff avoidance (as pasturelands are not typically fertilized)
- 3) Topsoil runoff prevention⁷
- 4) Biodiversity benefits⁸
- 5) Soil carbon storage⁹
- 6) Increased animal carrying capacity
- 7) Drought prevention

EBG estimates that the first five mechanisms provide approximately \$340 per acre per year of value to the state of North Dakota and landowner, excluding improved cattle operations. This means that our pilot project on 18,000 acres provided over \$6,100,000 in environmental services through avoided conversion of grasslands. The 9.4M acres of grasslands in North Dakota provide \$3.2B in environmental value to the state each year compared to converting to cropland. For \$20 per acre spent to preserve grasslands via the crediting mechanism, this is a 4,200% ROI. See Table 1 for further details.

Table 1: Environmental services provided by grasslands through avoided conversion to tilled cropland.

³ https://www.deq.nd.gov/publications/Director/Sustainability/NDDEQ_PCAP_Report.pdf

⁴ <https://www.pnas.org/doi/10.1073/pnas.2005835117>

⁵ <https://www.sciencedirect.com/science/article/abs/pii/S0921344920305164?via%3Dihub>

⁶ <https://pubs.acs.org/doi/abs/10.1021/es303804g>

⁷ <https://heinonline.org/HOL/LandingPage?handle=hein.journals/jms7&div=19&id=&page=>

⁸ https://dash.harvard.edu/bitstream/handle/1/37371589/Gibson_Aislin_Thesis-final_21Apr2022.pdf?sequence=1

⁹ <https://www.science.org/doi/10.1126/science.267.5201.1117>

	Value per acre per year	EBG pilot, 1y	ND grasslands
Irrigation water savings	\$ 27	\$ 481,057	\$ 251,218,760
P/N runoff prevention value	\$ 254	\$ 4,579,454	\$ 2,391,492,455
Topsoil runoff prevention value	\$ 29	\$ 530,712	\$ 277,149,600
Biodiversity value	\$ 9	\$ 163,968	\$ 85,627,530
Carbon storage value (\$20/tCO ₂)	\$ 20	\$ 360,000	\$ 188,000,000
Total land value provided	\$ 340	\$ 6,115,190	\$ 3,193,488,345

EBG has provided a proven framework and accounting methodology that can be scaled throughout North Dakota to assist in creating incentives that will be generational. As discussed, the attention to detail and transparency is paramount.

In the 2024 North Dakota Priority Climate Action Plan (Fig. 3), the state has committed to developing the Alliance to Advance Climate-Smart Agriculture Program. The Alliance is aimed at expanding its reach to support farmers and ranchers in up to eight additional Soil Conservation Districts (SCDs) with financial incentives for climate-smart agriculture practices on working lands. A key action item from this initiative is for the State of North Dakota to implement the Framework EBG developed during the grant period. This Framework provides flexible general guidelines that can be applied to various emission reduction measures outlined in North Dakota's plan of action.


4.2 GHG Reduction Measure #2 Alliance to Advance Climate-Smart Ag Program		
Estimate of GHG Emissions Reductions	Cumulative emissions saved 2025-2030 (MT CO ₂ e): 238,795	
	Cumulative emissions saved 2025-2050 (MT CO ₂ e): 907,153	
Implementing Entity	NDFU	
Implementation Authority Milestones	NDFU has the authority to implement, no other actions necessary.	

Figure 3: North Dakota Alliance Emission Reduction Goals³

Another specific action item would be a collaboration with EcoBalance to utilize its dataset for soil carbon in the United States. With a partner, we co-developed the highest resolution dataset

of soil carbon using USDA data, climate data, soil information, and more than one hundred covariates into a machine learning algorithm. This dataset, shown in a snapshot in Figure 4, could be utilized by the state to estimate soil carbon storage/loss rates on an annual basis.



Figure 4: EcoSTAC soil carbon stocks in North Dakota. Data plot shows one random farm from 2000 through 2022.

In conclusion, our work under the APUC grant is crucial for achieving the State of North Dakota's ambitious emission reduction goals and meeting its reporting requirements. Over the past year, government and commercial "Climate Action Plans" have faced increased scrutiny, resulting in a surge of lawsuits. EBG believes it is essential to apply the lessons learned from this grant



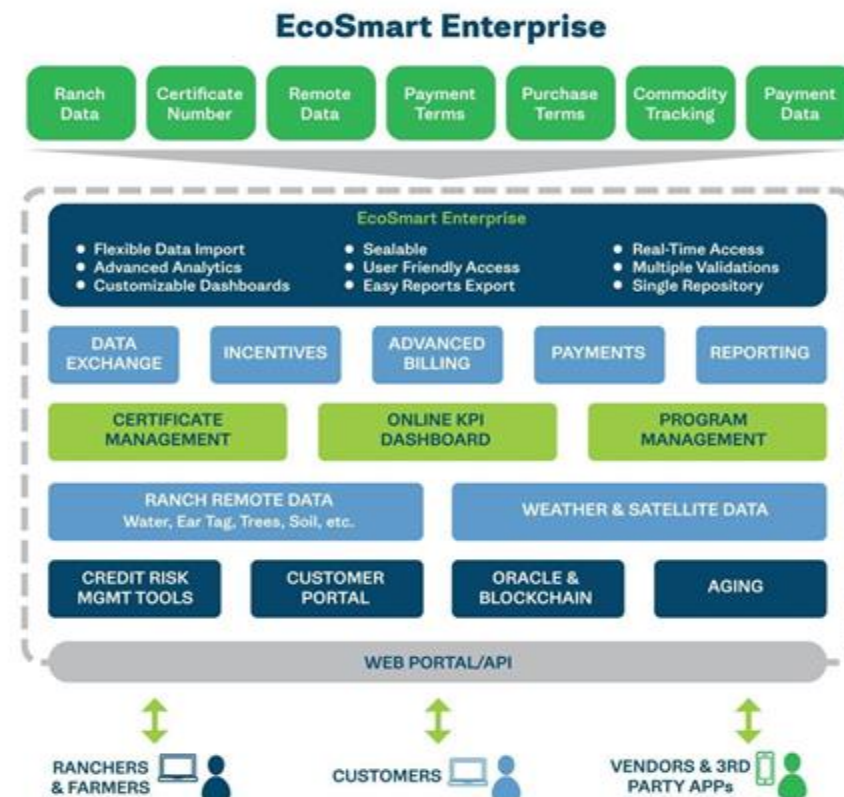
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initiative to deliver precise and well-substantiated environmental claims, particularly as North Dakota implements its Climate Action Plan.

Smart Solutions for a Changing Planet



- + Consulting & Strategy Development
- + Baseline Footprint Analysis/Inventory
- + Verification Services
- + Carbon Credit Project Development
- + Satellite AI Monitoring
- + Enterprise Platform Implementation
- + Blockchain Tracking & Reporting
- + National Carbon Credit Registry
- + Offset Pool Management
- + Supply Chain Insetting
- + Eco Smart Products
- + Food Security Strategy Development



EcoBalance solutions and services are designed with a high degree of flexibility and can be adjusted to fit almost any Industry

Legislative Testimony

January 30, 2025

RE Bill 1009 Testimony by Mollie Ficocello, 3 Farm Daughters, Grand Forks ND

Chairman Monson and committee members,

For the record, my name is Mollie Ficocello, and I am a Co-founder of 3 Farm Daughters in Grand Forks, ND, a better for you pasta brand that was built on a passion to reconnect people with where their food comes from, the farm. Our pastas are sold online and through retail partners. Thank you for the opportunity to submit testimony regarding Bill 1009: A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to provide for a transfer.

I am here today to support Bill 1009. In 2020, 3 Farm Daughters received APUC funds to help develop our company branding and the package designs you see today. Prior to the program, our branding was a mishmash of clipart assets we put together ourselves with no marketing background. Through the APUC program, we were able to engage with a professional Marketing Agency that had vast experience in the Consumer-Packaged Goods industry and consumer package design.

Working with them, we explored the use of color, how to bring a ND Agriculture influence into our logo (the 3 being representative of rows in a field), and ensuring FDA compliance while transitioning our packaging from a cello bag to a box. Completing this exercise ensured that our ND products were ready to be debuted at a national level.

In 2021, we officially launched the rebrand with Whole Foods Market, our first major retailer, and have since launched with major retailers nationwide increasing our retail footprint by over 1500%. Because of APUC's support, we were able to take our company to the next level and be competitive against the big brand competitors.

Therefore, I strongly encourage this body to support Bill 1009.

Thank you for your time and review of this testimony today and thank you for your service to our state.



****Good afternoon,**** Thank you for giving me the opportunity to speak with you today.

My name is DeAnna Lozensky, and together with my husband, Kelly, I operate a 2,800-acre plant-based grain farm in Ward County, North Dakota, with a strong focus on soil conservation. In 2013, we transitioned from conventional farming to regenerative agriculture, implementing soil health principles to improve ecosystem resilience and long-term viability of our 4th generation farm. We grow a variety of crops including yellow peas, yellow mustard, flax and small grains. We believe that soil health is the foundation of both human and animal health.

This philosophy led us to establish **Guardian Grains**, a growing food brand that allows us to sell a portion of our harvest directly to consumers, restaurants, and bakeries.

In 2022, we began growing a few different varieties of ancient wheat, Egyptian Hulless barley and spelt. APUC played a critical role in the expansion of our whole grain business. Their initial funding enabled us to invest in a New American Stone Mill to produce fresh flour for consumers and heritage artisan pasta with our ancient wheat. The funding also helped cover essential packaging costs for whole grains, flour, and pasta. The APUC funding while it supplied crucial equipment, we were also able to partner with organizations like the Great Plains Food Bank to provide our 100% heritage whole wheat pasta to food pantries, helping to nourish communities across our state. As a result, our business experienced a 59% growth by 2023.

In 2024, additional APUC funding allowed us to further develop our market presence in North Dakota through digital and local magazine marketing, as well as comprehensive nutritional testing on 17 of our products. This testing was instrumental in positioning our grains for larger-scale buyers—businesses that purchase by the 50,000-pound truckload rather than by the 35-pound bucket. Proven nutritional testing helps drive larger markets in North Dakota and beyond.

While we continue to leverage these marketing resources, our business grew an additional 40% last year, a testament to APUC's commitment to enhancing the value of North Dakota's agricultural products. APUC helped us create an outlet for consumers to learn more about North Dakota conservation agriculture and how it can improve the future of food production on our North Dakota farms. APUC was instrumental in building a foundation to better utilize the grains grown on our farm.

Beyond business growth, APUC has profoundly influenced our perspective as farmers. By marketing directly to consumers, restaurants, and bakeries, we have shifted from

growing commodities to producing high-quality, nutritious food—food that nourishes our family, our neighbors, and our community. As farmers we are entrusted to produce nutritious food for both animals and people. We are passionate about spreading the message and the importance of true Whole Foods that are coming off North Dakota farms. We and many other recipients are grateful for the APUC funding to help expand both our markets and awareness to consumers of how food is grown and processed in our state.

Thank you for your time today.

North Dakota Agricultural Products Utilization Commission

Thank you

I, Roger Gussiaas owner of Healthy Oilseeds, LLC from Carrington, North Dakota. Healthy Oilseeds does cold press expelling, milling and sifting of flaxseed, hempseed and a few other oilseeds. Operating 24 hours per day and seven days per week.

I have received help from APUC, two different times, once for about \$15,000 to try to find markets for the crops we process, flaxseed, hempseed and borage.

The second time I received was about three years ago for \$65,000. This was actually for what is called the Hemp Feed Coalition. The Hemp Feed Coalition was to get hemp products approved for a livestock feed. We needed to do an extensive test on hemp grain to analyze for amino acids, vitamins, contaminants and many other things. The cost of this was \$7,000. The rest of the funds were used for feeding studies.

At the second presentation I said that we are paying to the farmer for the hemp grain \$.55 per pound. In the presentation I said if hemp products including what we call hempseed cake or hemp protein and hempseed oil. If this could be used as a livestock feed we would be able to purchase hempseed grain for \$.70 per pound.

Last year hempseed products were approved for laying hens, chickens. As of last year our price we pay to the farmers is \$.70 per pound.

We have now between our flax, hemp and borage have exported to 26 countries and we do business in 49 states.

In 2025 we are doubling our capacity.

A BIG THANK YOU TO AG PRODUCTS UTILIZATION COMMISSION

House Appropriations – Government Operations Division
APUC Questions | January 24, 2025

- 1. How many projects have been funded multiple times?** Since 2021, nine companies have been funded for a second grant. The projects were significantly different or were a phase two to a previous project.

- 2. How much money was carryover from the 2021-2023 biennium?**

2019-2021 C/O	\$2,424,920.80
BND	2,700,000.00
ND State Mill	1,595,802.73
Gas Tax	697.51
Interest	9,338.24
<u>Expenditures</u>	<u>(3,572,083.07)</u>
2021-2023 C/O	\$3,158,676.21

- 3. How much is remaining in the fund today?**

2021-2023 C/O	\$3,158,676.21
BND	3,000,000.00
Gas Tax (discontinued)	453.63
ND State Mill	1,039,758.41
Interest	27,886.31
<u>Expenditures</u>	<u>(2,062,751.30)</u>
Cash Balance (12/31/2024)	\$5,164,023.26

2023-2025 Authority	\$5,110,417.00
Expenditures	(2,062,751.30)
<u>Total remaining obligations</u>	<u>(1,332,630.53)</u>
Available to Spend	\$1,715,035.17

*There are two meetings left this biennium in February and May 2025.

- 4. How many applicants have there been? Grantees?**

2023-2025 Applicants through 12/31/24	59	\$7,357,197.05
2023-2025 Grantees through 12/31/24	34	\$2,316,524.30

	2021-23 Biennium		2023-25 Biennium Projections	
Beginning balance		\$5,291,507		\$7,081,986
Add estimated revenues				
Pesticide registration fees (North Dakota Century Code Section 19-18-04) ¹	\$5,305,823		5,300,000	
Weed seed-free forage (Section 4.1-14-04) ²	28,639		30,000	
Fertilizer registration, inspection, and tonnage fees (Sections 19-20.1-03, 19-20.1-03.1, and 19-20.1-06) ^{3,4}	1,407,646		1,425,000	
Commercial feed registration, inspection, and tonnage fees (Section 19-13.1-16) ⁵	727,500		727,500	
Sale of capital asset - surplus property (2015 Canam Commander 1000XT 4x4 UTV)	10,000			
Total estimated revenues		7,479,608		7,482,500
Total available		\$12,771,115		\$14,564,486
Less estimated expenditures and transfers				
Agriculture Commissioner (2021 HB 1009; 2023 SB 2009)				
Administrative Services Division	\$278,720		\$368,646	
Marketing and Info Division	154,444		166,005	
Wildlife Services program ⁶	433,800		433,800	
Animal Health Division (State Veterinarian) ⁶	119,414		143,343	
Plant Industries Division ⁷	1,146,217		2,003,966	
Pesticide and Fertilizer Division	2,705,846		3,716,326	
Grain Inspection and Feed Division	202,287		456,979	
Transfer to environmental impact mitigation fund (2023 SB 2009)			250,000	
Livestock Planning grants (2023 HB 1437, one-time expenditure)			540,000	
Crop Protection Product Harmonization and Registration Board (2021 HB 1009; 2023 SB 2009)				
Crop protection product registration, labeling, and grants	73,401		75,000	
Minor use pesticide registration	325,000		325,000	
Department of Environmental Quality (2021 SB 2024; 2023 HB 1024)				
Ground water testing, including a \$50,000 grant for the North Dakota Stockmen's Association environmental services program	250,000		250,000	
Total estimated expenditures and transfers		5,689,129		8,729,065
Estimated ending balance		\$7,081,986		\$5,835,421

ND DEPARTMENT OF AGRICULTURE - HB 1009

INFLATIONARY INCREASES - OPTIONAL REQUEST

Account Code Description	2025-2027 BIENNIUM
TRAVEL	750,000
OFFICE SUPPLIES	3,000
PRINTING	8,000
INSURANCE	2,700
RENTALS/LEASES - BLDG/LAND	12,500
TOTAL	776,200

DOT costs are going to double for our assigned vehicles along with increased rates for operations, rent and risk management premiums.

Continued funding is crucial to maintain the current level of staff and services provided to the state of ND. Without this funding, there could be significant impacts on programs and overall service.

Additional questions:

How many wineries are there in ND?	20
How many vineyards are there in ND?	46

UPCOMING TRADE MISSIONS

Feb	2-6	Thailand
Feb	1-7	Medellin & Bogota, Columbia
March	3-6	Guatemala City
April	5-11	Panama City
April	28-2	Taiwan
May	12-16	Hong Kong
June	2-5	Lima Peru
July	7-11	Mexico City
Aug	4-8	South Africa and Kenya
Aug	11-13	Shanghai and Hangzhou, China
Aug	14-15	Hong Kong
Sept	3-4	Canada
Oct	27-28	Tokyo
Oct	29-31	Seoul, South Korea
Nov	12-13	Bogota, Columbia
Nov	16-20	Egypt
Dec	2-4	Riyadh, Saudi Arabia

HB 1009 Version Comparison

House Bill No. 1009 Agriculture Commissioner

	25-27 Base Level	Commissioner's Budget Request	Commissioner's Adjusted Budget Request
Salaries and Wages			
Salaries	\$ 17,042,562	\$ 19,146,504	\$ 19,146,504
Environmental FTE		\$ 200,882	\$ 200,882
USDA Tropilaelaps (fed funds)		\$ 16,000	\$ 16,000
USDA Farm Stress (fed funds)			\$ 15,000
Salary and Wages	\$ 17,042,562	\$ 19,363,386	\$ 19,378,386
Operating Expenses			
Operating Expenses	\$ 7,426,173	\$ 8,564,256	\$ 8,564,256
Environmental FTE		\$ 20,396	\$ 20,396
USDA Tropilaelaps (fed funds)		\$ 77,000	\$ 77,000
USDA Farm Stress (fed funds)			\$ 285,000
Move Royalty Ombudsman Program with Pipeline			\$ (300,000)
Operating Expenses*	\$ 7,426,173	\$ 8,661,652	\$ 8,646,652
Capital Assets	\$ 7,000	\$ 11,100	\$ 11,100
Grants			
Grants	\$ 10,953,969	\$ 13,875,269	\$ 13,875,269
Grasslands Grazing Grants c/o		\$ 1,400,000	\$ 1,400,000
Grasslands Grazing Grants-new projects (SIIF \$)			\$ 3,000,000
Local Food Purchase Assistance Grant (fed funds)		\$ 580,388	\$ 580,388
USDA Forest Service Grant (fed funds)		\$ 13,000	\$ 13,000
Grants	\$ 10,953,969	\$ 15,868,657	\$ 18,868,657
COVID-19 Specialty Grants (ends 9/2025)	\$ -	\$ 300,000	\$ 300,000
Bioscience Innovation Grant Program	\$ -	\$ 12,000,000	\$ -
Ag Products Utilization Commission	\$ 2,110,417	\$ 5,110,417	\$ 5,110,417
ND Trade Office	\$ 1,600,000	\$ 2,000,000	\$ 2,000,000
Board of Animal Health	\$ 865,718	\$ 865,718	\$ 865,718
Wildlife Services			
Wildlife Services	\$ 1,657,400	\$ 1,657,400	\$ 1,657,400
Additional Request for predator control			\$ 150,000
Wildlife Services	\$ 1,657,400	\$ 1,657,400	\$ 1,807,400
Pipeline Restoration & Reclamation Oversight			
Pipeline Restoration & Reclamation	\$ 200,000	\$ 200,000	\$ 200,000
Add Royalty Ombudsman Program			\$ 300,000
Pipeline Restoration & Reclamation Oversight*	\$ 200,000	\$ 200,000	\$ 500,000
Ag Diversification & Develop/Ag Infrastructure	\$ -	\$ 25,000,000	\$ -
Crop Harmonization Board	\$ 75,000	\$ 75,000	\$ 75,000
HB 1009 Total	\$ 41,938,239	\$ 91,113,330	\$ 57,563,330
Full Time Employees	80	80	80
Changes		2	2
Full Time Employees - Total	80	82	82

*We are requesting the Royalty Ombudsman Program funding (\$300,000) be moved from the operating line into the Pipeline Restoration Line.

USDA Definition of Specialty Crop

BACKGROUND

The purpose of this document is to facilitate coordination among the various US Department of Agriculture (USDA) agencies with programs that address the needs of specialty crop producers, handlers and processors. Although a common definition of specialty crops across these agencies is desirable for USDA stakeholders and customers, it is also recognized that the mission of each agency is unique and so the application of a common definition might vary. It is also recognized that individual states may wish to modify the definition used by USDA to satisfy local or regional needs. The agencies involved in this effort were the Agricultural Marketing Service (AMS), the National Institute of Food and Agriculture (NIFA), the Foreign Agricultural Service (FAS), the National Agricultural Statistics Service (NASS), the Office of the Chief Economist (OCE), U.S. Forest Service (FS), the National Resource Conservation Service (NRCS) and the Risk Management Agency (RMA).

WHAT ARE SPECIALTY CROPS?

Specialty crops are defined in law as “fruits and vegetables, tree nuts, dried fruits and horticulture and nursery crops, including floriculture.” This definition, although more exact than previous legal definitions, leaves a certain amount of latitude in interpretation. Fruits, vegetables, tree nuts, nursery crops and floricultural crops are all considered to be horticultural crops. Regardless, the specific mention of these crop groups means that plants so classified automatically qualify as specialty crops. Where interpretation is needed is in which plants, not specifically mentioned in legislation, can be classified as horticulture (sic) crops.

WHAT IS HORTICULTURE?

Horticulture is defined as that branch of agriculture concerned with growing plants that are used by people for food, for medicinal purposes, and for aesthetic gratification. Horticulture is divided into specializations. The terms used to describe these specializations derive from millennia of common usage and are sometimes at odds with botanical nomenclature. For example, vegetables are described as herbaceous plants of which some portion is eaten raw or cooked during the main part of a meal. Fruits, for horticultural purposes, are described as plants from which a more or less succulent fruit or closely related botanical structure is commonly eaten as a dessert or snack. By these definitions, plants such as tomato, squash and cucumber are considered vegetables despite the fact that the edible portion is defined botanically as a fruit. The delineation of plants by common usage was legally established in 1893 by the unanimous U.S. Supreme Court decision in the case of [Nix vs. Hedden – 149 U.S. 304](#).

Over the last 60 years, agriculture, including horticulture, has become increasingly reliant on science and technology to maintain profitable production. The scientific study of horticulture is divided into various sub-disciplines. Pomology is defined as that branch of horticulture dealing with fruit and tree nut production. Fruit production includes the so-called tree fruits; such as apple, peach, and orange, and small fruits; such as strawberry, blueberry, and raspberry. Olericulture is defined as that branch of horticulture dealing with the production of vegetables and herbs. Floriculture is that branch of horticulture dealing with the production of field-grown or greenhouse-grown plants for their flowers or showy leaves. Environmental horticulture is that branch of horticulture that deals with the production of plants for ornamental use in constructed environments, both indoors and outdoors.

There are many facets to environmental horticulture. Nursery production involves growing plants under intensive management for use in another location. Nurseries are defined in a variety of ways:

- a) the type of plant grown, such as fruit tree, turf or Christmas tree nurseries;
- b) the function of the nursery, such as production, wholesale, retail, mail-order or landscape nurseries; and
- c) the production system, such as field-grown or container-grown.

Landscape horticulture involves the design, installation, and maintenance of both outdoor and indoor environments. Public horticulture involves the design and maintenance of arboreta, public gardens, parks, and athletic facilities. Horticultural therapy involves the use of horticultural plants to improve the condition of people with physical, intellectual or emotional disabilities. Horticultural therapy also includes the use of plants in hospitals and other medical facilities to ease the pain and suffering of patients. Home horticulture involves the use of horticultural plants as a recreational activity, generally by non-professionals. Home horticulture is the most popular hobby in the United States with a commercial value of over \$35 billion in 2012.

WHAT ARE CROPS?

There are many definitions of the word “crop”. When referring to plants, USDA considers crops to be those plants that are cultivated either for sale or for subsistence. There are many plants that are specialty crops when cultivated, but are also collected from wild populations. Wild plants are not considered specialty crops even though they may be used for the same purpose as cultivated plants. This is somewhat common among medicinal herbs and woodland plants. There are a number of native ferns that are collected from wild populations for use in the floral trade. There are also a number of marine plants that are collected from wild populations both for direct consumption and for industrial uses. Although these are specialty uses, wild plants are not considered specialty crops by USDA. However, natural populations of native plants that are brought into cultivation, such as sugar maple trees, pecans, blueberry, huckleberry and cranberry are considered specialty crops by USDA. In order for a plant to be considered cultivated, some form of management must be applied. The intensity of the management is not critical to determining whether a plant is cultivated or not. This definition includes plants or plant products harvested from “wild areas” whose populations are managed, monitored and documented to ensure long-term, sustainable production. If a naturally occurring population of plants is brought under management and that plant satisfies the definition of specialty crop presented in the second paragraph of this document, then those plants would be considered specialty crops. It is common for such plants to be designated “wild-harvested” for marketing purposes. Such a designation does not preclude a plant from being considered a specialty crop as long as the above criteria are met. For the purpose of some programs in which state agencies are the eligible entities, states may choose to define plants collected from the wild as specialty crops.

Similarly, some cultivated plants have multiple uses. Amaranth may be grown as a leafy green, or it may be grown as a grain. Leafy greens are vegetables, therefore amaranth grown in such a manner would be considered a specialty crop. However, grains are not specialty crops, therefore amaranth grown for grain would not be considered a specialty crop. There are many other examples of crops with multiple uses and an exhaustive list would not be possible here. However, the following groups of crops are not considered specialty crops: grains (corn, wheat, rice, etc.), oil seed crops (canola, soy bean, camelina, etc), bio-energy crops (switchgrass, sugar cane, etc), forages (hay, alfalfa, clover, etc.), field crops (peanut, sugar beet, cotton, etc.), and plants federally controlled as illegal drug plants (cannabis, coca).

The following appendices give examples of plants that are considered specialty crops by USDA. These appendices are not intended to be all-inclusive, but rather are intended to give examples of the most common members of the various groups.

APPENDIX A – PLANTS COMMONLY CONSIDERED FRUITS AND TREE NUTS

Almond	Grape (including Raisin)
Apple	Guava
Apricot	Kiwi
Aronia berry	Litchi
Avocado	Macadamia
Banana	Mango
Blackberry	Nectarine
Blueberry	Olive
Breadfruit	Papaya
Cacao	Passion Fruit
Cashew	Peach
Citrus	Pear
Cherimoya	Pecan
Cherry	Persimmon
Chestnut (for Nuts)	Pineapple
Coconut	Pistachio
Coffee	Plum (including Prune)
Cranberry	Pomegranate
Currant	Quince
Date	Raspberry
Feijou	Strawberry
Fig	Suriname Cherry
Filbert (Hazelnut)	Walnut
Gooseberry	

APPENDIX B – PLANTS COMMONLY CONSIDERED VEGETABLES

Artichoke	Mushroom (Cultivated)
Asparagus	Mustard and Other Greens
Bean Snap or Green Lima Dry, Edible	Okra
Beet, Table	Pea Garden English or Edible Pod Dry, Edible
Broccoli (including Broccoli Raab)	Onion
Brussels Sprouts	Opuntia
Cabbage (including Chinese)	Parsley
Carrot	Parsnip
Cauliflower	Pepper
Celeriac	Potato
Celery	Pumpkin
Chickpeas (Large and Small)	Radish (All Types)
Chive	Rhubarb
Collards (including Kale)	Rutabaga
Cucumber	Salsify
Edamame	Spinach
Eggplant	Squash (Summer and Winter)
Endive	Sweet Corn
Garlic	Sweet Potato
Horseradish	Swiss Chard
Kohlrabi	Taro
Leek	Tomato (including Tomatillo)
Lentils	Turnip
Lettuce	Watermelon
Melon (All Types)	

APPENDIX C: PLANTS COMMONLY CONSIDERED CULINARY HERBS AND SPICES

Ajwain	Clary	Malabathrum
Allspice	Cloves	Marjoram
Angelica	Comfrey	Mint (All Types)
Anise	Common Rue	Nutmeg
Annatto	Coriander	Oregano
Artemisia (All Types)	Cress	Orris Root
Asafetida	Cumin	Paprika
Basil (All Types)	Curry	Parsley
Bay (Cultivated)	Dill	Pepper
Bladder Wrack	Fennel	Rocket (Arugula)
Bolivian Coriander	Fenugreek	Rosemary
Borage	Filé (Gumbo, Cultivated)	Rue
Calendula	Fingerroot	Saffron
Chamomile	French Sorrel	Sage (All Types)
Candle Nut	Galangal	Savory (All Types)
Caper	Ginger	Tarragon
Caraway	Hops	Thyme
Cardamom	Horehound	Turmeric
Cassia	Hyssop	Vanilla
Catnip	Lavender	Wasabi
Chervil	Lemon Balm	Water Cress
Chicory	Lemon Thyme	
Cicely	Lovage	
Cilantro	Mace	
Cinnamon	Mahlab	

APPENDIX D: PLANTS COMMONLY CONSIDERED MEDICINAL HERBS

Artemissia	Mullein
Arum	Passion Flower
Astragalus	Patchouli
Boldo	Pennyroyal
Cananga	Pokeweed
Comfrey	St. John's Wort
Coneflower	Senna
Fenugreek	Skullcap
Feverfew	Sonchus
Foxglove	Sorrel
Ginko Biloba	Stevia
Ginseng	Tansy
Goat's Rue	Urtica
Goldenseal	Witch Hazel
Gypsywort	Wood Betony
Horehound	Wormwood
Horsetail	Yarrow
Lavender	Yerba Buena
Liquorice	
Marshmallow	

APPENDIX E: PLANTS COMMONLY CONSIDERED FLORICULTURE AND NURSERY CROPS

This list includes the major segments of floriculture and nursery crops. For each segment, a non-exclusive list of the most common plants is provided. Providing a complete list for each segment would not be practical given the thousands of different ornamental plant taxa that are commercially produced.

Annual Bedding Plants

Begonia	Coleus	Dahlia
Geranium	Impatiens	Marigold
Pansy	Petunia	Snapdragon
Vegetable Transplants		

Broadleaf Evergreens

Azalea	Boxwood	Cotoneaster
Euonymus	Holly	Pieris
Rhododendron	Viburnum	

Christmas Trees

Balsam Fir	Blue Spruce	Douglas Fir
Fraser Fir	Living Christmas Tree	Noble Fir
Scots Pine	White Pine	

Cut Cultivated Greens

Asparagus Fern	Coniferous Evergreens	Eucalyptus
Holly	Leatherleaf Fern	Pittosporum

Cut Flowers

Carnation	Chrysanthemum	Delphinium
Gladiolus	Iris	Lily
Orchid	Rose	Snapdragon
Tulip		

Deciduous Flowering Trees

Crabapple	Dogwood	Crepe Myrtle
Flowering Pear	Flowering Cherry	Flowering Plum

Hawthorn	Magnolia	Redbud
Service Berry		

Deciduous Shade Trees

Ash	Elm	Honey Locust
Linden	Maple	Oak
Poplar	Sweetgum	Sycamore

Deciduous Shrubs

Barberry	Buddleia	Hibiscus
Hydrangea	Rose	Spirea
Viburnum	Weigela	

Foliage Plants

Anthurium	Bromeliad	Cacti
Dieffenbachia	Dracaena	Fern
Ficus	Ivy	Palm
Philodendron	Spathiphyllum	

Fruit And Nut Plants

Berry Plants	Citrus Trees	Deciduous Fruit and Nut Trees
Grapevines		

Landscape Conifers

Arborvitae	Chamaecyparis	Fir
Hemlock	Juniper	Pine
Spruce	Yew	

Potted Flowering Plants

African Violet	Azalea	Florist Chrysanthemum
Flowering Bulbs	Hydrangea	Lily
Orchid	Poinsettia	Rose

Potted Herbaceous Perennials

Astilbe	Columbine	Coreopsis
Daylily	Delphinium	Dianthus
Garden Chrysanthemum	Heuchera	Hosta
Ivy	Ornamental Grasses	Peony
Phlox	Rudbeckia	Salvia
Vinca		

Propagative Materials

Bare-Root Divisions	Cuttings	Liners
Plug Seedlings	Tissue-Cultured Plantlets	Prefinished Plants

APPENDIX F: EXAMPLES OF INELIGIBLE CROPS

The following lists are not intended to be all-inclusive but to provide guidance based on previous inquiries.

Oil Seed Crops (including oil and non-oil cultivars)

Camelina	Canola	Cottonseed
Crambe	Flaxseed	Linseed
Mustard seed	Peanut	Rapeseed
Safflower	Sesame	Soybean
Sunflower seed		

Field and Grain Crops

Amaranth for grain	Buckwheat	Barley (including malting barley)
Corn	Cotton	Grain sorghum
Oats	Peanut	Proso millet
Rye	Quinoa	Rice (including wild)
Sugar beet	Sugarcane	Tobacco
Wheat		

Forage Crops

Alfalfa	Clover	Hay
Range grasses		

Fiber Crops

Cotton	Flax	Hemp
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Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		383,276	266,444	649,720		380,240	263,409	643,649		(\$3,036)	(\$3,035)	(6,071)
Health insurance increase		271,679	214,749	486,428		268,677	211,746	480,423		(3,002)	(3,003)	(6,005)
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(146,988)	(104,860)	(251,848)		(146,988)	(104,860)	(251,848)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688				0	(1.00)	(107,344)	(107,344)	(214,688)
Adds funding for travel		748,900	218,808	967,708				0		(748,900)	(218,808)	(967,708)
Adjusts base level funding for operating expenses		(296,796)	625,775	328,979		(296,796)	625,775	328,979				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant program		(80,000)		(80,000)				0		80,000		80,000
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000				0			(300,000)	(300,000)
Adds funding for the North Dakota trade office		400,000		400,000				0		(400,000)		(400,000)
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$805,529	\$3,182,113	\$3,987,642	(1.00)	(\$1,329,270)	(\$3,737,050)	(\$5,066,320)
One-Time Funding Items												
Bioscience innovation grant program			\$5,500,000	\$5,500,000				\$0			(\$5,500,000)	(\$5,500,000)
Livestock planning program			660,000	660,000				0			(660,000)	(660,000)
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000	0.00	\$0	\$0	\$0	0.00	\$0	(\$6,160,000)	(\$6,160,000)
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	\$805,529	\$3,182,113	\$3,987,642	(1.00)	(\$1,329,270)	(\$9,897,050)	(\$11,226,320)
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201	80.00	\$15,626,462	\$30,299,419	\$45,925,881	(1.00)	(\$1,329,270)	(\$9,897,050)	(\$11,226,320)
Federal funds included in other funds			\$17,965,927					\$17,409,886		(\$556,041)		
Total ongoing changes - Percentage of base level	1.3%	14.4%	25.5%	21.6%	0.0%	5.4%	11.7%	9.5%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	1.3%	14.4%	48.2%	36.3%	0.0%	5.4%	11.7%	9.5%	N/A	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner		Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund		Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Environment and rangeland protection fund		Section 6 identifies \$8,495,424 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Game and Fish Department operating fund		Section 7 identifies \$673,374 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Abandoned oil and gas well plugging and site reclamation fund		Section 8 identifies \$500,000 in the other funds 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 (\$200,000) and the postproduction royalty oversight program (\$300,000).
Agriculture Commissioner salary		Section 9 amends Section 4.1-01-02 to increase the salary of the agriculture commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.
North Dakota Trade Office - Matching fund requirement		Section 10 identifies \$1.6 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.
Waterbank program - Matching funds		Section 11 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.
Exemption - COVID-19 specialty crop block grant program		Section 12 provides an exemption to authorize the Agriculture Commissioner to continue funding appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program. Of this amount, the Agriculture Commissioner anticipates approximately \$300,000 is needed to continue into the 2025-27 biennium.

Empowering people to expand their business across borders.



The North Dakota Trade Office (NDTO) is a private/public partnership that provides education, research, engagement, advocacy, and expertise so that North Dakota companies can develop their export business.

MISSION

The North Dakota Trade Office is dedicated to providing the North Dakota community with expertise and resources to grow business across borders.

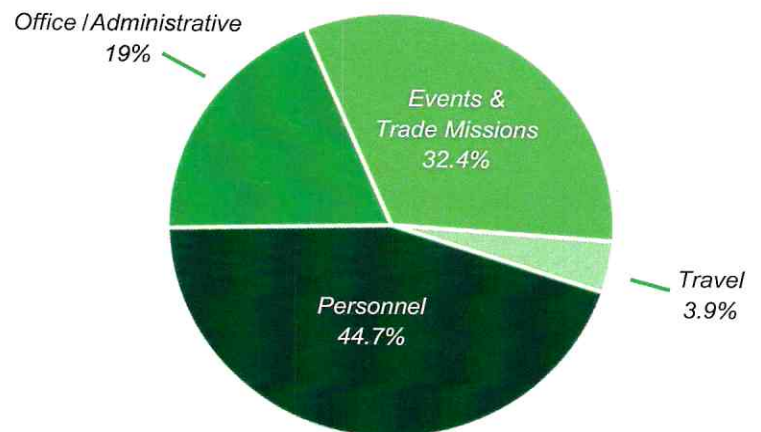
SERVICES

Business planning & research, educational tools, international development, ND export community, ND business investment abroad, ND diplomatic missions, foreign investment, and more.

STATE FUNDING SUMMARY

2019-2021	\$1.6 MILLION
2021-2023	\$1.6 MILLION
2023-2025	\$1.6 MILLION, \$500,000 ENHANCEMENT

BUDGET ALLOCATION (Y1 OF 2023-2025 BIENNIUM)



EXPORTS

In 2023, North Dakota **led the nation** in export growth with a 45% increase from the previous year (WISERTrade, 2025). ND exports 250+ commodity items and services, dominating numerous agricultural competitors.

TOTAL ND EXPORTS (USD)



ND EXPORTS IN NUMBERS (2023) (WISERTRADE, 2025)

\$8.78B	IN MERCHANDISE
+7.1%	GDP ANNUAL INCREASE
150	COUNTRIES EXPORTED TO
94+	EXPORT INDUSTRIES

TRADE MISSIONS

Since its inception in 2004, the NDTO has led nearly 100 trade missions to over 40 countries and has hosted over 30 reverse trade missions from nearly 20 countries (excluding delegations participating in the Big Iron International Visitors Program).

NDTO TRADE MISSION RESULTING SALES (2023)

\$3.5 million

Actual Sales

\$11.2 million

Anticipated Sales

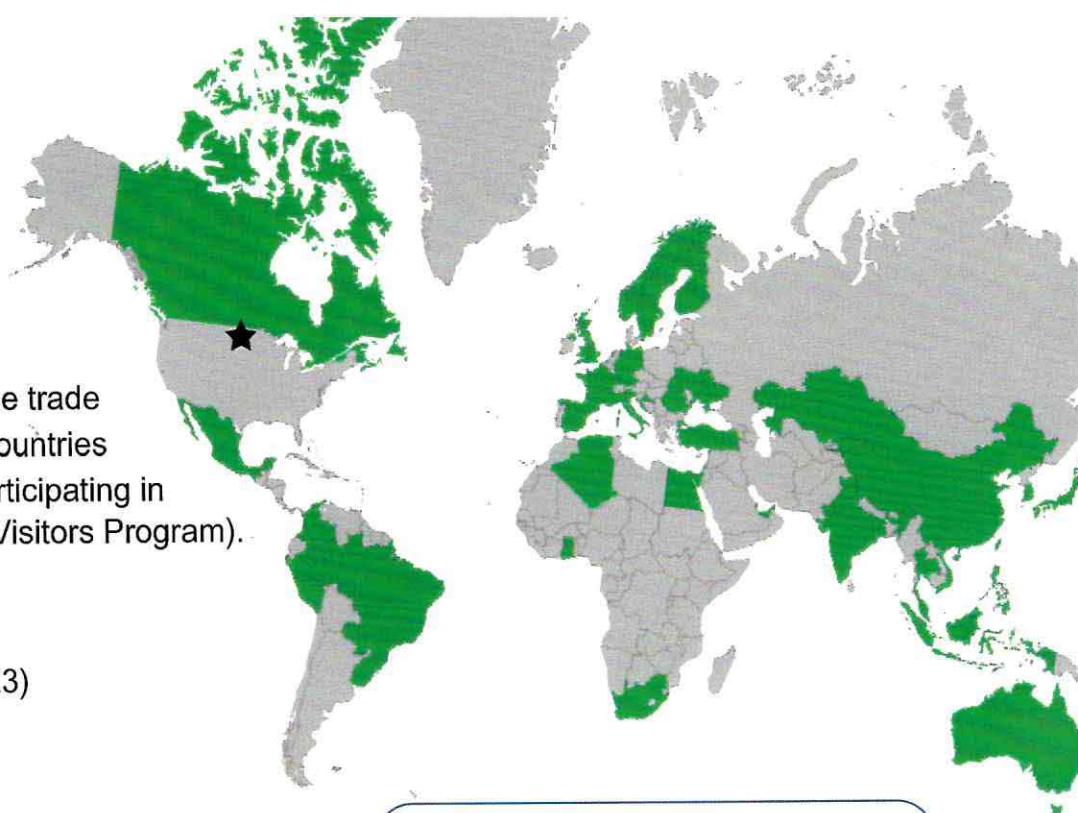
FOREIGN DIRECT INVESTMENT (FDI)

Promoting and attracting the right businesses is an intrinsic part of ND's foreign business efforts. The NDTO fielded 100+ legitimate inquiries from foreign companies in 2024 aiming to set up operations in North Dakota. Several have taken the leap, including one of the world's largest agriculture engineering firms. FDI jobs make up 4.7% of North Dakota's total employment (Global Business Alliance, 2023). Additionally, there has been promising success in ND companies expanding operations abroad.

COMPANY CASE STUDIES

In September 2024, NDTO received an inquiry from a Korean company regarding their need for a wheat supplier and connected them to a member company. NDTO arranged a meeting between the two parties. The Korean company visited North Dakota in October 2024 and placed an order for 100MT of Spring Wheat during the initial meeting. The member company exported the order at the very end of 2024 and is expecting another 200MT deal in 2025.

In 2022, NDTO led a trade mission to Japan and mediated one-on-one meetings between an ND pulse vegetable producer and multiple Japanese companies. Following the conclusion of the mission, the ND producer exported 3 containers (60MT) of pulse vegetables to one of the companies they met during their time in Japan. This was their very first export to Japan.



DIGNITARY VISITS

Since 2020, the NDTO has hosted 33 official visits by foreign dignitaries.

TOP TRADE PARTNERS HOSTED



2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1009
2/6/2025

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

2:07 p.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fischer, Kempenich, Meier, Pyle.

Discussion Topics:

- Motor pool breakdown
- Motor pool 2025-27 Projections
- North Dakota Meat inspectors
- Agriculture Commission Salary increases
- Bank of North Dakota
- Agricultural Products Utilization Commission (APUC)
- APUC funding
- Agriculture Commission Carry-Over funds
- North Dakota Trade Office (NDTO)
- NDTO spending
- Northern Crop Institute (NCI)
- NDTO Memberships
- Repurposing Wells
- Grape Research Funding

2:08 p.m. Tom Bodine, Deputy Commissioner, North Dakota Agriculture, testified in favor and provided testimony #35992.

2:36 p.m. Drew Combs, Executive Director, North Dakota Trade Office, testified in favor.

Additional written testimony:

Grant Gader, Fiscal Analyst, Legislative Council, submitted neutral testimony #35993.

3:24 p.m. Chairman Monson adjourned the meeting.

Madaline Cooper, Committee Clerk

ND DEPARTMENT OF AGRICULTURE
MOTOR POOL
2025-27 BIENNIUM PROJECTIONS

Group No.	Apr 2024	May 2024	Jun 2024	Total Miles	Total Billed	New Rate	Difference	% Increase
GROUP 1 MOTOR POOL VEHICLE COSTS								
1			1,620	1,620	\$ 1,296.00	\$ 1,458.00	\$ 162.00	12.50%
GROUP 2 MOTOR POOL VEHICLE COSTS								
2			391	391	\$ 152.49	\$ 273.70	\$ 121.21	79.49%
2	288			288	\$ 112.32	\$ 201.60	\$ 89.28	79.49%
2	148	413		561	\$ 218.79	\$ 392.70	\$ 173.91	79.49%
2	56			56	\$ 21.84	\$ 39.20	\$ 17.36	79.49%
2	399			399	\$ 155.61	\$ 279.30	\$ 123.69	79.49%
2		367		367	\$ 143.13	\$ 256.90	\$ 113.77	79.49%
2	297			297	\$ 115.83	\$ 207.90	\$ 92.07	79.49%
GROUP 2 ASSIGNED VEHICLE COSTS								
2	1,560	1,111	1,308	3,979	\$ 1,472.86	\$ 2,511.03	\$ 1,038.17	70.49%
2	1,418	1,561	2,132	5,111	\$ 1,857.74	\$ 3,156.27	\$ 1,298.53	69.90%
2	2,918	3,043	2,458	8,419	\$ 2,982.46	\$ 5,041.83	\$ 2,059.37	69.05%
2	3,800	4,400	4,200	12,400	\$ 4,336.00	\$ 7,311.00	\$ 2,975.00	68.61%
2	2,174	2,310	2,226	6,710	\$ 2,401.40	\$ 4,067.70	\$ 1,666.30	69.39%
GROUP 3 ASSIGNED VEHICLE COSTS								
3	1,023	2,559	3,393	6,975	\$ 4,535.24	\$ 8,415.75	\$ 3,880.51	85.56%
3	753	294	3,071	4,118	\$ 2,849.62	\$ 5,187.34	\$ 2,337.72	82.04%
3	88	1,214	1,995	3,297	\$ 2,365.23	\$ 4,259.61	\$ 1,894.38	80.09%
GROUP 4 ASSIGNED VEHICLE COSTS								
4		317	562	879	\$ 736.19	\$ 1,484.75	\$ 748.56	101.68%
GROUP 13 MOTOR POOL VEHICLE COSTS								
13			290	290	\$ 150.80	\$ 321.90	\$ 171.10	113.46%
13		225		225	\$ 117.00	\$ 249.75	\$ 132.75	113.46%
13			426	426	\$ 221.52	\$ 472.86	\$ 251.34	113.46%
13	388			388	\$ 201.76	\$ 430.68	\$ 228.92	113.46%
13		175		175	\$ 91.00	\$ 194.25	\$ 103.25	113.46%
13			569	569	\$ 295.88	\$ 631.59	\$ 335.71	113.46%
13		324		324	\$ 168.48	\$ 359.64	\$ 191.16	113.46%
13	129			129	\$ 67.08	\$ 143.19	\$ 76.11	113.46%
GROUP 13 ASSIGNED VEHICLE COSTS								
13	1,804	1,663	1,186	4,653	\$ 2,047.02	\$ 4,556.52	\$ 2,509.50	122.59%
13	1,927	3,529	3,004	8,460	\$ 3,341.40	\$ 7,754.40	\$ 4,413.00	132.07%
13	1,016	1,404	1,715	4,135	\$ 1,870.90	\$ 4,121.40	\$ 2,250.50	120.29%
13	5,467	6,060	5,199	16,726	\$ 6,151.84	\$ 14,697.84	\$ 8,546.00	138.92%
13	578	1,059	383	2,020	\$ 1,151.80	\$ 2,344.80	\$ 1,193.00	103.58%
13	1,601	1,440	2,034	5,075	\$ 2,190.50	\$ 4,911.00	\$ 2,720.50	124.20%
13	1,252	1,220	1,434	3,906	\$ 1,793.04	\$ 3,929.04	\$ 2,136.00	119.13%
13	2,110	767		2,877	\$ 1,288.18	\$ 2,848.68	\$ 1,560.50	121.14%
13	1,558	1,880	1,948	5,386	\$ 2,296.24	\$ 5,172.24	\$ 2,876.00	125.25%
13	2,312	2,454	2,615	7,381	\$ 2,974.54	\$ 6,848.04	\$ 3,873.50	130.22%
13	822	1,348	1,141	3,311	\$ 1,590.74	\$ 3,429.24	\$ 1,838.50	115.58%
13	217	3,143	2,904	6,264	\$ 2,478.82	\$ 5,909.76	\$ 3,430.94	138.41%
13	2,906	2,975	2,650	8,531	\$ 3,733.63	\$ 7,814.04	\$ 4,080.41	109.29%
13	634	1,489	1,492	3,615	\$ 1,694.10	\$ 3,684.60	\$ 1,990.50	117.50%

2025-27 BIENNIUM PROJECTIONS

** NOTE - \$808,627 is the projected increase.

**NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
STATE FLEET SERVICE
2025 - 2027 BIENNIUM**

May 1, 2024

ASSIGNED VEHICLE BUDGET GUIDELINES

DESCRIPTION	GROUP No.	OPER RATE	REPLCMNT RATE	MILE/HOUR RATE	DEPREC/ MONTH
Mini Pass. Van	1	0.51	0.14	0.65	129.00
Sedan/Wagon	2	0.45	0.12	0.57	81.00
Light Pickup/Cargo Van/Full-Size Utility	3	0.93	0.20	1.13	178.00
Heavy Pickup/Van/Full-Size Utility	4	1.10	0.15	1.25	193.00
Highway Patrol	7	1.07	0.06	1.13	448.00
Game & Fish Enforcement	8	0.45	0.08	0.53	356.00
Regulatory Vehicles	9	0.55	0.14	0.69	250.00
Facility Service Vehicle	12	1.09	0.20	1.29	112.00
Compact Utility/All	13	0.75	0.09	0.84	216.00
Miscellaneous Truck/Mid-Size Bus	18	36.00	5.00	41.00	173.00
Distributor Truck	19	54.00	5.00	59.00	370.00
Sign Truck/Garbage Truck	20	49.00	14.00	63.00	549.00
Tandem Axle Truck/All	22	91.00	15.00	106.00	673.00
Truck Tractor	23	62.00	10.00	72.00	236.00
Water Commission Truck	27	72.00		72.00	1,062.00
Drill Truck	32	175.00	10.00	185.00	366.00

FLEET MOTOR POOL VEHICLE BUDGET GUIDELINES

DESCRIPTION	GROUP No.	OPER & DEPR RATE	REPLCMNT RATE	MILE/HOUR RATE
Mini Pass. Van	1	0.76	0.14	0.90
Sedan/Wagon	2	0.58	0.12	0.70
Light Pickup/Cargo Van/Full-Size Utility	3	1.20	0.20	1.40
Heavy Pickup/Van/Full-Size Utility	4	1.39	0.15	1.54
Highway Patrol	7	1.43	0.06	1.49
Game & Fish Enforcement	8	0.60	0.08	0.68
Regulatory Vehicles	9	0.72	0.14	0.86
Facility Service Vehicle	12	1.83	0.20	2.03
Compact Utility/All	13	1.02	0.09	1.11
Miscellaneous Truck/Mid-Size Bus	18	48.00	3.00	51.00
Rotary Snowplow	24	1706.00		1706.00
Medical Simulator Trucks	25	50.00		50.00
Bridge Aerial Lift	28	23.00		23.00
Lineworker Truck	29	41.00		41.00
Fuel Truck	31	9.00	20.00	29.00

Note: The budget guidelines for state fleet customers were prepared using estimated fuel prices for the coming biennium. Our primary fuel supplier cannot provide more definitive direction for the coming biennium due to volatile nature of oil pricing. Given the high level of uncertainty in which we are operating, it is possible that fuel prices may vary considerably from our current projections. Prior to the completion of the upcoming legislative session, if we become aware of significantly changed circumstances that would materially affect these guidelines, we will provide additional guidance via OMB.



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		383,276	266,444	649,720		380,240	263,409	643,649		(\$3,036)	(\$3,035)	(6,071)
Health insurance increase		271,679	214,749	486,428		268,677	211,746	480,423		(3,002)	(3,003)	(6,005)
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(146,988)	(104,860)	(251,848)		(146,988)	(104,860)	(251,848)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688				0	(1.00)	(107,344)	(107,344)	(214,688)
Adjusts base level funding for travel		(1,100)	218,808	217,708				0		1,100	(218,808)	(217,708)
Adds funding for state fleet rate increases		750,000		750,000				0		(750,000)		(750,000)
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant program		(80,000)		(80,000)				0		80,000		80,000
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000				0			(300,000)	(300,000)
Adds funding for the North Dakota trade office		400,000		400,000				0		(400,000)		(400,000)
Transfers postproduction royalty oversight program and pipeline restoration and reclamation oversight program to a new line item				0				0				0
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$805,529	\$3,182,113	\$3,987,642	(1.00)	(\$1,329,270)	(\$3,737,050)	(\$5,066,320)
One-Time Funding Items												
Bioscience innovation grant program			\$5,500,000	\$5,500,000				\$0			(\$5,500,000)	(\$5,500,000)
Livestock planning program			660,000	660,000				0			(660,000)	(660,000)
Grasslands grazing grants				0			\$3,000,000	3,000,000			3,000,000	3,000,000
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000	0.00	\$0	\$3,000,000	\$3,000,000	0.00	\$0	(\$3,160,000)	(\$3,160,000)
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	\$805,529	\$6,182,113	\$6,987,642	(1.00)	(\$1,329,270)	(\$6,897,050)	(\$8,226,320)
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201	80.00	\$15,626,462	\$33,299,419	\$48,925,881	(1.00)	(\$1,329,270)	(\$6,897,050)	(\$8,226,320)

<i>Federal funds included in other funds</i>			\$17,965,927				\$17,409,886				(\$556,041)	
<i>Total ongoing changes - Percentage of base level</i>	1.3%	14.4%	25.5%	21.6%	0.0%	5.4%	11.7%	9.5%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	1.3%	14.4%	48.2%	36.3%	0.0%	5.4%	22.8%	16.7%	N/A	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner		Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund		Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Other funds - Environment and rangeland protection fund		Section 6 identifies \$7,835,424 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Other funds - Game and Fish Department operating fund		Section 7 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Other funds - Abandoned oil and gas well plugging and site reclamation fund		Section 8 identifies \$500,000 in the other funds 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 (\$200,000) and the postproduction royalty oversight program (\$300,000).
Other funds - Strategic investment and improvements fund - Matching funds requirement		Section 9 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version	
North Dakota Trade Office - Matching funds requirement		Section 10 identifies \$1.6 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds		Section 11 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.	
Agriculture Commissioner salary		Section 12 amends Section 4.1-01-02 to increase the salary of the agriculture commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Exemption - COVID-19 specialty crop block grant program		Subsection 1 of section 13 provides an exemption to authorize the Agriculture Commissioner to continue funding appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program. Of this amount, the Agriculture Commissioner anticipates approximately \$300,000 is needed to continue into the 2025-27 biennium.	
Exemption - Livestock planning program		Subsection 2 of section 13 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium	

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Brynhild Haugland Room, State Capitol

HB 1009
2/12/2025

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

8:39 a.m. Chairman Monson called the meeting to order.

Members Present: Chairman Monson, Vice Chairman Brandenburg, Representatives: Bosch, Fisher, Pyle.

Members Absent: Representatives: Meier and Kempenich

Discussion Topics:

- Funding for Vacant FTE pool
- State fleet funding
- Abandon Oil Well fund
- APUC funding breakdown

8:56 a.m. Representative Brandenburg moved amendment #LC 25.0153.01002, #37335.

8:56 a.m. Representative Bosch seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	AB
Representative Brandy L. Pyle	Y

Motion passed 5-0-2.

8:57a.m. Representative motioned a Do Pass as Amended.

8:57a.m. Representative Fisher seconded the motion.

Representatives	Vote
Representative David Monson	Y
Representative Mike Brandenburg	Y
Representative Glenn Bosch	Y
Representative Jay Fisher	Y
Representative Keith Kempenich	AB
Representative Lisa Meier	AB

Representative Brandy L. Pyle	Y
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Motion passed 5-0-2.

Representative Brandenburg will carry the bill.

Additional written testimony:

Grant Gader, Fiscal Analyst, Legislative Council, submitted neutral testimony #37331.

Adam Mathiak, Fiscal Analyst, Legislative Council, submitted neutral testimony #37335.

8:58 a.m. Chairman Monson closed the meeting.

Madaline Cooper, Committee Clerk



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		383,276	266,444	649,720		380,240	263,409	643,649		(\$3,036)	(\$3,035)	(6,071)
Health insurance increase		271,679	214,749	486,428		268,677	211,746	480,423		(3,002)	(3,003)	(6,005)
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(146,988)	(104,860)	(251,848)		(146,988)	(104,860)	(251,848)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688				0	(1.00)	(107,344)	(107,344)	(214,688)
Adjusts base level funding for travel		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adds funding for state fleet rate increases		750,000		750,000		750,000		750,000				0
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Moves pipeline and royalty oversight programs to a new line item				0				0				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds base level funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant		(80,000)		(80,000)		(80,000)		(80,000)				0
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000				0			(300,000)	(300,000)
Adds funding for the North Dakota trade office		400,000		400,000				0		(400,000)		(400,000)
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$1,474,429	\$3,400,921	\$4,875,350	(1.00)	(\$660,370)	(\$3,518,242)	(\$4,178,612)
One-Time Funding Items												
Bioscience innovation grant program			\$5,500,000	\$5,500,000				\$0			(\$5,500,000)	(\$5,500,000)
Livestock planning program			660,000	660,000				0			(660,000)	(660,000)
Grasslands grazing grants				0			\$3,000,000	3,000,000			3,000,000	3,000,000
APUC program				0			3,000,000	3,000,000			3,000,000	3,000,000
North Dakota trade office				0		\$400,000		400,000		\$400,000		400,000
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$400,000	(\$160,000)	\$240,000
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	\$1,874,429	\$9,400,921	\$11,275,350	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201	80.00	\$16,695,362	\$36,518,227	\$53,213,589	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)

Federal funds included in other funds			\$17,965,927			\$17,614,841			(\$351,086)		
Total ongoing changes - Percentage of base level	1.3%	14.4%	25.5%	21.6%	0.0%	9.9%	12.5%	11.6%	N/A	N/A	N/A
Total changes - Percentage of base level	1.3%	14.4%	48.2%	36.3%	0.0%	12.6%	34.7%	26.9%	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner		Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund		Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Other funds - Transfer - Bank of North Dakota profits - APUC		Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.
Other funds - Environment and rangeland protection fund		Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Other funds - Game and Fish Department operating fund		Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Other funds - Abandoned oil and gas well plugging and site reclamation fund		Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).
Other funds - Strategic investment and improvements fund - Matching funds requirement		Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version	
North Dakota Trade Office - Matching funds requirement		Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds		Section 12 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.	
Agriculture Commissioner salary		Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Exemption - COVID-19 specialty crop block grant program		Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	
Exemption - Livestock planning program		Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

25.0153.01002
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; ~~and~~ to provide for a transfer; and to
4 provide an exemption.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$0	\$17,042,562
15 Operating expenses	7,426,173	0	7,426,173
16 Capital assets	7,000	0	7,000
17 Grants	10,953,969	0	10,953,969
18 Agriculture products utilization	2,110,417	0	2,110,417
19 —commission			

Sixty-ninth
Legislative Assembly

1	North Dakota trade office	1,600,000	0	1,600,000
2	Board of animal health	865,718	0	865,718
3	Wildlife services	1,657,400	0	1,657,400
4	Pipeline restoration and reclamation	200,000	0	200,000
5	—oversight program			
6	Crop harmonization board	75,000	0	75,000
7	Total all funds	\$41,938,239	\$0	\$41,938,239
8	Less other funds	27,117,306	0	27,117,306
9	Total general fund	\$14,820,933	\$0	\$14,820,933
10	Full-time equivalent positions	80.00	0.00	80.00
11	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
12	New and vacant FTE pool	0	587,646	587,646
13	Operating expenses	7,426,173	796,687	8,222,860
14	Capital assets	7,000	4,100	11,100
15	Grants	10,953,969	5,261,300	16,215,269
16	Agriculture products utilization	2,110,417	3,000,000	5,110,417
17	commission			
18	North Dakota trade office	1,600,000	400,000	2,000,000
19	Board of animal health	865,718	(8,357)	857,361
20	Wildlife services	1,657,400	0	1,657,400
21	Pipeline restoration and reclamation	200,000	(200,000)	0
22	oversight program			
23	Pipeline and royalty oversight programs	0	500,000	500,000
24	Crop harmonization board	75,000	0	75,000
25	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
26	Less other funds	27,117,306	9,400,921	36,518,227
27	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
28	Full-time equivalent positions	80.00	0.00	80.00

29 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
30 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
31 items included in the appropriation in section 1 of this Act which are not included in the entity's

base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
North Dakota trade office	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Total	\$400,000	\$6,000,000	\$6,400,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES. The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. 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, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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 fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The other funds line item in section 1 of this Act includes the sum of ~~\$7,415,020~~\$7,803,814 from

1 the environment and rangeland protection fund for the purpose of defraying the expenses of
2 various agriculture commissioner programs.

3 **SECTION 8. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
4 section 1 of this Act includes the sum of ~~\$648,228~~\$671,918 from the game and fish department
5 operating fund for the purpose of defraying the expenses of various agriculture commissioner
6 programs.

7 **SECTION 9. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
8 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
9 of ~~\$700,000~~\$500,000 from the abandoned oil and gas well plugging and site reclamation fund,
10 of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
11 reclamation program and ~~\$500,000~~\$300,000 is for the purpose of defraying the expenses of the
12 post-production royalty oversight program.

13 **SECTION 10. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
14 **FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING**
15 **FUNDS.** The other funds line item in section 1 of this Act includes the sum of \$3,000,000 from
16 the strategic investment and improvements fund for the purpose of providing grassland grazing
17 grants to an organization representing cooperative grazing associations in the state. To be
18 eligible for a grant under this program, an organization must provide one dollar of matching
19 funds from nonstate sources for every four dollars of grant funding. An organization that
20 receives a grant under this program may distribute the funding to cooperative grazing
21 associations for eligible infrastructure projects, which must be located on national grasslands
22 within the state. Eligible infrastructure projects include water development; fencing;
23 conservation initiatives; compliance with federal permitting requirements, including fees for
24 professional services; and other projects to enhance wildlife habitat, capture carbon, or increase
25 the health of grasslands. Program participants shall develop and implement a grazing land plan
26 in compliance with local soil conservation district guidance and the plan must be approved by
27 the local soil conservation district. The agriculture commissioner shall establish additional
28 guidelines for the program.

29 **SECTION 11. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
30 trade office line item and the general fund appropriation in section 1 of this Act include
31 ~~\$1,600,000~~\$2,000,000 of funding related to the North Dakota trade office. The agriculture

1 commissioner may spend sixty percent of this amount without requiring any matching funds
2 from the trade office. Any additional amounts may be spent only to the extent the North Dakota
3 trade office provides one dollar of matching funds from private or other public sources for each
4 one dollar provided by the agriculture commissioner. Matching funds may include money spent
5 by businesses or organizations to pay salaries to export assistants, provide training to export
6 assistants, or purchase computer equipment as part of the North Dakota trade office's export
7 assistant program.

8 **SECTION 12. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
9 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
10 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

11 **SECTION 13. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **4.1-01-02. Salary of agriculture commissioner.**

14 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four-~~
15 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand-~~
16 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
17 2026, and one hundred forty-five thousand three dollars after that date.

18 **SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
19 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
20 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 21 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
22 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
23 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
24 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
25 section 20 of chapter 41 of the 2023 Session Laws; and
- 26 2. The sum of \$660,000 appropriated from the environment and rangeland protection
27 fund for the regional livestock development and planning program in section 2 of
28 chapter 76 of the 2023 Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
New and vacant FTE pool		587,646	587,646
Operating expenses	7,426,173	796,687	8,222,860
Capital assets	7,000	4,100	11,100
Grants	10,953,969	5,261,300	16,215,269
State Board of Animal Health	865,718	(8,357)	857,361
Wildlife Services	1,657,400		1,657,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000	(200,000)	
Ag. Products Utilization Commission	2,110,417	3,000,000	5,110,417
North Dakota Trade Office	1,600,000	400,000	2,000,000
Pipeline and royalty oversight programs		500,000	500,000
Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
Less estimated income	27,117,306	9,400,921	36,518,227
General fund	\$14,820,933	\$1,874,429	\$16,695,362
FTE	80.00	0.00	80.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adjusts Base Budget Funding ⁴	Adjusts Funding for Pipeline and Royalty Oversight Programs ⁵	Adds Funding for State Fleet Rate Increases and Operating Expenses ⁶
Salaries and wages	\$1,124,072	\$877,000	(\$839,494)	(\$227,604)		
New and vacant FTE pool			587,646			
Operating expenses				520,487	(\$500,000)	\$776,200
Capital assets				4,100		
Grants				1,894,400		
State Board of Animal Health				(8,357)		
Wildlife Services						
Crop Harmonization Board						
Pipeline restoration and reclamation					(200,000)	
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs					500,000	
Total all funds	\$1,124,072	\$877,000	(\$251,848)	\$2,183,026	(\$200,000)	\$776,200
Less estimated income	475,155	268,273	(104,860)	2,595,453	(200,000)	0
General fund	\$648,917	\$608,727	(\$146,988)	(\$412,427)	\$0	\$776,200
FTE	0.00	0.00	0.00	0.00	0.00	0.00

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1009
2/12/2025

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

2:43 p.m. Chairman Vigesaa opened the meeting.

Members Present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Sanford, Stemen, Swiontek, Wagner

Member Absent: Richter

Discussion Topics:

- North Dakota Agriculture
- Ag Industry

2:43 p.m. Representative Brandenburg introduced Amendment LC #25.0153.01002, #37440.

2:59 p.m. Representative Brandenburg motioned to adopt Amendment LC #25.0153.01002.

2:59 p.m. Representative Monson seconded the motion.

3:08 p.m. Roll Call Vote.

Roll Call Vote Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y

Representative Brandy L. Pyle	Y
Representative David Richter	A
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

3:08 p.m. Motion passed 22-0-1.

3:09 p.m. Representative Brandenburg motioned a Do Pass as Amended.

3:09 p.m. Representative Monson seconded the motion.

3:09 p.m. Roll Call Vote.

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	A
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

3:09 p.m. Motion passed 22-0-1.

3:10 p.m. Representative Brandenburg will carry the Bill.

3:10 p.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Sierra Schartz, Committee Clerk

February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; and to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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 other funds derived from special funds and federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,042,562	\$0	\$17,042,562
Operating expenses	7,426,173	0	7,426,173
Capital assets	7,000	0	7,000
Grants	10,953,969	0	10,953,969
Agriculture products utilization	2,110,417	0	2,110,417
—commission			

RS
2 of 5

1	North Dakota trade office	1,600,000	0	1,600,000
2	Board of animal health	865,718	0	865,718
3	Wildlife services	1,657,400	0	1,657,400
4	Pipeline restoration and reclamation	200,000	0	200,000
5	—oversight program			
6	Crop harmonization board	75,000	0	75,000
7	Total all funds	\$41,938,239	\$0	\$41,938,239
8	Less other funds	27,117,306	0	27,117,306
9	Total general fund	\$14,820,933	\$0	\$14,820,933
10	Full-time equivalent positions	80.00	0.00	80.00
11	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
12	New and vacant FTE pool	0	587,646	587,646
13	Operating expenses	7,426,173	796,687	8,222,860
14	Capital assets	7,000	4,100	11,100
15	Grants	10,953,969	5,261,300	16,215,269
16	Agriculture products utilization	2,110,417	3,000,000	5,110,417
17	commission			
18	North Dakota trade office	1,600,000	400,000	2,000,000
19	Board of animal health	865,718	(8,357)	857,361
20	Wildlife services	1,657,400	0	1,657,400
21	Pipeline restoration and reclamation	200,000	(200,000)	0
22	oversight program			
23	Pipeline and royalty oversight programs	0	500,000	500,000
24	Crop harmonization board	75,000	0	75,000
25	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
26	Less other funds	27,117,306	9,400,921	36,518,227
27	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
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SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's

base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
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Total	\$400,000	\$6,000,000	\$6,400,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

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The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

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The other funds line item in section 1 of this Act includes the sum of ~~\$7,415,020~~ \$7,803,814 from

the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

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SECTION 10. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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.

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~~ \$2,000,000 of funding related to the North Dakota trade office. The agriculture

1 commissioner may spend sixty percent of this amount without requiring any matching funds
2 from the trade office. Any additional amounts may be spent only to the extent the North Dakota
3 trade office provides one dollar of matching funds from private or other public sources for each
4 one dollar provided by the agriculture commissioner. Matching funds may include money spent
5 by businesses or organizations to pay salaries to export assistants, provide training to export
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10 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

11 **SECTION 13. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **4.1-01-02. Salary of agriculture commissioner.**

14 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
15 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
16 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
17 2026, and one hundred forty-five thousand three dollars after that date.

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19 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
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- 21 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
22 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
23 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
24 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
25 section 20 of chapter 41 of the 2023 Session Laws; and
- 26 2. The sum of \$660,000 appropriated from the environment and rangeland protection
27 fund for the regional livestock development and planning program in section 2 of
28 chapter 76 of the 2023 Session Laws.

**REPORT OF STANDING COMMITTEE
HB 1009**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0153.01002](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1009 was placed on the Sixth order on the calendar.

25.0153.01002
Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for House Appropriations -
Government Operations Division
Committee

February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; ~~and~~ to provide for a transfer; and to
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9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$0	\$17,042,562
15 Operating expenses	7,426,173	0	7,426,173
16 Capital assets	7,000	0	7,000
17 Grants	10,953,969	0	10,953,969
18 Agriculture products utilization	2,110,417	0	2,110,417
19 —commission			

Sixty-ninth
Legislative Assembly

1	North Dakota trade office	1,600,000	0	1,600,000
2	Board of animal health	865,718	0	865,718
3	Wildlife services	1,657,400	0	1,657,400
4	Pipeline restoration and reclamation	200,000	0	200,000
5	—oversight program			
6	Crop harmonization board	75,000	0	75,000
7	Total all funds	\$41,938,239	\$0	\$41,938,239
8	Less other funds	27,117,306	0	27,117,306
9	Total general fund	\$14,820,933	\$0	\$14,820,933
10	Full-time equivalent positions	80.00	0.00	80.00
11	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
12	New and vacant FTE pool	0	587,646	587,646
13	Operating expenses	7,426,173	796,687	8,222,860
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19	Board of animal health	865,718	(8,357)	857,361
20	Wildlife services	1,657,400	0	1,657,400
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22	oversight program			
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base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
North Dakota trade office	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Total	\$400,000	\$6,000,000	\$6,400,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.

The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. 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, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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 fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The other funds line item in section 1 of this Act includes the sum of ~~\$7,415,020~~ \$7,803,814 from

the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 8. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of ~~\$648,228~~\$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 9. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of ~~\$700,000~~\$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and ~~\$500,000~~\$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 10. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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.

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~~\$2,000,000 of funding related to the North Dakota trade office. The agriculture

1 commissioner may spend sixty percent of this amount without requiring any matching funds
2 from the trade office. Any additional amounts may be spent only to the extent the North Dakota
3 trade office provides one dollar of matching funds from private or other public sources for each
4 one dollar provided by the agriculture commissioner. Matching funds may include money spent
5 by businesses or organizations to pay salaries to export assistants, provide training to export
6 assistants, or purchase computer equipment as part of the North Dakota trade office's export
7 assistant program.

8 **SECTION 12. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
9 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
10 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

11 **SECTION 13. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **4.1-01-02. Salary of agriculture commissioner.**

14 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
15 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
16 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
17 2026, and one hundred forty-five thousand three dollars after that date.

18 **SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
19 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
20 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 21 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
22 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
23 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
24 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
25 section 20 of chapter 41 of the 2023 Session Laws; and
- 26 2. The sum of \$660,000 appropriated from the environment and rangeland protection
27 fund for the regional livestock development and planning program in section 2 of
28 chapter 76 of the 2023 Session Laws.

STATEMENT OF PURPOSE OF AMENDMENT:**House Bill No. 1009 - Department of Agriculture - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
New and vacant FTE pool		587,646	587,646
Operating expenses	7,426,173	796,687	8,222,860
Capital assets	7,000	4,100	11,100
Grants	10,953,969	5,261,300	16,215,269
State Board of Animal Health	865,718	(8,357)	857,361
Wildlife Services	1,657,400		1,657,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000	(200,000)	
Ag. Products Utilization Commission	2,110,417	3,000,000	5,110,417
North Dakota Trade Office	1,600,000	400,000	2,000,000
Pipeline and royalty oversight programs		500,000	500,000
Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
Less estimated income	27,117,306	9,400,921	36,518,227
General fund	\$14,820,933	\$1,874,429	\$16,695,362
FTE	80.00	0.00	80.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adds Funding for Salary and Benefit Increases ¹	Adds Funding to Replace 2023-25 New and Vacant FTE Pool ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Adjusts Base Budget Funding ⁴	Adjusts Funding for Pipeline and Royalty Oversight Programs ⁵	Adds Funding for State Fleet Rate Increases and Operating Expenses ⁶
Salaries and wages	\$1,124,072	\$877,000	(\$839,494)	(\$227,604)		
New and vacant FTE pool			587,646			
Operating expenses				520,487	(\$500,000)	\$776,200
Capital assets				4,100		
Grants				1,894,400		
State Board of Animal Health				(8,357)		
Wildlife Services						
Crop Harmonization Board						
Pipeline restoration and reclamation					(200,000)	
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs					500,000	
Total all funds	\$1,124,072	\$877,000	(\$251,848)	\$2,183,026	(\$200,000)	\$776,200
Less estimated income	475,155	268,273	(104,860)	2,595,453	(200,000)	0
General fund	\$648,917	\$608,727	(\$146,988)	(\$412,427)	\$0	\$776,200
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for the Noxious Weed Program ¹	Adds One-Time Funding ¹	Total House Changes
Salaries and wages			\$933,974
New and vacant FTE pool			587,646
Operating expenses			796,687
Capital assets			4,100
Grants	\$366,900	\$3,000,000	5,261,300
State Board of Animal Health			(8,357)
Wildlife Services			
Crop Harmonization Board			
Pipeline restoration and reclamation			(200,000)
Ag. Products Utilization Commission		3,000,000	3,000,000
North Dakota Trade Office		400,000	400,000
Pipeline and royalty oversight programs			500,000
Total all funds	\$366,900	\$6,400,000	\$11,275,350
Less estimated income	366,900	6,000,000	9,400,921
General fund	\$0	\$400,000	\$1,874,429
FTE	0.00	0.00	0.00

¹ The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$380,240	\$263,409	\$643,649
Health insurance increase	268,677	211,746	480,423
Total	\$648,917	\$475,155	\$1,124,072

² Funding is added to replace the 2023-25 biennium new and vacant FTE funding pool as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
2023-25 new FTE pool	\$214,930	\$0	\$214,930
2023-25 vacant FTE pool	393,797	268,273	662,070
Total	\$608,727	\$268,273	\$877,000

³ Funding of \$839,494 is removed for estimated savings from vacant 2025-27 FTE positions and \$587,646 is added for a new and vacant FTE pool line item as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Vacant FTE positions	(\$489,961)	(\$349,533)	(\$839,494)
New and vacant FTE pool line item	342,973	244,673	587,646
Net savings	(\$146,988)	(\$104,860)	(\$251,848)

⁴ Base budget adjustments are made as follows:

	General Fund	Other Funds	Total
Adjusts funding for base payroll changes	\$203,651	(\$228,654)	(\$25,003)
Adjusts funding for temporary salaries	(203,625)	1,024	(202,601)
Adjusts funding for operating expenses, primarily related to operating fees, IT services, and printing	(322,996)	625,775	302,779
Adjusts funding for travel	(1,100)	218,808	217,708
Adds funding for capital assets	0	4,100	4,100
Removes funding for grape and wine grant program	(80,000)	0	(80,000)
Adds federal funding for the specialty crop block grant program to provide a total of \$9,063,305	0	1,968,500	1,968,500
Adjusts funding for other grants	0	5,900	5,900
Reduces funding for the Board of Animal Health	<u>(8,357)</u>	<u>0</u>	<u>(8,357)</u>
Total	(\$412,427)	\$2,595,453	\$2,183,026

⁵ Funding from the abandoned oil and gas well plugging and site reclamation fund is reduced by \$200,000 for the post-production royalty oversight program and the pipeline restoration and reclamation program and post-production royalty oversight program are moved to a newly created pipeline and royalty oversight programs line item.

⁶ Adds funding for state fleet rate increases (\$750,000) and operating expenses (\$26,200).

⁷ Adds \$366,900 from the environment and rangeland protection fund for the noxious weed program to provide total funding of \$1,990,869 for the program.

⁸ One-time funding is added as follows:

- \$3 million from Bank of North Dakota profits for the APUC program to provide total funding of \$5,110,417.
- \$3 million from SIIF for grasslands grazing grants.
- \$400,000 from the general fund for the North Dakota Trade Office to provide a total of \$2 million from the general fund.

House Bill No. 1009 - Other Changes - House Action

The amendment also:

- Adds a section regarding the use of funding in the new and vacant FTE pool line item.
- Adds a section to transfer \$3 million from Bank of North Dakota profits to the APUC fund.
- Amends a section identifying the amount of funding (\$7,803,814) appropriated from the environment and rangeland protection fund.
- Amends a section identifying the amount of funding (\$671,918) appropriated from the Game and Fish Department operating fund.
- Amends a section to identify the amount of funding (\$500,000) appropriated from the abandoned oil and gas well plugging and site reclamation fund.
- Adds a section to identify \$3 million from SIIF for the grasslands grazing grant program.
- Amends a section identifying the amount of funding (\$2 million) appropriated from the general fund for the North Dakota Trade Office.
- Adds a section to provide the statutory changes necessary to increase the Agriculture Commissioner's salary to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.
- Adds a section to provide exemptions to continue funding appropriated into the 2025-27 biennium. The exemptions relate to the specialty crop block grant program and the regional livestock development and planning program.

2025 SENATE APPROPRIATIONS

HB 1009

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1009
3/6/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

2:03 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- High-quality protein for food pantries
- Administrative Services Division and Ombudsman Programs
- Plant Industries
- Livestock Industries
- Grain & Livestock Licensing
- Animal Health
- Pesticides and fertilizers
- Business, marketing, and information programs
- Ag education outreach to K-12 schools
- Effect of legislative bills
- Optional budget requests
- Indirect costs by USDA
- Grassland grazing carry-over authority
- Water well development

2:03 p.m. Grant Gader, LC Fiscal Analyst, distributed budget information, testimony #39355 and #39356.

2:04 p.m. Representative Mitskog, District 25, testified in favor.

2:09 p.m. Doug Goehring, ND Agriculture Commissioner, testified in favor answered committee questions and submitted testimony #39332.

3:10 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk

North Dakota Department of Agriculture



**Engrossed HB 1009
Senate Appropriations Subcommittee
Senator Terry Wanzek, Chairman
March 6, 2025**

**Doug Goehring
Agriculture Commissioner**

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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, 4.1-22, 4.1-23, 4.1-25, 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, 4.1-5, 4.1-54, 4.1-58, 4.1-59, 4.1-60, 4.1-61, 4.1-83, 6-09.10, 10.06.1, 36-01, 36-14, 36-14.1, 36-15, 36-21.1, 36-21.2, 36-25, 36-26, 61-02, and 61-31.

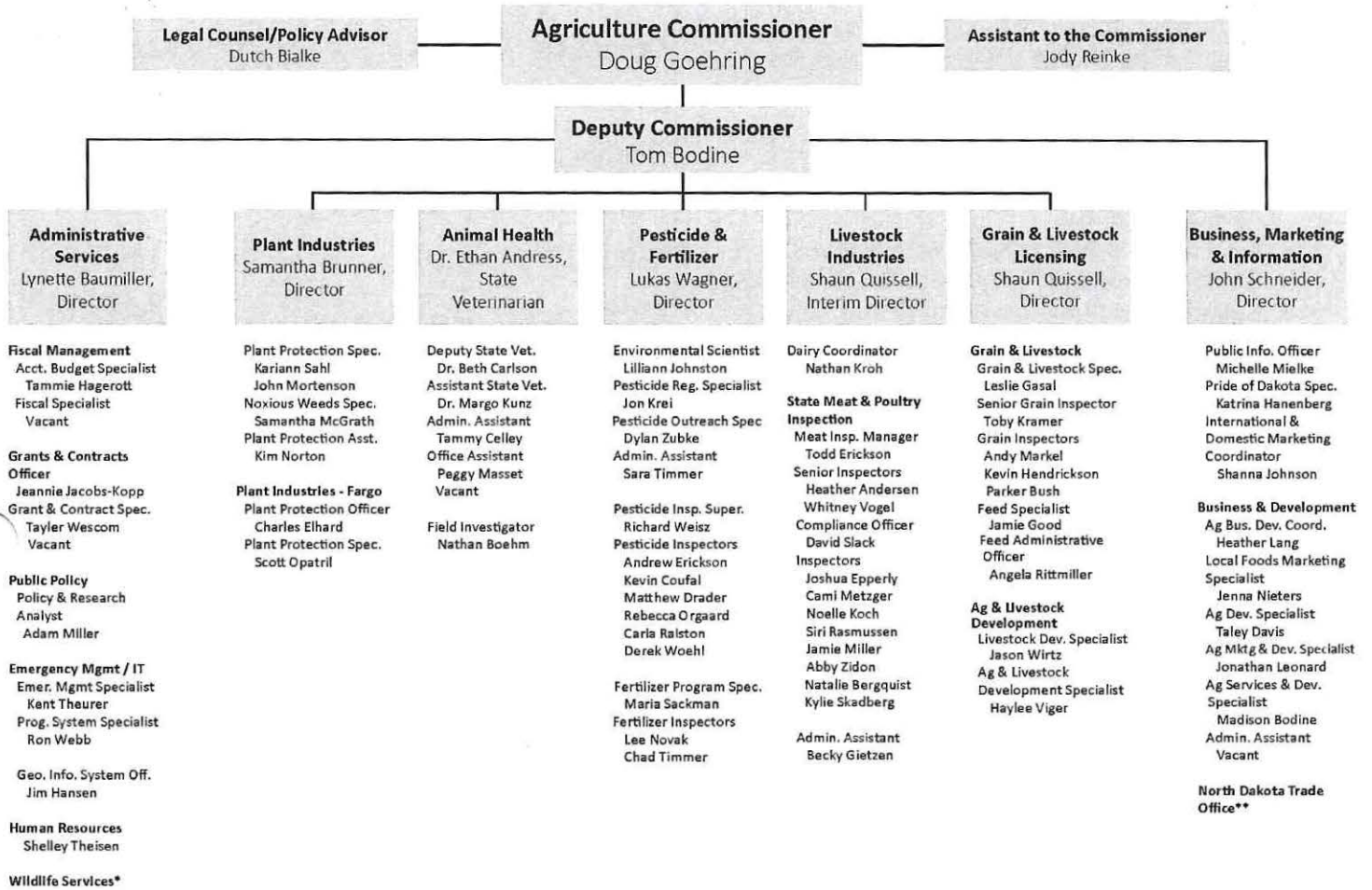
Major Statutory Responsibilities

The agriculture commissioner is responsible for enforcing laws and regulations pertaining to pesticides, fertilizers, anhydrous ammonia, livestock development, dairy production, grain and livestock licensing, noxious weed control, hemp, nursery stock, plant export certification, petfood and feed, and beekeeping.

The agriculture commissioner is also responsible for the registration of pesticides, fertilizers, animal feeds, and veterinary medicines; the administration of mediation services to agriculture producers, creditors, and energy related issues; the collection and elimination of unusable pesticides; the state agriculture and energy mediation service; the management of the mitigation program regarding lands affected by energy transmission facilities; environmental mitigation of similar habitat from the construction or operation of energy facilities; the promotion and marketing of North Dakota agricultural products; and the administration of the state meat and poultry inspection program.

The agriculture commissioner leads in the formation and implementation of policies affecting the state's agriculture industry; 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 public. The agriculture commissioner works collaboratively with the Board of Animal Health to protect the health of domestic animals and nontraditional livestock in the state.

Organizational Chart



* 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

**The North Dakota Department of Agriculture partners with the North Dakota Trade Office to assist North Dakota businesses in expanding exports to international markets.

Updated 1/06/2025

Lynette Baumiller, Director

Administrative Services Division

The Administrative Services Division includes fiscal management, human resources, risk management and emergency response, policy, and information technology. Pipeline, Wind Energy, and Royalty Oversight programs are also managed by this division. 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 the goods and services for the department.
- No audit findings on 2021-2023 Department Audit.

Human Resources

- Responsible for human resource activities, including recruitment, onboarding, retention programs, training, and employee relations and benefits.

Risk & Emergency Management

- Plans, implements, and evaluates strategic emergency management plans.
- Develops and conducts training and education on risk management, loss control, and general safety issues.
- Coordinates with Department of Emergency Services and other partners.

Information Technology

- Coordinates desktop support contract with NDIT.
- Maintains Department websites, email and intranet.
- Conducts GIS mapping and works with local government agencies to provide GIS mapping technology and expertise.

Engrossed HB 1009

Salaries	\$4,245,106
New & Vacant FTE Pool	587,646
Operating	2,569,115
Grants	100,000
Capital Assets	11,100
Pipeline & Royalty Oversight	500,000
Wildlife Services	1,657,400
Total	\$9,670,367
General	\$7,095,166
Federal	327,995
Special	2,247,206
Total	\$9,670,367
FTEs	15

Policy

- Researches and analyzes policies regarding agriculture, energy, water, infrastructure, and trade.
- Interacts with national associations.
- Administers Federal Environmental Law Impact Review Committee (FERLIC).
- Mitigation Program
- Facilitates and tracks legislation during biennial legislative session.

Pipeline, Wind, and Royalty Ombudsman Programs

- Pipeline Program: 86 total cases; 5 active, 14 monitoring, and 67 closed.
- Royalty Program: Received 132 total cases; 57 active, 8 pending, 67 closed. Most complaints were for not receiving payment or inability to reach well operator.

Wildlife Services

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

Samantha Brunner, Director

Plant Industries Division

The Plant Industries Division includes programs for apiary, hemp, plant protection, and noxious weeds.

Apiary

- Licenses all beekeepers, 356 in 2023.
 - Registered colony numbers were 843,423 for 2023.
- Registers and maps apiary locations.
 - Currently 20,910 locations.
- Inspects bees and issues health certificates for migratory movement for over 75,000 colonies.
- Investigates and responds to bee complaints.
- Enforces statutory and regulatory compliance.
- Administers the Honey Fund for bee research.
- Oversees the pollinator plan to enhance communication and emphasizes best management practices for stakeholders.
- In 2023, collected and analyzed 586 samples for honey bee pests and pathogens.
- Inspected bee shipments to California, certifying 168,444 colonies.

Plant Protection and Export Certification

- Conducts 9-10 plant pest surveys annually for:
 - Exotic pests such as moths, nematodes, emerald ash borer, and other wood borers that may threaten agriculture, forestry, and horticulture.
 - Pests that may harm agriculture or may export diseases, insects, and nematodes including Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, and potato cyst nematodes.
- Licenses and inspects approximately 250 nursery dealers and growers each year.
- Provides export certification/phytosanitary services for export of agricultural products to 61 different countries In 2023, issued 5,223 certificates.
- Reviews plant pest movement and biotechnology permits.
- Conducts plant pest outreach and awareness campaigns and events.

Engrossed HB 1009

Salaries	\$1,627,665
Operating	878,762
Grants	2,340,869
Total	\$4,847,296
General	\$1,018,781
Federal	1,023,079
Special	2,805,436
Total	\$4,847,296
FTEs	7

Noxious Weeds

- Distributes state and federal funds for noxious weed control to 53 counties and six city weed boards.
- Manages federal funds for noxious and invasive weeds granting \$47,039 to counties for weed control projects.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents to landowners.
- Assists county and city weed boards in nine field days for biocontrol agent collection.
- Assists the public with weed identification and noxious weed control.
- Trains and assists county and city weed boards with GPS/GIS mapping technology.
- Administers the weed seed free forage program certifying over 10,800 acres.
- Administers the Unmanned Aerial Systems Grant Program for identification and control of noxious weeds, prioritizing *Palmer Amaranth* in high-risk counties.

Hemp Program

- Licenses and inspects all hemp growers and processors.
 - In 2023, licensed 11 processors and 22 growers with a total of 511 acres.
- Inspects and samples hemp fields to ensure compliance with state and federal law.

Shaun Quissell, Director

Livestock Industries Division

The Livestock Industries Division includes dairy/poultry, meat inspection, and poultry inspection.

Dairy/Poultry

- Inspects 22 dairy farms for equipment, facilities, sanitation, water purity, and proper drug usage and storage.
- Inspects three dairy processing plants and milk transfer stations for equipment, facilities, and sanitation.
- Monitors financial creditworthiness and stability of milk buyers.
- Conducts Grade A survey work.
- Collects dairy products samples.
- Inspects manufacturing grade plants under agreement with USDA.
- Inspects distribution facilities, milk bulk trucks, and samplers/haulers.
- Inspects 28 licensed commercial egg producers.
- Dairy Program passed FDA audit with a significant compliance rating.

Engrossed HB 1009	
Salaries	\$3,333,168
Operating	736,194
Total	\$4,069,362
General	\$2,331,112
Federal	1,738,250
Special	0
Total	\$4,069,362
FTEs	16

State Meat & Poultry Inspection

- Inspects 74 custom-exempt meat processing plants.
- Inspects 11 slaughter and 2 processing state plants.
- Inspects six Cooperative Interstate Shipment plants.
- Trains, certifies, and inspects meat processing facilities.
- Inspects retail outlets for country-of-origin labeling.
- Inspects seven Selected Establishments that operate under the Cooperative Interstate Shipment Program.
- Enforces meat and poultry processing regulations.
- Provides consultation with and education to the meat and poultry industry.
- Ensures proper label use by industry.
- Currently assisting two new establishments planning to be state slaughter establishments.
- Provides beef grading at any official federal or state slaughter plant at a reduced cost.

Shaun Quissell, Director

Grain & Livestock Licensing Division

The Grain and Livestock Licensing Division manages grain licensing, livestock licensing, livestock pollution prevention, and feed.

Grain Licensing

- Oversees licensing and bonding of all grain warehouses, grain processors, roving grain buyers, and grain brokers.
- Administers the Credit-Sale Contract Indemnity Fund.
- Monitors financial condition of all warehouses and grain buyers.
 - 301 warehouse licenses
 - 38 grain processors
 - 121 roving grain buyers
 - 1 grain broker

Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets.
- Contracts market reporters at auction markets to collect market data for the USDA.
 - 10 auction market licenses
 - 114 livestock dealers
 - 10 internet auction market representatives

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 ordinances.

Engrossed HB 1009

Salaries	\$1,764,670
Operating	335,722
Grants	1,050,000
Total	\$3,150,392
General	\$1,450,745
Federal	1,192,668
Special	506,979
Total	\$3,150,392
FTEs	10

Pet Food & 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.
- Verifies manufacturer and producer compliance with federal requirements to Food Safety Modernization Act.
- Provides producer outreach for the Veterinarian Feed Directive.
 - 372 licensed manufactures
 - 263 feed retailers
 - 14,901 registered pet food products
 - 3,732 registered commercial feed products.

Grain & Livestock Licensing Division (cont.)

Livestock Development

- Assists producers and processors in expanding and promoting the state's livestock industry.

Regional Livestock Planning Grant Program.

- Provides \$12,000 per county and \$500 per township. Grant develops county wide site analysis to show areas that would be suited for livestock production or value-added agriculture.
- Agreements entered into with seven regional councils for work on behalf of 37 counties.

Livestock Friendly Counties

- Livestock Friendly Counties designation assists in developing animal agriculture.
- Currently developing criteria for counties to reach to receive designation.
- Program is waiting on completion of regional livestock planning grant by counties to be eligible.

Model Zoning Task Force

- Model Zoning task force assists counties, townships and various agriculture groups to develop the standard zoning model for animal agriculture.

Dr. Ethan Andress, 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.

Animal Disease Traceability

- Traces animal movements as part of disease investigations.
- Monitors and regulates animal imports and exports.
- Maintains the state's animal health and disease related traceability database (USAHERDS).
- Monitors and reports diseases on state and national levels.
- Distributed 473,930 official identification tags. Maintains records of official USDA tags and official state certificates of veterinary inspection.
- Reviewed 23,758 export CVIs and 10,475 import CVIs.

Disease Control and Eradication

- Conducts case investigations on suspected cases of transboundary/foreign animal diseases, emerging diseases, and other zoonotic diseases.
- Administers the National Brucellosis Eradication Program and Bovine Tuberculosis Eradication Program.
- Administers the voluntary Chronic Wasting Disease (CWD) Herd Certification program.
- Administers Johne's disease control program.
- Acts as the Official State Agency (OSA) for the National Poultry Improvement Plan.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Acts as the OSA for US Swine Health Improvement Plan.
- Monitors for novel swine enteric coronavirus diseases, such as porcine epidemic diarrhea virus and emerging diseases.
- Administers the National Scrapie Eradication program.
- Oversees the Brucella ovis Free-Flock status program.

Engrossed HB-1009

Salaries	\$1,916,566
Board of Animal Health	857,361
Total	\$2,773,927
General	\$2,289,320
Federal	193,036
Special	291,571
Total	\$2,773,927
FTEs	7

Emergency Preparedness and Response

- 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.
- Provides oversight on proper carcass disposal following disease outbreaks and disasters.
- Coordinates pet sheltering and livestock relocation during disasters.
- 2021-2023 biennium, completed 62 Foreign Animal Disease investigations.
- 2021-2023 biennium, investigated and responded to 25 Highly Pathogenic Avian Influenza (HPAI) outbreaks during the spring and fall migrations including six commercial and 19 backyard flocks.

Education and Outreach

- Provides inspection services at the ND State Fair.
- Communicates with other state and federal animal health officials regionally and nationally to guide animal health policy.
- Provides education and outreach for practicing veterinarians and the livestock industry.

Animal Health Division (cont.)

Regulatory Oversight

- Enforces non-traditional livestock and farmed elk regulations, evaluates importation risk assessments, and conducts facility inspections.
- Supports investigations of inhumane treatment complaints by local authorities.
- Coordinates feral swine investigations with partner agencies.
- Collaborates with ND Department of Health and Human Services on zoonotic and anthroozoonotic disease issues.
- Registered 633 veterinary medicines for sale in the state and approves the use of autogenous vaccines.
- Registers and inspects restricted feedlots.
- Licenses and inspects rendering facilities.
- Completed 39 inspections of livestock auction markets; ensured regulatory compliance.
- Licensed 79 modified live vaccine facilities, provided annual education to 193 employees of these businesses, and did 155 facility inspections.
- Approved 42 farmed elk facilities, issued 64 non-traditional livestock licenses.
- Issued 191 Permits to Possess, Propagate and Domesticate on behalf of ND Game and Fish.

Lukas Wagner, 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.
- Administers North Dakota Crop Protection Product Harmonization and Registration Board. Oversee Minor Use grant fund. Review crop protection product labeling needs and pursue opportunities to make more crop protection product options available to agriculture producers.
- Provided outreach at nearly 200 events during '23 and '24 to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency and special local needs exemption requests to ensure 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.
- Coordinates Project Safe Send; an annual, statewide collection of unusable pesticides. 552,220 total pounds collected in '23 and '24.
- 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.
- Works with producers and local ag groups to prepare comments for proposed EPA regulation.

Engrossed HB 1009

Salaries	\$2,972,990
Operating	2,036,095
Crop Harmonization Board	75,000
Total	\$5,084,085
General	\$0
Federal	1,299,759
Special	3,784,326
Total	\$5,084,085
FTEs	15

Fertilizer and Anhydrous Ammonia

- Sampled 375 fertilizer products to ensure claims match labels.
- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licensed 272 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.
- Administers the state waterbank program.

John Schneider, Director

Business, Marketing & Information Division

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

Agricultural Products Utilization Commission

- Creates new wealth and employment opportunities through the development of new and expanded uses of agricultural products. In 2023-24, 42 projects were funded.

Agriculture Infrastructure Grant Program

- Grants awarded to political subdivisions for roadway and bridge improvements; and to political subdivisions or entities for utility improvements necessary to accommodate value-added agriculture businesses.

Agriculture Diversification and Development Fund

- Supports new or expanding value-added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs and grow North Dakota's economy. In 2023-24, 29 projects were funded.

North Dakota Mediation Service

- Mediation services provided to farmers, ranchers, creditors and others to help resolve disputes.
- Credit counseling assists with agricultural credit issues.
- Address energy development related issues and deer depredation issues.
- Offers farm and ranch stress assistance.

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. In 2023-24, 37 projects were funded.

Engrossed HB 1009	
Salaries	\$2,116,371
Operating	1,666,972
Grants	12,724,400
APUC	5,110,417
ND Trade Office	2,000,000
Total	\$23,618,160
General	\$6,953,073
Federal	10,523,169
Special	6,141,918
Total	\$23,618,160
FTEs	10

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.
- Attended 34 agriculture education events, impacting 28,000 people, such as KMOT Ag Expo, KFYR Agri International Ag Expo, Fargo Living Ag Classroom and Morton County Ag Day.
- Publishes the Ag Mag three times a year for third, fourth, and fifth-graders.
- Underwrites organizations such as ND FFA Foundation, ND Farm Bureau, and the ND Genotyping Center with mini-grants for agriculture-related projects, units, and lessons used by school-age children. Awarded eight mini-grants.

Business, Marketing & Information Division (cont.)

Local Foods

- Supports ND produce growers by providing them education on produce safety through the FDA's Food Safety Modernization Act Produce Safety Rule. A large part of our support includes providing annual training.
- Provides technical assistance, business development opportunities, education and help facilitate an annual Local Foods conference.
- Market local foods and statewide farmers markets to the consumer through targeted educational pieces to promote ND Specialty Crops and the Fresh from North Dakota brand.
- Administered the Local Foods Purchase program procuring local foods for ND food pantries.

Farm to School Program

- A program administered by both NDDA and NDDPI that supports local foods in schools, school gardens and education. It includes farm to school activities, local food purchasing, hands-on, garden-based learning, farm field trips, cooking demos and integration of food-related information into classroom curriculum.
- Creates new financial opportunities for producers as well as introduce more local food to students.

Grasslands Grazing Cost Share Program

- Provides grants to organizations representing cooperative grazing organizations for 228 projects for water development, fencing, conservation initiatives, compliance with federal permitting requirements, enhance wildlife habitat, capture carbon, and increase overall health of the grassland.

Specialty Crop Block & Organic Grants

- Administers specialty crop grants.
- FY23 funded 21 projects; FY24 funded 21 projects.
- Administers organic certification and transition reimbursement grants.

Resilient Food Systems Infrastructure Grant

- Received \$4,690,280 from USDA-AMS, for this program, which supports the development of the middle-of-the-supply-chain for food and farm businesses.

International & Domestic Marketing

- Coordinates int'l and domestic trade shows. Last biennium, participated and coordinated seven domestic and five international trade shows.
- Coordinates trade missions; most recently to Vietnam.
- Supports & coordinates with commodity groups.
- Supports agriculture companies to diversify and coordinate trade shows.
- Administers Specialty Crop subgrants.
- Supports and coordinates with Commerce, NDTO, and the Food Export Midwest Association.
- Issued 182 certificates of free sale agreements and health certificates.

North Dakota Trade Office

- Administers contract with ND Trade Office to expand state businesses with expertise & resources to grow businesses through national and international trade.

Pride of Dakota

- Administers Pride of Dakota (POD), including holiday showcases, annual meetings, and other events. The 2023 showcases had 42,103 attendees and the 2024 showcases had 43,846 attendees.
- Provides trade show assistance to ND companies.
- Maintains membership of over 500 POD Companies.

Public Information

- Writes and edits Department publications, including news releases, brochures, and annual/biannual reports.
- Monitors and updates the Department website and social media account.
- Issues Centennial Farm certificates.

Notable Legislation

<u>Bill</u>	<u>Sponsored By</u>
HB 1143: Food Distribution Facility Grant Program Providing a food distribution facility grant program. (APPROPRIATION: \$5,000,000 SIIF)	Legislature
HB 1332: Value Added Agriculture Facility Post completion grant program (APPROPRIATION: \$30,000,000 Line of Credit Bank of ND)	Legislature
HB 1526: Pet Food Updates labeling requirements and registration fee on pet food labels.	Legislature
HB 1551: Bio-Stimulants Relates to fertilizer and soil conditioners. Removes the phrases "Soil amendments" and "Plant amendments" from the code.	Legislature
HB 1591: County Fair Grants Relates to a county fair resiliency grant program. (APPROPRIATION: \$3,000,000 GF)	Legislature
SB 2274: Career & Technical Education - Farm Management Program Moves Farm Management Program from "Career and Technical Education" to the Department of Ag. (APPROPRIATION: \$1,900,000 GF)	Legislature
SB 2327: ADD (Agriculture Diversification & Development) (APPROPRIATION: \$15,000,000 GF)	Legislature
SB 2333: Low Carbon Fuel Program Provide reimbursement to ethanol production facilities for capital improvements projects that increase the efficiency of a facility and lower the carbon intensity score of the product produced. (TRANSFER ~ \$6,000,000 from Ethanol Production Incentive Fund)	Legislature
SB 2342: Value Added Milk Processing (APPROPRIATION: \$10,000,000 Line of Credit Bank of ND)	Legislature
SB 2368: Grassland Grazing Grants (APPROPRIATION: \$3,000,000 SIIF)	Legislature

Optional Budget Requests

<u>Priorities</u>	<u>Amount Requested</u>
1. Plant Protection FTE Salary and operating for field employee	214,688 SF
2. Environmental FTE Salary and operating for wind/transmission mitigation program	221,278 GF
3. Wildlife Services Request and Additional Section Increased aerial costs for predator control. Also, add additional section to define that the agriculture commissioner may not use funding appropriated for the program to pay indirect costs as part of the United States department of agriculture animal and plant health inspection service wildlife services program.	150,000 GF
4. Mitigation Fund Transfer and Additional Section Transfer – Environment and Rangeland Protection Fund to Environmental Impact Mitigation Fund – Mitigation of Agricultural Land. The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1 for the biennium beginning July 1, 2025, and ending June 30, 2027.	
5. Grassland Grazing Carry-Over Authority ESTIMATED INCOME – STRATEGIC INVESTMENT AND IMPROVEMENTS FUND – GRASSLANDS GRAZING GRANTS - CARRYOVER AUTHORITY. Any unexpended funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued may be expended only for the purpose for which it was originally appropriated.	

FTE Requests

FTE Requests for 2025-2027 biennium:

The Department currently has 80 FTE's. Two FTE's were requested in the 2025-27 biennium budget.

1. Plant Protection FTE - a field employee to assist in many plant industries programs to alleviate some of the growth and workload that has greatly increased over the past ten years. The demand for phytosanitary certificates (required for many overseas shipments of plants and plant products such as grain), apiary inspections and hemp retail inspections have increased. Many of these inspections and duties are required by various statutory authority.

Total requested = \$214,688 (Salary=\$173,292; Operating=\$41,396)

Was included in the Executive Recommendation

2. Environmental FTE – an employee to assist with the development and implementation of the wind/transmission mitigation program. Under this mitigation program, wind energy companies may elect to contribute into the Mitigation Fund for environmental impact offsets. This employee will manage the program and have a strong technical background in natural resources management, agriculture, finance, and property easement agreements.

Total requested = \$221,278 (Salary=\$200,882; Operating=\$20,396)

Was NOT included in the Executive Recommendation

FTE History:

2009 - 74.5 FTE's

2024 - 80 FTE's (Increase of 5.5 FTE's over 15 years)

Department Programs Added; Anhydrous Ammonia, Grain Inspection, APUC, ADD, Bioscience, Grassland Grazing, Mitigation, FELIRC, Pipeline, Wind and Royalty Program.

Department Administrative Overhead:

Current biennium = 17.5%

Salary & Wages line divided by Total budget (appropriated and unappropriated funds).

The department has committed 17.5% of our total budget this biennium to support the development and success of our programs. This investment ensures we have the resources needed to provide services and achieve key objectives as directed by the Legislature.

Updates to Executive Budget / Summary

Engrossed HB 1009 Version Comparison

Engrossed House Bill No. 1009 Agriculture Commissioner

	Executive Budget Recommendation	Engrossed HB 1009	Commissioner's Budget Request
Salaries and Wages			
Salaries	18,973,212	17,976,536	17,976,536
Environmental FTE			200,882
Plant Protection FTE	173,292		173,292
Salary and Wages	19,146,504	17,976,536	18,350,710
New & Vacant FTE Pool		587,646	587,646
Operating Expenses			
Operating Expenses	8,522,860	8,222,860	8,222,860
Environmental FTE			20,396
Plant Protection FTE	41,396		41,396
Operating Expenses	8,564,256	8,222,860	8,284,652
Capital Assets	11,100	11,100	11,100
Grants	13,875,269	16,215,269	16,215,269
COVID-19 Specialty Grants (ends 9/2025)	300,000		
Bioscience Innovation Grant Program	5,500,000		
Ag Products Utilization Commission	5,110,417	5,110,417	5,110,417
ND Trade Office	1,600,000	2,000,000	2,000,000
Board of Animal Health	857,361	857,361	857,361
Wildlife Services	1,657,400	1,657,400	1,657,400
Increased Aerial Costs For Predator Control			150,000
Wildlife Services	1,657,400	1,657,400	1,807,400
Pipeline Restoration & Reclamation Oversight	200,000		
Pipeline & Royalty Oversight Programs		500,000	500,000
Crop Harmonization Board	75,000	75,000	75,000
Total	56,897,307	53,213,589	53,799,555
Full Time Employees	80	80	80
Changes	1		2
Full Time Employees - Total	81	80	82

Conclusion

North Dakota has roughly 25,000 farms and ranches, comprising nearly 38.5 million acres, or approximately 90 percent of the total land area in North Dakota. North Dakota agriculture contributes considerably over 30 billion dollars in economic activity annually to the State.

As a prime exporter of agricultural products, North Dakota is often cited as the “breadbasket of the world.” North Dakota is the country’s 11th largest agricultural exporting State, shipping \$5.8 billion in domestic agricultural exports abroad in 2022.


North Dakota produces over 50 different commodities. Soybeans, wheat, corn, cattle & calves, and canola are North Dakota’s top commodities in terms of cash receipts. North Dakota farmers lead the nation in the production of more than a dozen important commodities, among them spring and durum wheat, rye, food grains, assorted beans, barley, flaxseed, canola, honey, sunflowers, pulse crops and more. North Dakota is also a hotbed for emerging crops like hemp, hops, fava beans, and carinata.

Of North Dakota’s approximately 790,000 residents, only about three percent are farmers and ranchers. Nonetheless, agriculture broadly supports over 90,000 jobs and generates over thirteen billion dollars in cash receipts each year. Agriculture remains the leading industry in North Dakota, providing the entire world with enormous quantities of food, feed, fiber, and fuel.

Additionally, North Dakota agriculture extends well beyond crops and livestock. Agribusiness and food processing, agriculture equipment manufacturing and dealerships, innovative technology, local food and farmers markets, agritourism, and agricultural education all contribute to the state’s thriving industry.

The Department’s mission is to “serve, advocate, protect and promote agriculture to benefit everyone.” In furtherance of our mission, we promote agriculture to protect both the value and use of agricultural lands, protect agricultural capacity and output, and promote rural economic development and agricultural industries.

The work of the North Dakota Department of Agriculture is vital to our state’s most important industry. This budget presentation is respectfully provided to assist the Governor and Legislative Assembly in determining spending priorities for the 2025-2027 biennium.



Doug Goehring
Agriculture Commissioner





Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		383,276	266,444	649,720		380,240	263,409	643,649		(\$3,036)	(\$3,035)	(6,071)
Health insurance increase		271,679	214,749	486,428		268,677	211,746	480,423		(3,002)	(3,003)	(6,005)
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(146,988)	(104,860)	(251,848)		(146,988)	(104,860)	(251,848)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688				0	(1.00)	(107,344)	(107,344)	(214,688)
Adjusts base level funding for travel		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adds funding for state fleet rate increases		750,000		750,000		750,000		750,000				0
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Moves pipeline and royalty oversight programs to a new line item				0				0				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds base level funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant		(80,000)		(80,000)		(80,000)		(80,000)				0
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000				0			(300,000)	(300,000)
Adds funding for the North Dakota trade office		400,000		400,000				0		(400,000)		(400,000)
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$1,474,429	\$3,400,921	\$4,875,350	(1.00)	(\$660,370)	(\$3,518,242)	(\$4,178,612)
One-Time Funding Items												
Bioscience innovation grant program			\$5,500,000	\$5,500,000				\$0			(\$5,500,000)	(\$5,500,000)
Livestock planning program			660,000	660,000				0			(660,000)	(660,000)
Grasslands grazing grants				0			\$3,000,000	3,000,000			3,000,000	3,000,000
APUC program				0			3,000,000	3,000,000			3,000,000	3,000,000
North Dakota trade office				0		\$400,000		400,000		\$400,000		400,000
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$400,000	(\$160,000)	\$240,000
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	\$1,874,429	\$9,400,921	\$11,275,350	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201	80.00	\$16,695,362	\$36,518,227	\$53,213,589	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)

Federal funds included in other funds

\$17,965,927

\$17,614,841

(\$351,086)

Total ongoing changes - Percentage of base level

1.3%

14.4%

25.5%

21.6%

0.0%

9.9%

12.5%

11.6%

N/A

N/A

N/A

N/A

Total changes - Percentage of base level

1.3%

14.4%

48.2%

36.3%

0.0%

12.6%

34.7%

26.9%

N/A

N/A

N/A

N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner		Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund		Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Other funds - Transfer - Bank of North Dakota profits - APUC		Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.
Other funds - Environment and rangeland protection fund		Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Other funds - Game and Fish Department operating fund		Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Other funds - Abandoned oil and gas well plugging and site reclamation fund		Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).
Other funds - Strategic investment and improvements fund - Matching funds requirement		Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version	
North Dakota Trade Office - Matching funds requirement		Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds		Section 12 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.	
Agriculture Commissioner salary		Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Exemption - COVID-19 specialty crop block grant program		Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	
Exemption - Livestock planning program		Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

Cell: G66

Note: Gader, Grant:

Armstrong budget - \$8,495,424

less:

Livestock planning 660,000= \$7,835,424

(ERP/Total Special)*SF removed for 25-27 pool

$(7,260,005/12,350,320)*(53,774) = (31,610)$

= \$7,803,814

Note: Plant protection position should be ERP if they decide to add it in.

NOTE - Adjust 25-27 new/vacant FTE pool amount to \$27,698 if bill amended further.

Cell: G74

Note: Gader, Grant:

1437 (2023)



North Dakota Legislative Council

Prepared for the Senate Appropriations Committee
March 6, 2025

MAJOR RELATED LEGISLATION AFFECTING THE AGRICULTURE COMMISSIONER AS OF CROSSOVER

This memorandum provides information on major related legislation affecting the Agriculture Commissioner as of Crossover:

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

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

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

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

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

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

Senate Bill No. 2327 - This bill provides for a transfer of \$15 million from the general fund to the agriculture diversification and development fund and allows the agriculture diversification and development committee to use up to 5 percent of funds available for administrative expenses. Of the \$15 million, up to \$10 million is available for agriculture infrastructure grants to political subdivisions.

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

Senate Bill No. 2342 - This bill provides a \$10 million line of credit from the Bank of North Dakota to the agriculture diversification and development fund, which is provided to the Agriculture Commissioner based on a continuing appropriation, for a value-added milk processing facility incentive program.

Senate Bill No. 2368 - This bill establishes the existing grasslands grazing grant program as a new section to chapter 4.1-01 of the North Dakota Century Code, which provides grants to organizations representing cooperative grazing associations in the state. The organizations must provide \$1 of matching funds for every \$4 of grant funding. This 2023 Legislative Assembly provided \$1 million from SIIF for the program for the 2023-25 biennium. As approved by the House, House Bill No. 1009 (2025) includes \$3 million from SIIF for the program for the 2025-27 biennium.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1009
3/20/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

10:48 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Protein needs for local food pantries
- Plant protection employee request and duties
- State fleet rate increases and motor pool classifications
- Department regulatory duties
- Specialty crop block grant programs
- APUC program - limited to reimbursement
- ND Trade Office
- Grassland grazing program
- Livestock planning program authority
- Budget line-item explanation
- Environmental specialist FTE request
- Emerald ash borer update

10:51 a.m. Representative Mitskog, District 25, testified about proposed budget amendment 25.0153.02001, testimony #43402 and #43405.

10:56 a.m. Doug Goering, Commissioner, ND Department of Agriculture, testified in favor, answered questions, and submitted testimony #43307.

10:57 a.m. Larry Martin, OMB Analyst, supplied budget information.

11:02 a.m. Grant Gader, LC Fiscal Analyst, reviewed the budget and answered committee questions, using testimony #43303.

11:03 a.m. Commissioner Goering answered a question.

11:05 a.m. Grant Gader resumed the budget review, focusing on pages 2 and 3 of testimony #43303, the long sheet.

11:08 a.m. Lynette Baumiller, Director of Administrative Services, answered questions.

11:12 a.m. Grant Gader resumed the budget review.

11:15 a.m. Commissioner Goering answered a question.

11:17 a.m. Grant Gader resumed the budget review.

11:24 a.m. Commissioner Goering answered a question about the grassland grazing program, fire control, wildlife enhancement, and adherence to Federal regulation and referenced testimony #39332, submitted on 3/6/2025.

11:35 a.m. Larry Martin supplied budget information.

11:42 a.m. Commissioner Goering answered questions and submitted testimony #43307.

11:56 a.m. Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	Armstrong Executive Budget				House Version				House Compared to Executive Budget			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		383,276	266,444	649,720		380,240	263,409	643,649		(\$3,036)	(\$3,035)	(6,071)
Health insurance increase		271,679	214,749	486,428		268,677	211,746	480,423		(3,002)	(3,003)	(6,005)
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool				0		(146,988)	(104,860)	(251,848)		(146,988)	(104,860)	(251,848)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position	1.00	107,344	107,344	214,688				0	(1.00)	(107,344)	(107,344)	(214,688)
Adjusts base level funding for travel		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adds funding for state fleet rate increases		750,000		750,000		750,000		750,000				0
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Moves pipeline and royalty oversight programs to a new line item				0				0				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds base level funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant		(80,000)		(80,000)		(80,000)		(80,000)				0
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program			3,000,000	3,000,000				0			(3,000,000)	(3,000,000)
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants			300,000	300,000				0			(300,000)	(300,000)
Adds funding for the North Dakota trade office		400,000		400,000				0		(400,000)		(400,000)
Total ongoing funding changes	1.00	\$2,134,799	\$6,919,163	\$9,053,962	0.00	\$1,474,429	\$3,400,921	\$4,875,350	(1.00)	(\$660,370)	(\$3,518,242)	(\$4,178,612)
One-Time Funding Items												
Bioscience innovation grant program			\$5,500,000	\$5,500,000				\$0			(\$5,500,000)	(\$5,500,000)
Livestock planning program			660,000	660,000				0			(660,000)	(660,000)
Grasslands grazing grants				0			\$3,000,000	3,000,000			3,000,000	3,000,000
APUC program				0			3,000,000	3,000,000			3,000,000	3,000,000
North Dakota trade office				0		\$400,000		400,000		\$400,000		400,000
Total one-time funding changes	0.00	\$0	\$6,160,000	\$6,160,000	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$400,000	(\$160,000)	\$240,000
Total Changes to Base Level Funding	1.00	\$2,134,799	\$13,079,163	\$15,213,962	0.00	\$1,874,429	\$9,400,921	\$11,275,350	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)
2025-27 Total Funding	81.00	\$16,955,732	\$40,196,469	\$57,152,201	80.00	\$16,695,362	\$36,518,227	\$53,213,589	(1.00)	(\$260,370)	(\$3,678,242)	(\$3,938,612)

Federal funds included in other funds

\$17,965,927

\$17,614,841

(\$351,086)

Total ongoing changes - Percentage of base level

1.3%

14.4%

25.5%

21.6%

0.0%

9.9%

12.5%

11.6%

N/A

N/A

N/A

N/A

Total changes - Percentage of base level

1.3%

14.4%

48.2%

36.3%

0.0%

12.6%

34.7%

26.9%

N/A

N/A

N/A

N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version
New and vacant FTE pool line item		Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner		Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund		Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Other funds - Transfer - Bank of North Dakota profits - APUC		Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.
Other funds - Environment and rangeland protection fund		Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Other funds - Game and Fish Department operating fund		Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Other funds - Abandoned oil and gas well plugging and site reclamation fund		Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).
Other funds - Strategic investment and improvements fund - Matching funds requirement		Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	Armstrong Executive Budget	House Version	
North Dakota Trade Office - Matching funds requirement		Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds		Section 12 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.	
Agriculture Commissioner salary		Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Exemption - COVID-19 specialty crop block grant program		Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	
Exemption - Livestock planning program		Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

Cell: G66

Note: Gader, Grant:

Armstrong budget - \$8,495,424

less:

Livestock planning 660,000= \$7,835,424

(ERP/Total Special)*SF removed for 25-27 pool

$(7,260,005/12,350,320)*(53,774) = (31,610)$

= \$7,803,814

Note: Plant protection position should be ERP if they decide to add it in.

NOTE - Adjust 25-27 new/vacant FTE pool amount to \$27,698 if bill amended further.

Cell: G74

Note: Gader, Grant:

1437 (2023)



3-20-25
COMMISSIONER
DOUG GOEHRING

ndda@nd.gov
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**NORTH DAKOTA
DEPARTMENT OF AGRICULTURE**

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

March 7, 2025

Where is Emerald Ash Borer?

- EAB was detected just north of Edgeley, ND in LaMoure County in August 2024.
- Trees at the site have been removed and destroyed. NDDA will continue to monitor the area.
- EAB was found in Moorhead & Dilworth, MN in February 2023. To date, it has not been found on the west side of the river.

Trapping in North Dakota

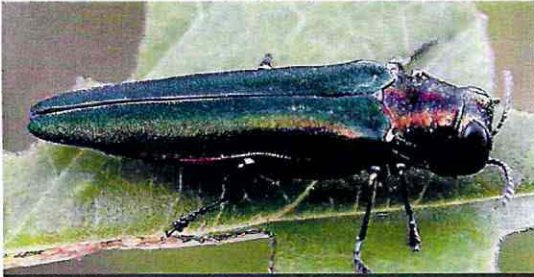
- Annually, NDDA along with ND Forest Service and city foresters place approximately 250 purple prism traps across the state. The Edgeley detection was found in a trap initially.
- Target of 300 traps in 2025.
- Note that the lure is minimally effective until a population of EAB is large. Traps work best as outreach tool.
- NDDA follows up on all suspect reports. There are several native ash borers that attack declining ash trees, so can easily be confused with EAB. (EAB will attack and kill healthy trees)

Treatments / Removals

- Many communities have been proactively removing poor quality and declining ash trees in advance of EAB.
- Several effective treatments are available. The most common are listed below:

Chemical Name	Trade Names	Application method
Emamectin benzoate	Tree-Age; Mectinitite; Arbormectin	Trunk injection – professional or homeowner but typically professionally applied
Imidacloprid	Bioadvanced Tree & Shrub Protect; Bonide Tree & Shrub; Merit; Xytect; others	Soil-applied – professional or homeowner
Dinotefuran	Safari; Zylam; Transect	Trunk injection; trunk spray, or soil-applied – professional or homeowner

- Treatment is not recommended until EAB has been found within 15 miles.
- Trunk injections are effective for 2-3 years. Costs typically between \$6-\$12 per inch of tree diameter.
- Trees that sustain up to 35% decline from EAB have a great likelihood of recovering after treatment.
- Unfortunately, it is not practical to treat entire shelterbelts due to the expense. Encourage new plantings to contain a wide-variety of tree species.



Emerald Ash Borer

Biology and Integrated Pest Management in North Dakota

Janet J. Knodel, Extension Entomologist
Joseph D. Zeleznik, Extension Forester
Gerald M. Fauske, Collection Manager
Patrick B. Beauzay, Research Specialist
Charles R. Elhard, Plant Protection Officer,
North Dakota Department of Agriculture

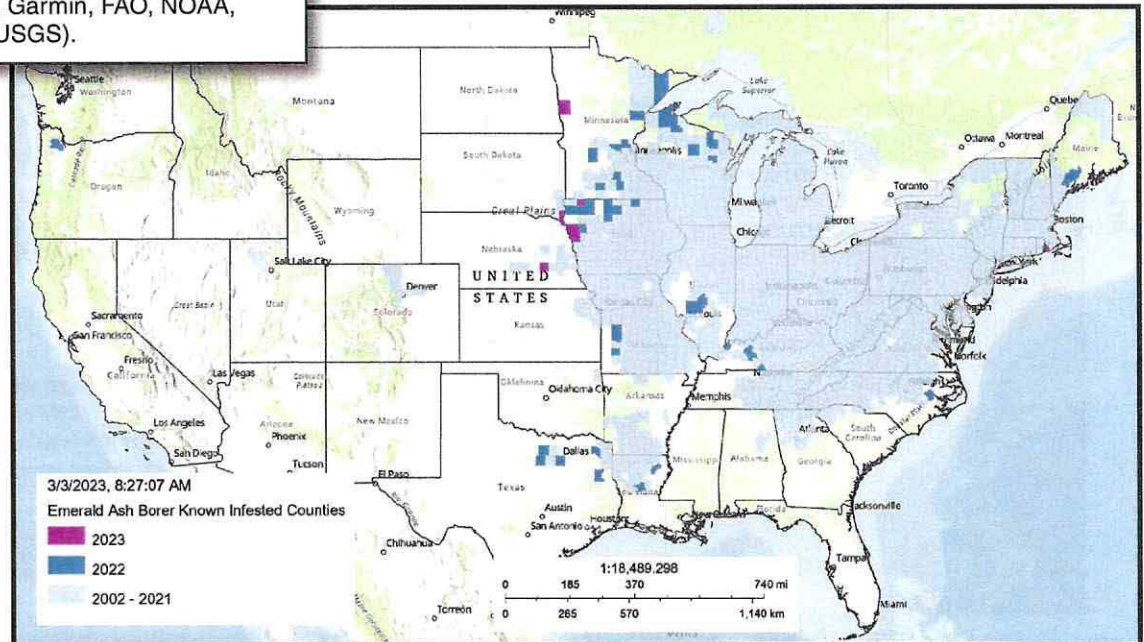
Cover photograph – Emerald ash borer adult
(L. Bauer, USDA Forest Service Northern Research
Station, Bugwood.org)

The Emerald ash borer (EAB), *Agrilus planipennis*, is an invasive, metallic, wood-boring beetle (Coleoptera: Buprestidae) that is a major cause of ash tree decline and mortality in the Midwest. This highly destructive pest attacks only species of ash (*Fraxinus* spp.).

Emerald ash borer was introduced to North America accidentally in the mid-1990s and was detected first in southeastern Michigan in 2002. Unlike native borer insects, which typically only attack trees already in decline, EAB attacks both stressed and healthy trees. Emerald ash borer has been responsible for killing hundreds of millions of ash trees since its arrival in the U.S.

Although EAB has not been detected in North Dakota, a find was observed in Moorhead, Clay County, Minnesota (across the Red River from Fargo) in February 2023. North Dakota residents living close to Clay County should routinely inspect their ash trees for any symptoms of EAB infestation.

Figure 1. New county detections of emerald ash borer as of March 3, 2023 (USDA APHIS PPQ) (Esri, HERE, Garmin, FAO, NOAA, USGS, EPA, Esri, USGS).



Distribution

Emerald ash borer is native to Asia, where it can be found on several species of ash and is not considered a pest. Emerald ash borer most likely was transported to North America as larvae or pupae embedded in ash pallets, crates or packing material transported by cargo ships. As of April 2023, EAB has spread to 36 states and five Canadian provinces (Figure 1). Information on EAB's most current distribution can be found at www.emeraldashborer.info

NDSU

EXTENSION

Identification

Adults are recognized as metallic, wood-boring beetles (Family Buprestidae) by their short saw-toothed antennae, blunt head and elongate yet compact body with metallic coloration.

The adult EAB is distinguished from other North Dakota Buprestidae by its size (about ½ inch or 13 millimeters [mm]), overall metallic green with coppery reflections on the pronotum (shieldlike body segment behind the head), and the bright metallic red of the upper surface of the abdomen (Figures 2 and 3).

The elytra (hard front wing covers) and membranous hind wings must be spread apart completely to view the dorsal surface of the abdomen. The abdomen projects beyond the elytra as a blunt-ended spine.

Eggs are oval to round, less than 0.039 of an inch (1 mm) in diameter, and although white when laid, they rapidly turn red-orange (Figure 4). Because eggs are laid in bark crevices, they are not readily observed.

Larvae create characteristic serpentine tunnels beneath the bark of their host ash trees (Figure 5). Tunnels curve at near right angles so that the tunnel length, as measured in a straight line from start to end point, is less than half of the actual total tunnel distance through the wood.

EAB larvae (Figure 6) are recognized by their enlarged and flattened pronotum, elongate body shape with abdominal segments one to seven trapezoidal, abdominal segment eight bell-shaped, and the last abdominal segment round with two spines (urogomphi, Figure 7).



Figure 2. Size of emerald ash borer adult compared with a penny (H. Russell, Michigan State University, Bugwood.org)

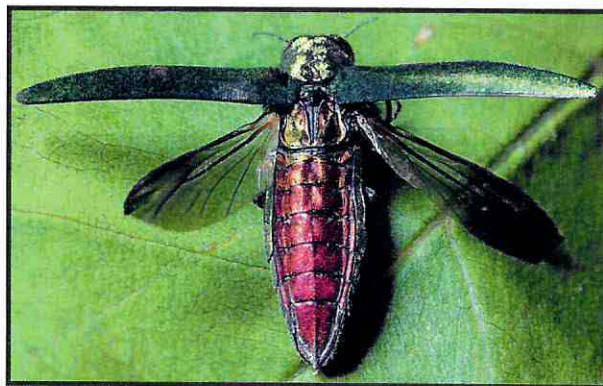


Figure 3. Emerald ash borer adult (D. Cappaert, Bugwood.org)



Figure 4. Emerald ash borer egg (H. Liu, Michigan State University, Bugwood.org)

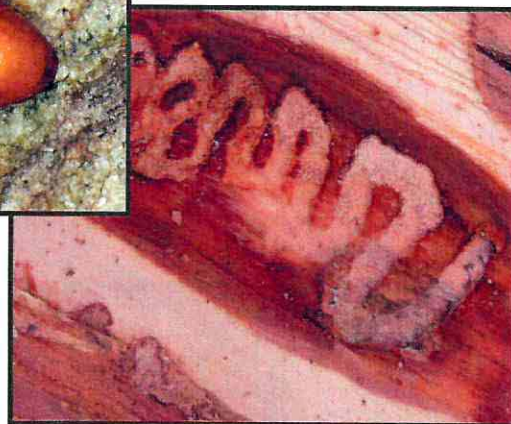


Figure 5. Serpentine tunnel created by emerald ash borer larva (G. Fauske, NDSU)



Figure 6. Emerald ash borer larva (Pennsylvania Department of Conservation and Natural Resources – Forestry Archive, Bugwood.org)

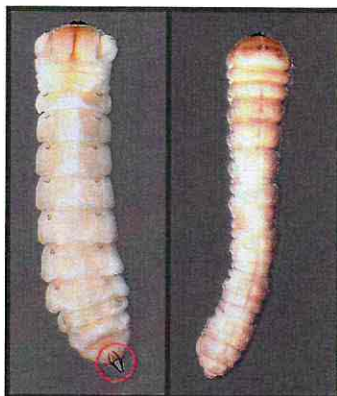


Figure 7. Comparison of prepupa of emerald ash borer (left) and red-headed ash borer (right). Circle shows two spines (urogomphi) on emerald ash borer larva (G. Fauske, NDSU)

Table 1. Larvae of ash-boring insects in North Dakota: comparison with emerald ash borer.

Character	Emerald ash borer		Red-headed ash borer	Carpenterworm	Ash/lilac borer	Ash bark beetles
	Larva	Prepupa	Larva	Larva	Larva	Larva
Length (late instar)	0.71 inch (18 mm)	0.51 inch (13 mm)	0.39 inch (10 mm)	3 inches (75 mm)	0.59 inch (15 mm)	0.12 inch (3 mm)
Shape	thin and wormlike	thick and wormlike	thick and wormlike	caterpillarlike	caterpillarlike	grublike
Thoracic legs	absent	absent	present	present	present	absent
Prolegs	absent	absent	absent	present	present	absent
Urogomphi	present	present	absent	absent	absent	absent

Overwintering larvae excavate a deeper chamber at the end of their tunnel and take on a compact appearance, with body segments somewhat telescoped together. At this point, they are called prepupae. A comparison of common wood-boring ash insect larvae is provided in Table 1.

Pupae have the characteristic shape of the adult beetle, with short, serrate antennae and blunt spine at the tip of the last abdominal segment (Figure 8). Newly formed pupae are white.

As the beetle within develops, the pupa takes on the adult form. When the adult emerges, the pupal exuvia (shed skin) remains in the pupal chamber. By contrast, two other common ash-boring insects, ash/lilac borer (*Podosesia syringae*) and carpenterworm (*Prionoxystus robiniae*), have the pupal skin partially or mostly extruded from the adult exit hole. Buprestids of the genus *Agilus*, such as EAB, leave D-shaped emergence holes (Figure 9).



Figure 8. Emerald ash borer pupa (K. Law, USDA APHIS PPQ, Bugwood.org)



Figure 9. D-shaped emergence hole of emerald ash borer (D. Miller, USDA Forest Service, Bugwood.org)

Life Cycle

The EAB is a holometabolous insect, meaning it undergoes complete metamorphosis. The EAB has four life stages: egg, larva, pupa and adult. The life cycle of the EAB is completed in about one to two years. In northern states, such as North Dakota, larvae are expected to take two years to mature and complete development due to the colder climate and shorter growing season.

Females can lay 60 to 90 eggs in their lifetime. They deposit individual eggs on the bark surface or in bark cracks and crevices from mid-May through July. Eggs hatch one to two weeks later.

Larvae bore into the tree by chewing into the inner bark and cambium, creating serpentine (S-shaped) galleries. Larvae feed during the summer, usually from late June through October. These galleries increase in size as the larvae grow and feed. Larval galleries have been found in trunks and branches measuring as small as 1 inch in diameter.

When EAB larval densities are high, the tree's water and nutrient flow can be interrupted, causing crown dieback and death during a two- to five-year period, depending on the tree's size and relative health.

Larvae overwinter in a small gallery and pupate in early spring (April or May) of the following year. Based on the degree day (DD) accumulations, adults first emerge at 450 to 550 DD (using a base temperature of 50 F or 10 C), which in North Dakota is from mid-June through mid-July. Peak emergence is at 900 to 1,100 DD, from mid- to late July. Research indicates that winter temperatures colder than minus 30 F will cause about 98 percent mortality of EAB larvae. However, larvae found on the south side of trees often were not dead due to heat from sun in winter. In areas with harsh winter climate, the spread of EAB and time it takes to kill a tree is expected to be longer.

Adults live for only three to six weeks and feed on foliage for one to two weeks prior to mating. Foliar feeding by EAB adults causes little damage to the ash tree (Figure 10). They mate and repeat the life cycle.



Figure 10. Emerald ash borer adult feeding on an ash leaf (D. Miller, USDA Forest Service, Bugwood.org)

Potential Hosts

Emerald ash borer attacks and kills all of the North American ash species in native woodlands, shelterbelts and urban forests.

In North Dakota, the most common ash species is green ash (*Fraxinus pennsylvanica*, Figure 11). Black ash (*F. nigra*, Figure 12), Manchurian ash (*F. mandshurica*) and white ash (*F. americana*) are uncommon in urban areas; however, these species also are susceptible to EAB, although Manchurian ash does have some level of resistance to this pest.

Note that EAB will infest healthy and unhealthy ash trees, large and small (down to 1 inch or 2.54 centimeters [cm] in diameter), and all of the named cultivars. Mountain-ash (*Sorbus* spp.) is not susceptible to EAB because it is not a true ash tree.



Figure 11. Green ash tree (N.D. Tree Handbook, NDSU)



Figure 12. Black ash tree (N.D. Tree Handbook, NDSU)

Damage

The vast majority of damage comes from feeding by the larvae in the phloem tissue, just under the bark. EAB larval galleries (Figure 13) also can extend into the sapwood. This feeding behavior damages the vascular system of the tree, blocking water and nutrient transport.

Visible symptoms of damage are dieback of the tree crown (Figure 14) and excessive sprouting (epicormic branches) along the main stem of the tree (Figure 15). However, these symptoms are unlikely to be seen during the first year of infestation. Instead, dieback probably will be observed only in trees that have been infested for three years or longer.



Figure 13. Larval galleries of emerald ash borer (S. Katovich, USDA Forest Service, Bugwood.org)



Figure 14. Dieback of tree crown (J. Zeleznik, NDSU)

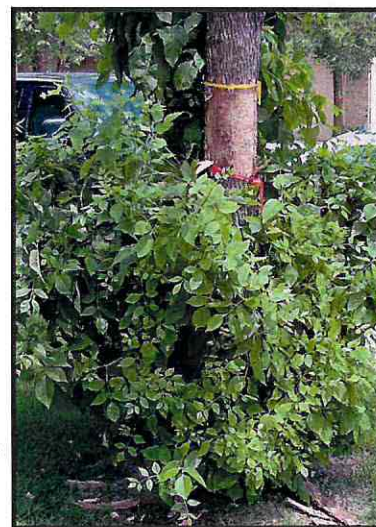


Figure 15. Epicormic branching from tree attacked by emerald ash borer (Michigan Department of Agriculture, Bugwood.org)

INTEGRATED PEST MANAGEMENT of **Emerald Ash Borer**

Keep in mind that environmental stress and diseases, such as ash yellows, commonly are responsible for symptoms similar to EAB infestation. Woodpeckers are attracted to EAB-infested trees, and excessive pecking damage by woodpeckers may be another visible symptom of EAB presence (Figure 16).

The potential economic cost incurred by EAB is enormous. The most basic expenses will be those of tree removal and replacement. Finding a **qualified** contractor who holds a North Dakota contractor's license and has **liability insurance** for tree removal is important.

Beyond removal and replacement, the loss of benefits provided by ash trees will be enormous and expensive. Shelterbelts protect farmsteads, fields and livestock from harsh, drying winds in the summer and they capture snow in the winter, acting as living snow fences along highways and around many communities. In urban EAB-infested areas where ash trees have been destroyed, the loss of shade/protection from ash trees has resulted in increased costs associated with summer air conditioning and lawn watering, and home heating in the winter.



Figure 16. Woodpecker damage on emerald ash borer-infested tree (G. Fauske, NDSU)

Integrated pest management involves pest monitoring and the use of multiple control strategies (cultural control, plant resistance, biological control and pesticides) to mitigate losses from insect pests.

Monitoring and Surveying

Several methods are being used in survey efforts for EAB. Large purple prism traps (Figure 17) are used in government-sponsored survey programs for EAB and are very visible to the public in parks and recreation areas.

Prism traps are pre-coated with an insect-trapping adhesive. Lures are attached to the trap and are effective in the field for 20 days as an attractant. The chemical component of the lure has gotten better in recent years but still has room for improvement. Prism traps are hung over sturdy branches in the mid to lower canopy of ash trees of at least 8 inches (20 cm) in diameter before EAB emergence is expected.

In addition to the prism traps, girdled "trap trees" also have been used for locating EAB, but this method is time-consuming and, therefore, expensive. Other traps that have been developed included green funnel and prism traps, but these are not widely used in the U.S.

Simple visual monitoring by the general public is also critical because the trapping materials and techniques have not been perfected yet. If you suspect that EAB is in your ash trees, contact one of the organizations listed at the end of this publication.

Cultural Control

One of the main cultural methods for preventing the spread of EAB is **NOT MOVING INFESTED FIREWOOD, LOGS OR NURSERY STOCK** to uninfested areas. Much of the rapid spread of EAB outside of its original detection sites near Detroit, Michigan, was due to direct, human-assisted movement of these products. Larvae of EAB are hidden underneath the bark of living trees or boards cut from infested logs where they can be transported easily into non-EAB-infested areas.

Another cultural control method is **TIMELY REMOVAL OF EAB-INFESTED TREES** and then chipping the trees to a small size - less than 1 inch (2.54 cm) - on each of two sides or burning the trees that were removed. This will kill EAB and help prevent further spread. Many cities are proactively removing and replacing diseased or unhealthy ash trees. This has been done to increase diversity of tree species with new plantings to prepare for the arrival of EAB.

Plant Resistance

In North America, all native species of *Fraxinus* are susceptible to EAB, although some species are preferred more than others. For example, blue ash (*F. quadrangulata*) is a less-preferred species. However, researchers have observed that ash trees native to Asia have reduced larval tunneling and only stressed trees (for example, from drought) are colonized.

Ash trees in the native range of EAB may be more resistant because their natural defenses have co-evolved throughout time. Researchers are studying Asian ash species as a possible source of resistance genes against EAB. Identification of resistant ash genotypes is important for reforestation and maintaining a market demand for ash in the nursery industry.



Figure 17. Purple prism trap used for surveying for emerald ash borer (K. Law, USDA APHIS PPQ, Bugwood.org)

INTEGRATED PEST MANAGEMENT of EAB

Biological Control

Biological control involves the use of natural enemies (predators or parasitoids) to control insect pests naturally. Biological control primarily is being targeted at EAB in forests. The EAB has no known predators other than woodpeckers that occasionally feed on larvae and kill about 30 to 50 percent of large EAB larvae.

In 2007, three species of hymenopteran parasitoids (wasps) from China were released for biocontrol of EAB by the U.S. Department of Agriculture (USDA) Forest Service and USDA's Animal Plant Health Inspection Service (APHIS).

Two introduced parasitoids, *Spathius agrili* (Braconidae) and *Tetrastichus planipennisi* (Eupelmidae, Figure 18), attack EAB larvae. The other introduced parasitoid, *Oobius agrili* (Encyrtidae), parasitizes EAB eggs. In 2015, an external larval parasitoid, *S. galinae* (Braconidae), was released from Russia.

Two of the released parasitoids, *O. agrili* and *T. planipennisi*, are established and are being widely released. However, *S. agrili* remains unconfirmed in northern areas. *Spathius galinae* does reproduce in northern areas.

In addition, researchers are surveying extensively for indigenous natural enemies of EAB. A native wasp, *Atanycolus* sp. (Braconidae, Figure 19), has been found parasitizing EAB larvae in Michigan. Another native solitary wasp, *Cerceris fumipennis* (Crabronidae), captures buprestid beetles, including EAB, as prey and provisions its ground nest with the beetle prey as food for its developing young. This solitary wasp also is used as a biosurveillance tool for the detection and survey of EAB populations.

Parasitism of EAB eggs by *O. agrili* was observed to be near 22 percent. For *T. planipennisi*, larval parasitism was at 20 percent in young ash trees and 50 to 80 percent in ash saplings, and it is spreading rapidly in all EAB-infested parts of North America. Researchers are optimistic that a combination of introduced and native parasitoids will help reduce EAB densities below a tolerance threshold so that ash trees can survive in the forest ecosystem.

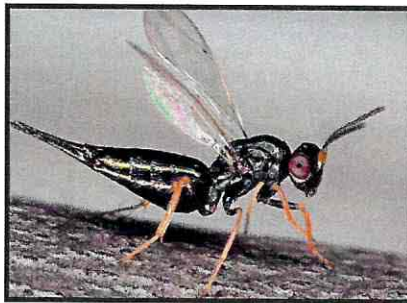


Figure 18. Eulophid wasp, *Tetrastichus planipennisi*, of emerald ash borer (D. Cappaert, Bugwood.org)



Figure 19. Braconid wasp, *Atanycolus cappearti*, of emerald ash borer (D. Cappaert, Bugwood.org)

Insecticide Control

Research has demonstrated that insecticides can protect individual ash trees from EAB effectively. Insecticides are recommended **only** if the EAB infestation is within 15 miles (24 kilometers), or the ash trees are in an EAB-infested (or quarantined) area.

Making insecticide applications when EAB has not been detected in your area is a waste of time and money. Trees that show more than a 40 percent canopy decline are not likely to recover from EAB damage and should not be treated with insecticides. The guidelines in the position statement by the North Dakota Department of Agriculture, North Dakota Forest Service and NDSU Extension Service on the use of insecticide treatment for EAB should be followed. Visit the following website for the position statement:

www.ndda.nd.gov/eab

Four types of insecticide applications are available for controlling existing infestations and/or preventing EAB infestations (Table 2):

- Soil-applied systemic insecticides
- Trunk-injected systemic insecticides
- Basal trunk sprays of systemic insecticides
- Broadcast foliar sprays applied to trunk, main branches and foliage

Results of efficacy testing are available at www.emeraldashborer.info. The insecticides available for the homeowner are limited, so tree care professionals may be needed for the application of insecticidal control of EAB.

When using any pesticide, remember to **ALWAYS READ, UNDERSTAND AND FOLLOW ALL CURRENT LABEL DIRECTIONS.**

Soil-applied Systemic Insecticides

Systemic insecticides are applied to the soil as a drench or through an injection technique, absorbed by the roots and then translocated throughout the tree.

The best timing for soil injection and drenches is likely early to mid-May in North Dakota. A fall application also can be made as an alternative timing, but generally is not as effective.

Insecticide uptake and translocation may take up to four to six weeks in trees with trunks smaller than 12 inches (30.5 cm) diameter. Larger trees with trunks greater than 12 inches (30.5 cm) in diameter require more time for uptake, so treatment should be initiated earlier.

Table 2. Insecticides registered in North Dakota for control of emerald ash borer by professionals and homeowners.

Application Method	Active Ingredient	Example of Trade Name(s)	Professional (P) or Homeowner (H) Use	Life Stage
				L - larvae A - adult
Soil-applied systemic	imidacloprid	Bioadvanced – Tree and Shrub Protect	P or H	L
	imidacloprid	Bonide – Tree & Shrub Insect Control	P or H	L
	imidacloprid	Compare & Save – Tree & Shrub Drench	P or H	L
	imidacloprid	Fertilome – Tree & Shrub Drench	P or H	L
	imidacloprid	Imidashot DF	P or H	L
	imidacloprid	Merit (75WP, 75WSP, 2F)	P or H	L
	imidacloprid	Xytect (2F,75WSP)	P or H	L
	dinotefuran	Safari 20 SG	P	L
	dinotefuran	Zylam Liquid Systemic	P or H	L
	dinotefuran	Transtect 70WSP	P or H	L or A
Trunk injection	emamection benzoate	Tree-Äge G4, Tree-Äge R10	P	L or A
	emamection benzoate	Tree-Äge	P or H	L or A
	emamection benzoate	Mectinite	P or H	L or A
	emamection benzoate	Arbormectin	P or H	L or A
	imidacloprid	IMA-jet 10	P or H	L or A
Trunk injection	dinotefuran	Safari 20 SG	P	L or A
Systemic trunk spray	dinotefuran	Zylam Liquid Systemic	P or H	L or A
	dinotefuran	Transtect 70WSP	P or H	L or A

Larger trees also may require two different treatment techniques for effective EAB control. Homeowners trying to treat trees larger than 15 inches (38 cm) in diameter should consider having a professional treat their trees because higher rates and multiple applications may be necessary for effective EAB control.

For soil drenches, only a bucket or watering can is needed for application. Any mulch or leaf debris should be removed before applying the soil drench because imidacloprid binds to organic materials.

Soil injections place the insecticide near the root zone 2 to 4 inches (5 to 10 cm) below the soil surface and about 18 inches (46 cm) from the trunk near the highest density of tree roots. Specialized equipment is needed to perform soil injections, and applications primarily are conducted by professionals.

Soil drenches/injections should be applied when soils are moist but not saturated or extremely dry. When droughty, water the soil around the base of the tree prior to application.

Although soil-applied systemic insecticides have demonstrated effective control of EAB in some studies, results have been inconsistent. Some university studies of soil-applied systemic insecticide have shown poor control due to differences in pest pressures, tree sizes and other conditions in field.

Trunk-injected Systemic Insecticides

Trunk injections are available for use by tree professionals and homeowners (most products), (Figure 20 and 21).

Trunk-injected insecticides are used frequently in situations in which soil treatments are not practical due to saturated soil conditions, porous sandy soils or other sensitive environments.

The recommended treatment timing is when the ash leaves are starting to emerge but before EAB eggs hatch, usually mid-May to mid-June. Although trunk injections are absorbed quicker than soil treatments, they still require three to four weeks to translocate throughout the tree.

Trunk injections should be performed when temperatures are not hot (greater than 90 F or 37 C) and soil conditions are not dry. Morning is typically the best application time.

One of the negatives of using this technique is that it wounds the tree, which can affect the tree's long-term health. However, researchers found that a single injection of emamectin benzoate applied mid-May or early June provided excellent (greater than 99 percent) control of EAB for at least two years, even under high pest pressures.

Imidacloprid trunk injections resulted in less insect mortality and varying degrees of EAB control. Overall, trunk-injected emamectin benzoate provided the highest level of EAB control when compared with other insecticide products and application techniques.



Figure 20. Trunk injection for control of emerald ash borer (D. Cappaert, Bugwood.org)



Figure 21. Mauget capsule injection for control of emerald ash borer (D. Cappaert, Bugwood.org)

Basal Trunk Sprays of Systemic Insecticides

Dinotefuran, a systemic insecticide, is labeled for bark sprays for control of larval or adult stages of EAB. Applications are made to the lower 5 to 6 feet of the trunk using a regular garden sprayer. Dinotefuran penetrates the bark and then is translocated throughout the tree.

Studies found that efficacy of basal trunk sprays of dinotefuran were variable and similar to trunk-injected imidacloprid. Efficacy was better and control was more consistent on smaller trees than on larger trees.

Broadcast Sprays Applied to Trunk, Main Branches and Foliage

Insecticides can be sprayed on the trunks, branches and foliage to kill EAB adults as they feed on foliage and newly hatched EAB larvae before they bore into the tree. This technique does not kill larvae already feeding internally in the tree.

Broadcast sprays are generally NOT recommended because of low efficacy and toxicity to beneficial insects, including pollinators, parasitic wasps and predators.

What to Do if You Suspect EAB

If you suspect that your ash trees are infested with EAB, official confirmation is critical. Individuals from the following organizations or agencies are able to help you determine if EAB is infesting trees:

North Dakota Forest Service
701-231-5138

North Dakota Department of Agriculture
701-328-4765 or 701-220-0485

NDSU Extension
701-231-8143

NDSU Plant Diagnostic Laboratory
701-231-7854 or 701-231-7064

Local city forester

Local county Extension agent

Note that other insect pests, diseases or stresses can cause dieback of tree crowns and sprouting along the main stem. True confirmation of EAB can come only by locating insects and having them identified by experts. Suspected larvae and adults of EAB will be forwarded from the North Dakota Department of Agriculture to experts at the USDA-APHIS for official confirmation.

For additional information on EAB, visit the following:

Websites:

www.aphis.usda.gov/aphis/ourfocus/planthealth/plant-pest-and-disease-programs/pests-and-diseases/emerald-ash-borer

www.emeraldashborer.info

www.dontmovefirewood.org/

www.ndda.nd.gov/firewood

www.hungrypests.org

www.pesttracker.org/pest/inahqja

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- Hermes, D.A., D.G. McCullough, D.R. Smitley, C.S. Sadof, R.C. Williamson and P.L. Nixon. 2009. Insecticide options for protecting ash trees from emerald ash borer. *North Central IPM Center Bulletin*. 12 pp.
- Hahn, J., D.A. Hermes and D.G. McCullough. 2011. Frequently asked questions regarding potential side effects of systemic insecticides used to control emerald ash borer. University of Minnesota Extension, Michigan State University and The Ohio State University Extension, 4 pp. www.emeraldashborer.info

This publication was also authored by James S. Walker, Graduate Student, NDSU, 2013.

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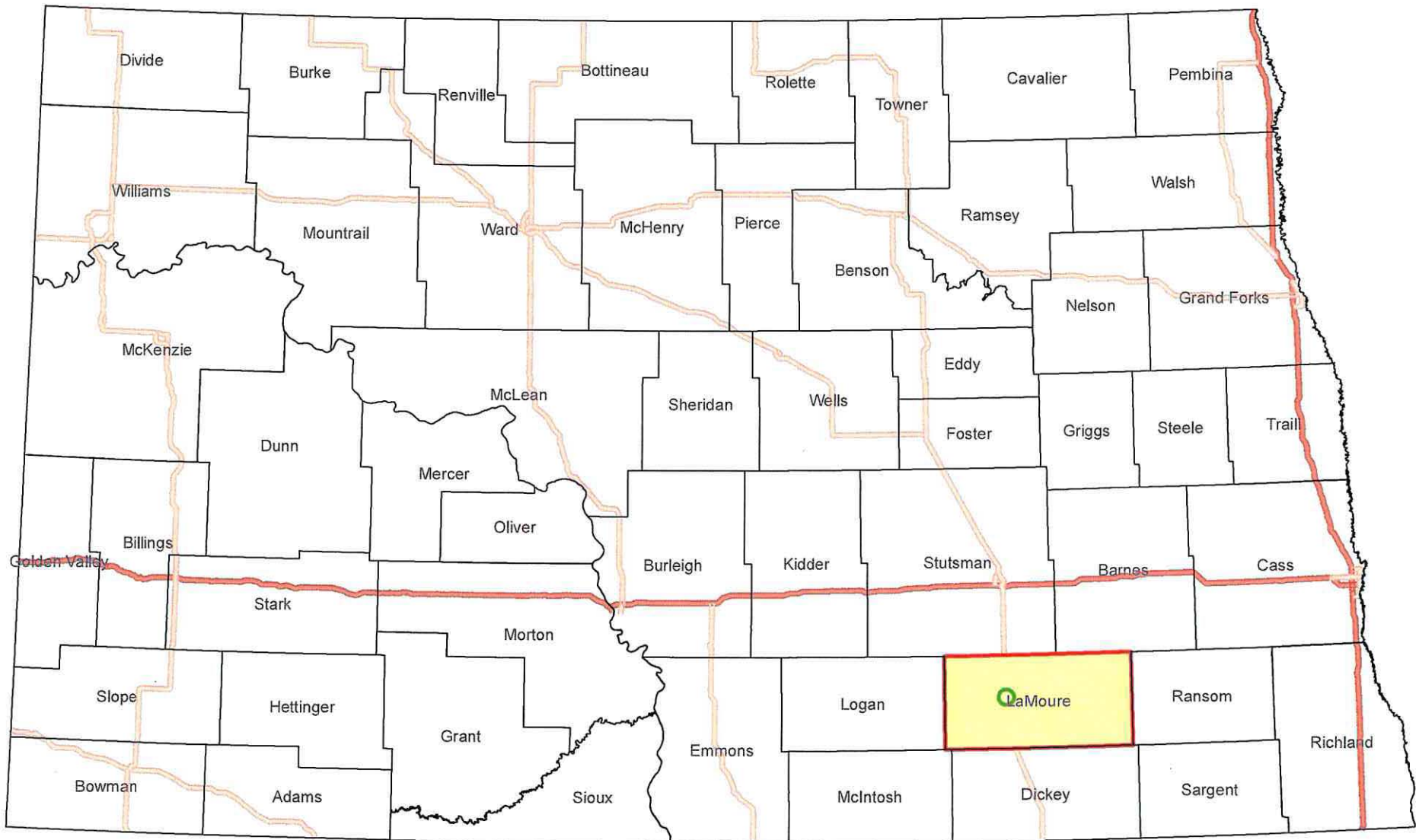
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For more information on this and other topics, see www.ag.ndsu.edu

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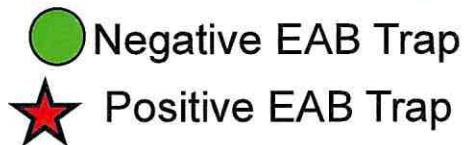
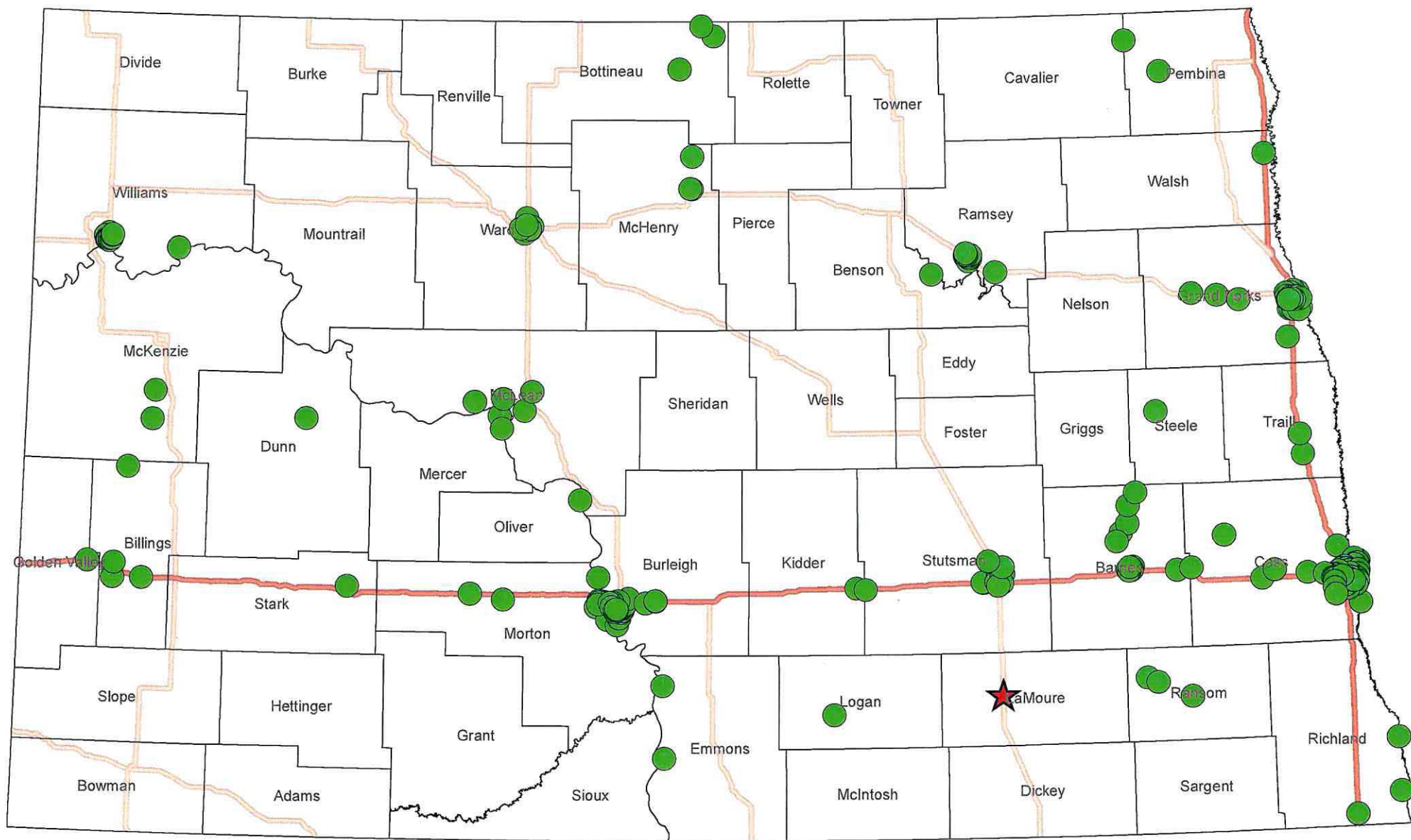
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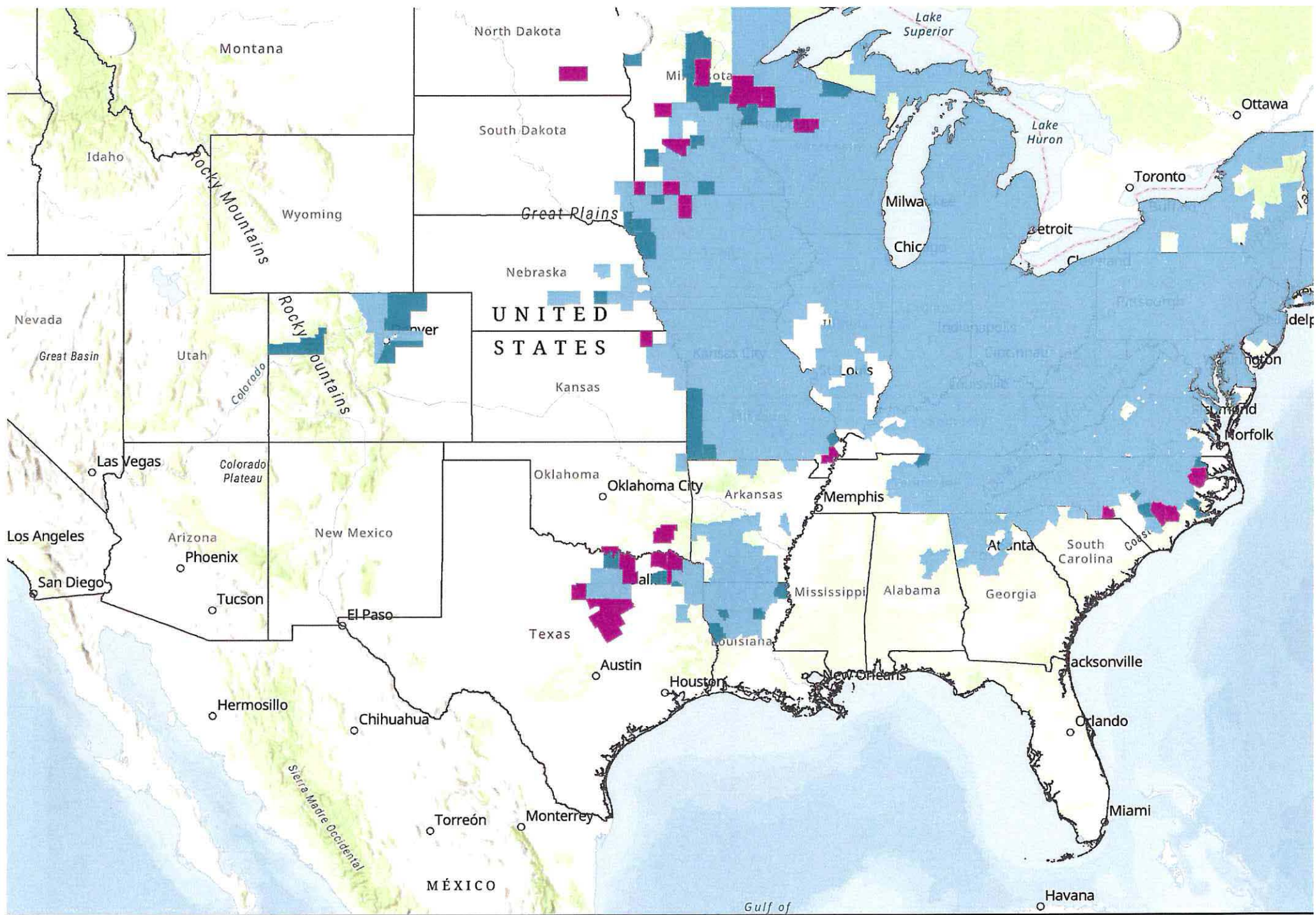
ND EAB Quarantine Map



-  Quarantine Area
-  Infested Area

EAB Survey 2024





HB1009

3-20-25

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION
STATE FLEET SERVICE
2025 - 2027 BIENNIUM

May 1, 2024

ASSIGNED VEHICLE BUDGET GUIDELINES

DESCRIPTION	GROUP No.	OPER RATE	REPLCMNT RATE	MILE/HOUR RATE	DEPREC/ MONTH
Mini Pass. Van	1	0.51	0.14	0.65	129.00
Sedan/Wagon	2	0.45	0.12	0.57	81.00
Light Pickup/Cargo Van/Full-Size Utility	3	0.93	0.20	1.13	178.00
Heavy Pickup/Van/Full-Size Utility	4	1.10	0.15	1.25	193.00
Highway Patrol	7	1.07	0.06	1.13	448.00
Game & Fish Enforcement	8	0.45	0.08	0.53	356.00
Regulatory Vehicles	9	0.55	0.14	0.69	250.00
Facility Service Vehicle	12	1.09	0.20	1.29	112.00
Compact Utility/All	13	0.75	0.09	0.84	216.00
Miscellaneous Truck/Mid-Size Bus	18	36.00	5.00	41.00	173.00
Distributor Truck	19	54.00	5.00	59.00	370.00
Sign Truck/Garbage Truck	20	49.00	14.00	63.00	549.00
Tandem Axle Truck/All	22	91.00	15.00	106.00	673.00
Truck Tractor	23	62.00	10.00	72.00	236.00
Water Commission Truck	27	72.00		72.00	1,062.00
Drill Truck	32	175.00	10.00	185.00	366.00

FLEET MOTOR POOL VEHICLE BUDGET GUIDELINES

DESCRIPTION	GROUP No.	OPER & DEPR RATE	REPLCMNT RATE	MILE/HOUR RATE
Mini Pass. Van	1	0.76	0.14	0.90
Sedan/Wagon	2	0.58	0.12	0.70
Light Pickup/Cargo Van/Full-Size Utility	3	1.20	0.20	1.40
Heavy Pickup/Van/Full-Size Utility	4	1.39	0.15	1.54
Highway Patrol	7	1.43	0.06	1.49
Game & Fish Enforcement	8	0.60	0.08	0.68
Regulatory Vehicles	9	0.72	0.14	0.86
Facility Service Vehicle	12	1.83	0.20	2.03
Compact Utility/All	13	1.02	0.09	1.11
Miscellaneous Truck/Mid-Size Bus	18	48.00	3.00	51.00
Rotary Snowplow	24	1706.00		1706.00
Medical Simulator Trucks	25	50.00		50.00
Bridge Aerial Lift	28	23.00		23.00
Lineworker Truck	29	41.00		41.00
Fuel Truck	31	9.00	20.00	29.00

Note: The budget guidelines for state fleet customers were prepared using estimated fuel prices for the coming biennium. Our primary fuel supplier cannot provide more definitive direction for the coming biennium due to volatile nature of oil pricing. Given the high level of uncertainty in which we are operating, it is possible that fuel prices may vary considerably from our current projections. Prior to the completion of the upcoming legislative session, if we become aware of significantly changed circumstances that would materially affect these guidelines, we will provide additional guidance via OMB.

3-20-2025 Rep. Mitskog

81007

Sixty-ninth
Legislative Assembly

1	commission			
2	North Dakota trade office	1,600,000	400,000	2,000,000
3	Board of animal health	865,718	(8,357)	857,361
4	Wildlife services	1,657,400	0	1,657,400
5	Pipeline restoration and reclamation	200,000	(200,000)	0
6	oversight program			
7	Pipeline and royalty oversight programs	0	500,000	500,000
8	Crop harmonization board	75,000	0	75,000
9	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
10	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,275,350</u>	<u>\$55,213,589</u>
11	Less other funds	27,117,306	9,400,921	36,518,227
12	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
13	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$3,874,429</u>	<u>\$18,695,362</u>
14	Full-time equivalent positions	80.00	0.00	80.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
21	Agricultural products utilization commission	\$0	\$3,000,000
22	Grasslands grazing grants	0	3,000,000
23	<u>Food pantry grants</u>	<u>2,000,000</u>	<u>0</u>
24	North Dakota trade office	400,000	0
25	Total	\$400,000	\$6,000,000
26	<u>Total</u>	<u>\$2,400,000</u>	<u>\$6,000,000</u>

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The

agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in

HB 1009 mitsko9
Additional testimony

MoneyWatch

USDA cancels \$1 billion in funding for schools and food banks to buy food from local suppliers

Updated on: March 13, 2025 / 10:56 AM EDT / CBS News

The U.S. Department of Agriculture is cutting two federal programs that provided about \$1 billion in funding to schools and food banks to buy food directly from local farms, ranchers and producers, part of what the agency said was a decision to "return to long-term, fiscally responsible initiatives."

The move cancels about \$660 million in funding this year for the Local Food for Schools program, which is active in 40 U.S. states, as well as about \$420 million for a second program called the Local Food Purchase Assistance Cooperative Agreement, which helps food banks and other local groups provide food to their communities.

"USDA can confirm it has provided notice to States, Territories and Tribes that the FY 2025 funding previously announced for the pandemic-era Local Food for Schools and Child Care Cooperative Agreement and pandemic-era Local Food Purchase Assistance Cooperative Agreement program is no longer available and those agreements will be terminated following 60-day notification," a spokesperson with the agency said in an email to CBS News.

The decision comes as the Trump administration and Elon Musk's Department of Government Efficiency, or DOGE, say they are slashing federal spending to reduce government waste. The USDA programs were funded through the agency's Commodity Credit Corporation, a Depression-era fund created to buy products directly from farmers.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1009
3/27/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

8:35 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Salary and full-time employee (FTE) changes made by the House
- Ag Products Utilization Commission (APUC)
- Livestock planning program - carryover authority
- Grassland grazing grants
- State Mill and Elevator statutory budget language
- Bank of ND budget statutory budget language
- Plant protection - export standard certification
- Environmental FTE - mitigation projects
- Vehicle and transportation costs
- Noxious weed program
- Ombudsman program; wind energy; abandoned oil well reclamation program
- Research for potential duplication of state services
- Specialty crop block grants
- Vineyards and wineries
- Treatment of riparian areas
- Board of Animal Health
- Agricultural Development (AD) and APUC programs comparison
- Other budget requests - pilot for predator control airplane

8:38 a.m. Grant Gader, LC Fiscal Analyst, supplied budget information and referenced testimony #43303, submitted on 3/20/2025 at 11:05 a.m.

8:44 a.m. Larry Martin, OMB Analyst, supplied budget information.

8:46 a.m. Doug Goering, Commissioner, ND Department of Agriculture, responded to many committee questions, referencing testimony #39332, submitted on 3/6/2025 at 2:09 and testimony #43307, p. 17, submitted on 3/20/2025 at 10:56.

10:28 a.m. Chairman Wanzek closed the meeting.

Senate Appropriations Government Operations Division

HB 1009

3/27/2025

Page 2

Carol Thompson, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1009
4/2/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

3:24 p.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Addition of plant protection employee
- Wildlife services program - pilot and operating costs
- Environmental Rangeland Protection (ERP) Fund
- Grassland grazing carryover authority
- Amendment for protein for food pantries
- Amendment for drone use for noxious weed control
- Wine industry

3:25 p.m. Grant Gader, LC Fiscal Analyst, supplied budget information and submitted testimony #44585, the "long sheet," and #44593, Proposed Amendments, 25.0153.02002.

3:30 p.m. Doug Goehring, Commissioner, ND Department of Agriculture, testified in favor and responded to many committee questions.

3:50 p.m. Larry Martin, OMB Analyst, supplied budget information.

4:36 p.m. Senator Dwyer moved to Adopt the Amendments as discussed for HB 1009, the plant protection employee, the ability to contract people for predator control, and the wine industry line.

4:36 p.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

Chairman Wanzek directed Grant to prepare final amendments as discussed and approved by the committee. The committee will have final action on the bill when they have amendments in hand.

4:38 Chairman Wanzek closed the hearing.

Carol Thompson, Committee Clerk



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	House Version				Senate Version				Senate Compared to House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes												
Salary increase		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Health insurance increase		380,240	263,409	643,649		383,276	266,444	649,720		\$3,036	\$3,035	6,071
Adds funding to replace the 2023-25 new FTE pool		268,677	211,746	480,423		271,679	214,749	486,428		3,002	3,003	6,005
Adds funding to replace the 2023-25 vacant FTE pool		214,930		214,930		214,930		214,930				0
Removes funding for the 2025-27 new and vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
		(146,988)	(104,860)	(251,848)		(155,652)	(113,525)	(269,177)		(8,664)	(8,665)	(17,329)
Adjusts base level funding for temporary salaries												
Adds funding for an FTE plant protection position		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adjusts base level funding for travel				0	1.00	107,344	107,344	214,688	1.00	107,344	107,344	214,688
Adds funding for state fleet rate increases		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adjusts base level funding for operating expenses		750,000		750,000		500,000		500,000		(250,000)		(250,000)
Adds funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Reduces funding for the postproduction royalty oversight program		26,200		26,200		26,200		26,200				0
Moves pipeline and royalty oversight programs to a new line item			(200,000)	(200,000)			(200,000)	(200,000)				0
Adjusts base level funding for capital assets				0				0				0
Adds base level funding for the specialty crop block grant program			4,100	4,100			4,100	4,100				0
Adds funding for the noxious weed program			1,968,500	1,968,500			1,968,500	1,968,500				0
Removes funding for the grape and wine grant program			366,900	366,900			366,900	366,900				0
Adjusts base level funding for grants		(80,000)		(80,000)		(80,000)		(80,000)				0
Adds funding for the APUC program			5,900	5,900			5,900	5,900				0
Adjusts base level funding for the board of animal health				0			3,000,000	3,000,000			3,000,000	3,000,000
Adds base level funding for COVID-19 specialty crop block grants		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds funding for the North Dakota trade office				0				0				0
Total ongoing funding changes	0.00	\$1,474,429	\$3,400,921	\$4,875,350	1.00	\$1,729,147	\$6,505,638	\$8,234,785	1.00	\$254,718	\$3,104,717	\$3,359,435
One-Time Funding Items												
Bioscience innovation grant program				\$0				\$0				\$0
Livestock planning program				0				0				0
Grasslands grazing grants			\$3,000,000	3,000,000			\$3,000,000	3,000,000				0
APUC program			3,000,000	3,000,000			0	0			(\$3,000,000)	(3,000,000)
North Dakota trade office		\$400,000		400,000		\$0		0		(\$400,000)		(400,000)
Total one-time funding changes	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$0	\$3,000,000	\$3,000,000	0.00	(\$400,000)	(\$3,000,000)	(\$3,400,000)
Total Changes to Base Level Funding	0.00	\$1,874,429	\$9,400,921	\$11,275,350	1.00	\$1,729,147	\$9,505,638	\$11,234,785	1.00	(\$145,282)	\$104,717	(\$40,565)

2025-27 Total Funding	80.00	\$16,695,362	\$36,518,227	\$53,213,589	81.00	\$16,550,080	\$36,622,944	\$53,173,024	1.00	(\$145,282)	\$104,717	(\$40,565)
<i>Federal funds included in other funds</i>			\$17,614,841				\$17,614,841				\$0	
<i>Total ongoing changes - Percentage of base level</i>	0.0%	9.9%	12.5%	11.6%	1.3%	11.7%	24.0%	19.6%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	0.0%	12.6%	34.7%	26.9%	1.3%	11.7%	35.1%	26.8%	N/A	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
New and vacant FTE pool line item	Section 3 provides for the use of funding in the new and vacant FTE pool line item.	Section 3 provides for the use of funding in the new and vacant FTE pool line item.	
Transfer - Department of Water Resources to Agriculture Commissioner	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.	
Transfer - Environment and rangeland protection fund to minor use pesticide fund	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	
Transfer - Environment and rangeland protection fund to environmental impact mitigation fund		Section 6 requires the Agriculture Commissioner to transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund.	
Other funds - Transfer - Bank of North Dakota profits - APUC	Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.	Section 7 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.	
Other funds - Environment and rangeland protection fund	Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.	Section 8 identifies \$7,908,531 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.	
Other funds - Game and Fish Department operating fund	Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 9 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	
Other funds - Abandoned oil and gas well plugging and site reclamation fund	Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).	Section 10 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).	

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
Other funds - Strategic investment and improvements fund - Matching funds requirement	Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.	Section 11 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants. To be eligible for a grant under this program, an organization must provide \$1 of matching funds from nonstate sources for every \$4 of grant funding. 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 or capture carbon, or to 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.	
North Dakota Trade Office - Matching funds requirement	Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	Section 12 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds	Section 12 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.	Section 13 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.	
Agriculture Commissioner salary	Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	Section 14 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Wildlife Services Program - Indirect Costs		Section 15 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.	
Exemption - COVID-19 specialty crop block grant program	Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	Subsection 1 of section 16 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
Exemptions - Grasslands grazing grants		Subsections 2 and 4 of section 16 provide exemptions to continue \$5 million appropriated for the 2021-23 biennium and \$1 million appropriated for the 2023-25 biennium for the grasslands grazing grants program into the 2025-27 biennium. The 2023 Legislative Assembly appropriated \$1 million for the program.	
Exemption - Livestock planning program	Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	Subsection 3 of section 16 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

4-2-25 Grant

25.0153.02002

Title.

Fiscal No. 2

Prepared by the Legislative Council
staff for Representative Hagert

March 27, 2025

Sixty-ninth
Legislative Assembly
of North Dakota**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT****ENGROSSED HOUSE BILL NO. 1009**

Introduced by

Appropriations Committee

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide a
4 report; and to provide an exemption.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- 6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 Capital assets	7,000	4,100	11,100
18 Grants	10,953,969	5,261,300	16,215,269
19 <u>Grants</u>	<u>10,953,969</u>	<u>5,761,300</u>	<u>16,715,269</u>
20 Agricultural products utilization	2,110,417	3,000,000	5,110,417

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1	commission			
2	North Dakota trade office	1,600,000	400,000	2,000,000
3	Board of animal health	865,718	(8,357)	857,361
4	Wildlife services	1,657,400	0	1,657,400
5	Pipeline restoration and reclamation	200,000	(200,000)	0
6	oversight program			
7	Pipeline and royalty oversight programs	0	500,000	500,000
8	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
9	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
10	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$11,775,350</u>	<u>\$53,713,589</u>
11	Less other funds	<u>27,117,306</u>	<u>9,400,921</u>	<u>36,518,227</u>
12	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
13	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$2,374,429</u>	<u>\$17,195,362</u>
14	Full-time equivalent positions	80.00	0.00	80.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
21	Agricultural products utilization commission	\$0	\$3,000,000
22	Grasslands grazing grants	0	3,000,000
23	<u>Autonomous technology grants</u>	<u>500,000</u>	<u>0</u>
24	North Dakota trade office	<u>400,000</u>	<u>0</u>
25	Total	\$400,000	\$6,000,000
26	<u>Total</u>	<u>\$900,000</u>	<u>\$6,900,000</u>

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The

agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in

1 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
2 approved by the sixty-ninth legislative assembly.

3 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**

4 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
5 department of water resources shall transfer to the agriculture commissioner for the purpose of
6 defraying the expenses of the wildlife services program.

7 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**

8 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
9 environment and rangeland protection fund to the minor use pesticide fund during the biennium
10 beginning July 1, 2025, and ending June 30, 2027.

11 **SECTION 6. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**

12 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
13 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
14 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
15 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses
16 of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and
17 ending June 30, 2027.

18 **SECTION 7. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

19 The other funds line item in section 1 of this Act includes the sum of \$7,803,814 from the
20 environment and rangeland protection fund for the purpose of defraying the expenses of various
21 agriculture commissioner programs.

22 **SECTION 8. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
23 section 1 of this Act includes the sum of \$671,918 from the game and fish department operating
24 fund for the purpose of defraying the expenses of various agriculture commissioner programs.

25 **SECTION 9. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**

26 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
27 of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which
28 \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
29 reclamation program and \$300,000 is for the purpose of defraying the expenses of the
30 post-production royalty oversight program.

SECTION 10. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND - GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING

FUNDS. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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.

SECTION 11. AUTONOMOUS TECHNOLOGY GRANTS - REPORT TO LEGISLATIVE MANAGEMENT.

1. The grants line item and the general fund appropriation in section 1 of this Act include \$500,000 of funding for the purpose of providing autonomous technology grants to individuals or entities in the agriculture industry.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The agriculture commissioner shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the agriculture commissioner that the operation of the autonomous technology is related to the inspection, operation, maintenance, or construction of agriculture property or infrastructure. The agriculture commissioner may require an individual or entity to provide one dollar of matching funds for every four dollars

- 1 awarded by the state. An individual or entity may use grant funding for autonomous
2 technology operations, contracting for services related to autonomous technology, or
3 other eligible uses as determined by the agriculture commissioner.
- 4 4. During the 2025-26 interim, the agriculture commissioner shall provide at least one
5 report to the legislative management regarding the grants, including a list of grant
6 recipients, the amounts awarded, and a description of the use of the grant funding.

7 **SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
8 trade office line item and the general fund appropriation in section 1 of this Act include
9 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
10 may spend sixty percent of this amount without requiring any matching funds from the trade
11 office. Any additional amounts may be spent only to the extent the North Dakota trade office
12 provides one dollar of matching funds from private or other public sources for each one dollar
13 provided by the agriculture commissioner. Matching funds may include money spent by
14 businesses or organizations to pay salaries to export assistants, provide training to export
15 assistants, or purchase computer equipment as part of the North Dakota trade office's export
16 assistant program.

17 **SECTION 13. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
18 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
19 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

20 **SECTION 14. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **4.1-01-02. Salary of agriculture commissioner.**

23 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
24 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
25 ~~six hundred eighty-one hundred forty thousand seven hundred eighty dollars through June 30,~~
26 2026, and one hundred forty-five thousand three dollars after that date.

27 **SECTION 15. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
28 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
29 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 30 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
31 for the specialty crop block grant program during the 2019-21 biennium in section 1 of

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- 1 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
- 2 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
- 3 section 20 of chapter 41 of the 2023 Session Laws; and
- 4 2. The sum of \$660,000 appropriated from the environment and rangeland protection
- 5 fund for the regional livestock development and planning program in section 2 of
- 6 chapter 76 of the 2023 Session Laws.



2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

HB 1009
4/4/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

10:48 a.m. Chairman Wanzek opened the hearing.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Plant protection employee and costs
- State fleet rate increases
- Grape and wine
- Wildlife mitigation services
- Protein for Great Plains Food Bank
- Autonomous agriculture
- Environmental mitigation fund
- Indirect cost payment prohibition

10:49 a.m. Grant Gader, LC Fiscal Analyst, supplied budget information and submitted testimony #44683, the "long sheet" and #44691, the amendments discussed and approved by the committee and drafted at Chairman Wanzek's direction.

10:55 a.m. Larry Martin, OMB Analyst, provided budget information.

10:55 a.m. Senator Erbele moved a Do Pass as Amended (on 4/2/25) for HB 1009.

10:57 a.m. Senator Dwyer seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion passed 5-0-0.

Senator Wanzek will carry this bill.

10:58 a.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	House Version				Senate Version				Senate Compared to House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		380,240	263,409	643,649		383,276	266,444	649,720		\$3,036	\$3,035	6,071
Health insurance increase		268,677	211,746	480,423		271,679	214,749	486,428		3,002	3,003	6,005
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool		(146,988)	(104,860)	(251,848)		(156,256)	(114,129)	(270,385)		(9,268)	(9,269)	(18,537)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position				0	1.00	107,344	107,344	214,688	1.00	107,344	107,344	214,688
Adjusts base level funding for travel		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adds funding for state fleet rate increases		750,000		750,000		500,000		500,000		(250,000)		(250,000)
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Moves pipeline and royalty oversight programs to a new line item				0				0				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds base level funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant program		(80,000)		(80,000)		0		0		80,000		80,000
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program				0			3,000,000	3,000,000			3,000,000	3,000,000
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants				0				0				0
Adds funding for the North Dakota trade office				0		400,000		400,000		400,000		400,000
Adds funding for aerial contract services for the Wildlife Services program				0			150,000	150,000			150,000	150,000
Total ongoing funding changes	0.00	\$1,474,429	\$3,400,921	\$4,875,350	1.00	\$1,808,543	\$6,655,034	\$8,463,577	1.00	\$334,114	\$3,254,113	\$3,588,227
One-Time Funding Items												
Bioscience innovation grant program				\$0				\$0				\$0
Livestock planning program				0				0				0
Grasslands grazing grants			\$3,000,000	3,000,000			\$3,000,000	3,000,000				0
APUC program			3,000,000	3,000,000			0	0			(\$3,000,000)	(3,000,000)
North Dakota trade office		\$400,000		400,000		\$0		0		(\$400,000)		(400,000)
Adds funding for food distribution grants for meat and protein				0			2,000,000	2,000,000			2,000,000	2,000,000

Adds funding for autonomous technology grants				0			500,000	500,000			500,000	500,000
Total one-time funding changes	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$0	\$5,500,000	\$5,500,000	0.00	(\$400,000)	(\$500,000)	(\$900,000)
Total Changes to Base Level Funding	0.00	\$1,874,429	\$9,400,921	\$11,275,350	1.00	\$1,808,543	\$12,155,034	\$13,963,577	1.00	(\$65,886)	\$2,754,113	\$2,688,227
2025-27 Total Funding	80.00	\$16,695,362	\$36,518,227	\$53,213,589	81.00	\$16,629,476	\$39,272,340	\$55,901,816	1.00	(\$65,886)	\$2,754,113	\$2,688,227
<i>Federal funds included in other funds</i>		\$17,614,841			\$17,614,841			\$0				
<i>Total ongoing changes - Percentage of base level</i>	0.0%	9.9%	12.5%	11.6%	1.3%	12.2%	24.5%	20.2%	N/A	N/A	N/A	N/A
<i>Total changes - Percentage of base level</i>	0.0%	12.6%	34.7%	26.9%	1.3%	12.2%	44.8%	33.3%	N/A	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
New and vacant FTE pool line item	Section 3 provides for the use of funding in the new and vacant FTE pool line item.	Section 3 provides for the use of funding in the new and vacant FTE pool line item.	
Transfer - Department of Water Resources to Agriculture Commissioner	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.	
Transfer - Environment and rangeland protection fund to minor use pesticide fund	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	
Transfer - Environment and rangeland protection fund to environmental impact mitigation fund		Section 6 requires the Agriculture Commissioner to transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund.	
Other funds - Transfer - Bank of North Dakota profits - APUC	Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.	Section 7 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.	
Other funds - Environment and rangeland protection fund	Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.	Section 8 identifies \$8,057,927 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.	
Other funds - Game and Fish Department operating fund	Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 9 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	
Other funds - Abandoned oil and gas well plugging and site reclamation fund	Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).	Section 10 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).	
Other funds - Strategic investment and improvements fund	Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants.	Section 11 identifies \$5.5 million in the other funds line item in Section 1 is from the strategic investment and improvements fund, of which \$3 million is for grassland grazing grants to organizations representing cooperative grazing associations in the state, \$2 million is for grants to food pantries for meat and protein, and \$500,000 is for autonomous technology grants to individuals or entities in the agriculture industry.	

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
North Dakota Trade Office - Matching funds requirement	Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	Section 12 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds	Section 12 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.	Section 13 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.	
Agriculture Commissioner salary	Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	Section 14 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Wildlife Services Program - Indirect Costs		Section 15 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.	
Exemption - COVID-19 specialty crop block grant program	Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	Subsection 1 of section 16 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	
Exemptions - Grasslands grazing grants		Subsections 2 and 4 of section 16 provide exemptions to continue \$5 million appropriated for the 2021-23 biennium and \$1 million appropriated for the 2023-25 biennium for the grasslands grazing grants program into the 2025-27 biennium. The 2023 Legislative Assembly appropriated \$1 million for the program.	
Exemption - Livestock planning program	Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	Subsection 3 of section 16 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

25.0153.02003
Title.
Fiscal No. 3

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

April 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an
4 exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 <u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19 <u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>

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1	Capital assets	7,000	4,100	11,100
2	Grants	10,953,969	5,261,300	16,215,269
3	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
4	Agricultural products utilization	2,110,417	3,000,000	5,110,417
5	commission			
6	North Dakota trade office	1,600,000	400,000	2,000,000
7	Board of animal health	865,718	(8,357)	857,361
8	Wildlife services	1,657,400	0	1,657,400
9	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
10	Pipeline restoration and reclamation	200,000	(200,000)	0
11	oversight program			
12	Pipeline and royalty oversight programs	0	500,000	500,000
13	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
14	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
15	Less other funds	27,117,306	9,400,921	36,518,227
16	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
17	Full-time equivalent positions	80.00	0.00	80.00
18	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
19	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
20	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
21	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

22 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**
 23 **SEVENTIETH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding
 24 items included in the appropriation in section 1 of this Act which are not included in the entity's
 25 base budget for the 2027-29 biennium and which the entity shall report to the appropriations
 26 committees of the seventieth legislative assembly regarding the use of this funding:

27		<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
28	Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
29	Grasslands grazing grants	0	3,000,000	3,000,000
30	North Dakota trade office	400,000	0	400,000
31	Total	\$400,000	\$6,000,000	\$6,400,000

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1	Grasslands grazing grants	\$0	\$3,000,000	\$3,000,000
2	Food distribution grants	0	2,000,000	2,000,000
3	Autonomous technology grants	0	500,000	500,000
4	Total	\$0	\$5,500,000	\$5,500,000

5 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
6 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
7 line item in section 1 of this Act, but may request the office of management and budget to
8 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
9 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
10 approved by the sixty-ninth legislative assembly.

11 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**

12 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
13 department of water resources shall transfer to the agriculture commissioner for the purpose of
14 defraying the expenses of the wildlife services program.

15 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
16 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
17 environment and rangeland protection fund to the minor use pesticide fund during the biennium
18 beginning July 1, 2025, and ending June 30, 2027.

19 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
20 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**
21 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
22 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
23 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
24 June 30, 2027.

25 **SECTION 7. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
26 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
27 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
28 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
29 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses
30 of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and
31 ending June 30, 2027.

SECTION 8. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~ \$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 9. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 11. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS.~~ The other funds line item in section 1 of this Act includes the sum of

~~\$3,000,000~~ \$5,500,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is 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:

2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

- 1 3. \$500,000 is for autonomous technology grants to individuals or entities in the
2 agriculture industry, as follows:
- 3 a. For purposes of this subsection, autonomous technology includes uncrewed
4 aircraft systems; autonomous vehicles; or other autonomous systems,
5 processes, or technologies.
- 6 b. The agriculture commissioner shall develop an application process and
7 guidelines for the grants, including eligibility criteria, matching requirements,
8 eligible uses of grant funding, and maximum grant awards. To be eligible for a
9 grant, an individual or entity shall certify to the agriculture commissioner that the
10 operation of the autonomous technology is related to the inspection, operation,
11 maintenance, or construction of agriculture property or infrastructure. The
12 agriculture commissioner may require an individual or entity to provide one dollar
13 of matching funds for every four dollars awarded by the state. An individual or
14 entity may use grant funding for autonomous technology operations, contracting
15 for services related to autonomous technology, or other eligible uses as
16 determined by the agriculture commissioner.
- 17 c. During the 2025-26 interim, the agriculture commissioner shall provide at least
18 one report to the legislative management regarding the grants, including a list of
19 grant recipients, the amounts awarded, and a description of the use of the grant
20 funding.

21 **SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
22 trade office line item and the general fund appropriation in section 1 of this Act include
23 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
24 may spend sixty percent of this amount without requiring any matching funds from the trade
25 office. Any additional amounts may be spent only to the extent the North Dakota trade office
26 provides one dollar of matching funds from private or other public sources for each one dollar
27 provided by the agriculture commissioner. Matching funds may include money spent by
28 businesses or organizations to pay salaries to export assistants, provide training to export
29 assistants, or purchase computer equipment as part of the North Dakota trade office's export
30 assistant program.

1 **SECTION 13. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
2 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
3 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

4 **SECTION 14. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-01-02. Salary of agriculture commissioner.**

7 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
8 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
9 ~~six hundred eightyone hundred forty thousand seven hundred eighty dollars through June 30,~~
10 ~~2026, and one hundred forty-five thousand three dollars after that date.~~

11 **SECTION 15. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
12 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
13 defraying the expenses of the wildlife services program during the biennium beginning July 1,
14 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
15 appropriated for the program to pay indirect costs as part of the United States department of
16 agriculture animal and plant health inspection service wildlife services program.

17 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
18 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
19 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 20 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
21 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
22 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
23 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
24 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 25 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
26 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
27 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
28 chapter 41 of the 2023 Session Laws;

- 29 ~~2-3.~~ 3. The sum of \$660,000 appropriated from the environment and rangeland protection
30 fund for the regional livestock development and planning program in section 2 of
31 chapter 76 of the 2023 Session Laws; and

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- 1 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
- 2 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
- 3 the 2023 Session Laws.

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	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Reduces Funding for State Fleet Rate Increases ²	Restores Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grassland grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1009
4/7/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

9:09 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Sickler, Sorvaag, Thomas, Wanzek.

Members Absent: Senator Schaible.

Discussion Topics:

- Current APUC (Agricultural Products Utilization Commission) Base Budget
- APUC Increase
- Autonomous Technology Grants
- Federal Cuts
- Protein Shortage
- Optic Library
- Bioscience Appropriation

9:10 a.m. Senator Wanzek introduced the bill and submitted testimony #44721.

9:24 a.m. Senator Wanzek moved amendment LC 25.0153.02003.

9:25 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	N
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	A
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y

Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 12-3-1.

9:44 a.m. Senator Davison moved to further amend by removing the language on page 5, lines 1-20 about autonomous technology grants.

9:44 a.m. Senator Cleary seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	N
Senator Randy A. Burckhard	N
Senator Sean Cleary	Y
Senator Cole Conley	N
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	N
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	N
Senator Donald Schaible	A
Senator Jonathan Sickler	N
Senator Ronald Sorvaag	N
Senator Paul J. Thomas	N
Senator Terry M. Wanzek	N

Motion Failed 6-9-1.

9:53 a.m. Senator Wanzek moved a Do Pass as Amended.

9:53 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	N
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	A

Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 12-3-1.

Senator Wanzek will carry the bill.

9:55 a.m. Chairman Bekkedahl adjourned the meeting.

Elizabeth Reiten, Committee Clerk

Bill was reconsidered on 04/16/25.

25.0153.02003
Title.03000
Fiscal No. 3

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

April 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

CO
4/7/25
1 of 9

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide a
4 report; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	Base Level	Adjustments or Enhancements	Appropriation	
12				
13				
14	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15	New and vacant FTE pool	0	587,646	587,646
16	Operating expenses	7,426,173	796,687	8,222,860
17	<u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18	<u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19	<u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>

2019

1	Capital assets	7,000	4,100	11,100
2	Grants	10,953,969	5,261,300	16,215,269
3	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
4	Agricultural products utilization	2,110,417	3,000,000	5,110,417
5	commission			
6	North Dakota trade office	1,600,000	400,000	2,000,000
7	Board of animal health	865,718	(8,357)	857,361
8	Wildlife services	1,657,400	0	1,657,400
9	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
10	Pipeline restoration and reclamation	200,000	(200,000)	0
11	oversight program			
12	Pipeline and royalty oversight programs	0	500,000	500,000
13	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
14	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
15	Less other funds	27,117,306	9,400,921	36,518,227
16	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
17	Full-time equivalent positions	80.00	0.00	80.00
18	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
19	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
20	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
21	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
28	Agricultural products utilization commission	\$0	\$3,000,000
29	Grasslands grazing grants	0	3,000,000
30	North Dakota trade office	400,000	400,000
31	Total	\$400,000	\$6,400,000

1	Grasslands grazing grants	\$0	\$3,000,000	\$3,000,000
2	Food distribution grants	0	2,000,000	2,000,000
3	Autonomous technology grants	0	500,000	500,000
4	Total	\$0	\$5,500,000	\$5,500,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES. The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. 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, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND. The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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 fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

1 **SECTION 8. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

2 The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from
3 the environment and rangeland protection fund for the purpose of defraying the expenses of
4 various agriculture commissioner programs.

5 **SECTION 9. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
6 section 1 of this Act includes the sum of \$671,918 from the game and fish department operating
7 fund for the purpose of defraying the expenses of various agriculture commissioner programs.

8 **SECTION 10. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
9 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
10 of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which
11 \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
12 reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-
13 production royalty oversight program.

14 **SECTION 11. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
15 **FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING~~**
16 **FUNDS - REPORT TO LEGISLATIVE MANAGEMENT.** The other funds line item in section 1 of
17 this Act includes the sum of ~~\$3,000,000~~\$5,500,000 from the strategic investment and
18 improvements fund, of which:

19 1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization
20 representing cooperative grazing associations in the state. To be eligible for a grant
21 under this program, an organization must provide one dollar of matching funds from
22 nonstate sources for every four dollars of grant funding. An organization that receives
23 a grant under this program may distribute the funding to cooperative grazing
24 associations for eligible infrastructure projects, which must be located on national
25 grasslands within the state. Eligible infrastructure projects include water development;
26 fencing; conservation initiatives; compliance with federal permitting requirements,
27 including fees for professional services; and other projects to enhance wildlife habitat,
28 capture carbon, or increase the health of grasslands. Program participants shall
29 develop and implement a grazing land plan in compliance with local soil conservation
30 district guidance and the plan must be approved by the local soil conservation district.
31 The agriculture commissioner shall establish additional guidelines for the program.

2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

3. \$500,000 is for autonomous technology grants to individuals or entities in the
agriculture industry, as follows:

a. For purposes of this subsection, autonomous technology includes uncrewed
aircraft systems; autonomous vehicles; or other autonomous systems,
processes, or technologies.

b. The agriculture commissioner shall develop an application process and
guidelines for the grants, including eligibility criteria, matching requirements,
eligible uses of grant funding, and maximum grant awards. To be eligible for a
grant, an individual or entity shall certify to the agriculture commissioner that the
operation of the autonomous technology is related to the inspection, operation,
maintenance, or construction of agriculture property or infrastructure. The
agriculture commissioner may require an individual or entity to provide one dollar
of matching funds for every four dollars awarded by the state. An individual or
entity may use grant funding for autonomous technology operations, contracting
for services related to autonomous technology, or other eligible uses as
determined by the agriculture commissioner.

c. During the 2025-26 interim, the agriculture commissioner shall provide at least
one report to the legislative management regarding the grants, including a list of
grant recipients, the amounts awarded, and a description of the use of the grant
funding.

SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota
trade office line item and the general fund appropriation in section 1 of this Act includes
\$2,000,000 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, provide training to export
assistants, or purchase computer equipment as part of the North Dakota trade office's export
assistant program.

1 **SECTION 13. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
2 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
3 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

4 **SECTION 14. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-01-02. Salary of agriculture commissioner.**

7 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
8 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
9 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
10 2026, and one hundred forty-five thousand three dollars after that date.

11 **SECTION 15. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
12 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
13 defraying the expenses of the wildlife services program during the biennium beginning July 1,
14 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
15 appropriated for the program to pay indirect costs as part of the United States department of
16 agriculture animal and plant health inspection service wildlife services program.

17 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
18 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
19 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 20 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
21 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
22 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
23 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
24 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~
- 25 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
26 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
27 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
28 chapter 41 of the 2023 Session Laws;
- 29 ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
30 fund for the regional livestock development and planning program in section 2 of
31 chapter 76 of the 2023 Session Laws; and

- 1 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
- 2 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
- 3 the 2023 Session Laws.

899

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	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Reduces Funding for State Fleet Rate Increases ²	Restores Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

9049

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grassland grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.

25.0153.02003
Title.
Fiscal No. 3

Prepared by the Legislative Council
staff for Senate Appropriations -
Government Operations Division
Committee

April 3, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an
4 exemption.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

12			Adjustments or	
13		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15	New and vacant FTE pool	0	587,646	587,646
16	Operating expenses	7,426,173	796,687	8,222,860
17	Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
18	New and vacant FTE pool	0	754,477	754,477
19	Operating expenses	7,426,173	588,083	8,014,256

Sixty-ninth
Legislative Assembly

1	Capital assets	7,000	4,100	11,100
2	Grants	10,953,969	5,261,300	16,215,269
3	Grants	10,953,969	7,841,300	18,795,269
4	Agricultural products utilization	2,110,417	3,000,000	5,110,417
5	commission			
6	North Dakota trade office	1,600,000	400,000	2,000,000
7	Board of animal health	865,718	(8,357)	857,361
8	Wildlife services	1,657,400	0	1,657,400
9	Wildlife services	1,657,400	150,000	1,807,400
10	Pipeline restoration and reclamation	200,000	(200,000)	0
11	oversight program			
12	Pipeline and royalty oversight programs	0	500,000	500,000
13	Crop harmonization board	75,000	0	75,000
14	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
15	Less other funds	27,117,306	9,400,921	36,518,227
16	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
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20	Total general fund	\$14,820,933	\$1,808,543	\$16,629,476
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SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
28	Agricultural products utilization commission	\$0	\$3,000,000
29	Grasslands grazing grants	0	3,000,000
30	North Dakota trade office	400,000	0
31	Total	\$400,000	\$6,400,000

Sixty-ninth
Legislative Assembly

1	Grasslands grazing grants	\$0	\$3,000,000	\$3,000,000
2	Food distribution grants	0	2,000,000	2,000,000
3	Autonomous technology grants	0	500,000	500,000
4	Total	\$0	\$5,500,000	\$5,500,000

5 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
6 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
7 line item in section 1 of this Act, but may request the office of management and budget to
8 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
9 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
10 approved by the sixty-ninth legislative assembly.

11 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**
12 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
13 department of water resources shall transfer to the agriculture commissioner for the purpose of
14 defraying the expenses of the wildlife services program.

15 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
16 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
17 environment and rangeland protection fund to the minor use pesticide fund during the biennium
18 beginning July 1, 2025, and ending June 30, 2027.

19 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
20 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**
21 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
22 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
23 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
24 June 30, 2027.

25 **SECTION 7. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
26 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
27 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
28 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
29 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses
30 of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and
31 ending June 30, 2027.

1 **SECTION 8. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

2 The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from
3 the environment and rangeland protection fund for the purpose of defraying the expenses of
4 various agriculture commissioner programs.

5 **SECTION 9. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
6 section 1 of this Act includes the sum of \$671,918 from the game and fish department operating
7 fund for the purpose of defraying the expenses of various agriculture commissioner programs.

8 **SECTION 10. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
9 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
10 of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which
11 \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
12 reclamation program and \$300,000 is for the purpose of defraying the expenses of the
13 post-production royalty oversight program.

14 **SECTION 11. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
15 **FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING~~**
16 **FUNDS.** The other funds line item in section 1 of this Act includes the sum of

17 ~~\$3,000,000~~\$5,500,000 from the strategic investment and improvements fund, of which:

18 1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization
19 representing cooperative grazing associations in the state. To be eligible for a grant
20 under this program, an organization must provide one dollar of matching funds from
21 nonstate sources for every four dollars of grant funding. An organization that receives
22 a grant under this program may distribute the funding to cooperative grazing
23 associations for eligible infrastructure projects, which must be located on national
24 grasslands within the state. Eligible infrastructure projects include water development;
25 fencing; conservation initiatives; compliance with federal permitting requirements,
26 including fees for professional services; and other projects to enhance wildlife habitat,
27 capture carbon, or increase the health of grasslands. Program participants shall
28 develop and implement a grazing land plan in compliance with local soil conservation
29 district guidance and the plan must be approved by the local soil conservation district.
30 The agriculture commissioner shall establish additional guidelines for the program.;

31 2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

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- 1 3. \$500,000 is for autonomous technology grants to individuals or entities in the
2 agriculture industry, as follows:
- 3 a. For purposes of this subsection, autonomous technology includes uncrewed
4 aircraft systems; autonomous vehicles; or other autonomous systems,
5 processes, or technologies.
- 6 b. The agriculture commissioner shall develop an application process and
7 guidelines for the grants, including eligibility criteria, matching requirements,
8 eligible uses of grant funding, and maximum grant awards. To be eligible for a
9 grant, an individual or entity shall certify to the agriculture commissioner that the
10 operation of the autonomous technology is related to the inspection, operation,
11 maintenance, or construction of agriculture property or infrastructure. The
12 agriculture commissioner may require an individual or entity to provide one dollar
13 of matching funds for every four dollars awarded by the state. An individual or
14 entity may use grant funding for autonomous technology operations, contracting
15 for services related to autonomous technology, or other eligible uses as
16 determined by the agriculture commissioner.
- 17 c. During the 2025-26 interim, the agriculture commissioner shall provide at least
18 one report to the legislative management regarding the grants, including a list of
19 grant recipients, the amounts awarded, and a description of the use of the grant
20 funding.

21 **SECTION 12. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
22 trade office line item and the general fund appropriation in section 1 of this Act include
23 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
24 may spend sixty percent of this amount without requiring any matching funds from the trade
25 office. Any additional amounts may be spent only to the extent the North Dakota trade office
26 provides one dollar of matching funds from private or other public sources for each one dollar
27 provided by the agriculture commissioner. Matching funds may include money spent by
28 businesses or organizations to pay salaries to export assistants, provide training to export
29 assistants, or purchase computer equipment as part of the North Dakota trade office's export
30 assistant program.

1 **SECTION 13. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
2 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
3 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

4 **SECTION 14. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-01-02. Salary of agriculture commissioner.**

7 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
8 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
9 ~~six hundred eighty-one hundred forty thousand seven hundred eighty dollars through June 30,~~
10 ~~2026, and one hundred forty-five thousand three dollars after that date.~~

11 **SECTION 15. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
12 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
13 defraying the expenses of the wildlife services program during the biennium beginning July 1,
14 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
15 appropriated for the program to pay indirect costs as part of the United States department of
16 agriculture animal and plant health inspection service wildlife services program.

17 **SECTION 16. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
18 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
19 the biennium beginning July 1, 2025, and ending June 30, 2027:

20 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
21 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
22 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
23 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
24 section 20 of chapter 41 of the 2023 Session Laws; and

25 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
26 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
27 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
28 chapter 41 of the 2023 Session Laws;

29 2.3. The sum of \$660,000 appropriated from the environment and rangeland protection
30 fund for the regional livestock development and planning program in section 2 of
31 chapter 76 of the 2023 Session Laws; and

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- 1 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
- 2 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
- 3 the 2023 Session Laws.

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	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Reduces Funding for State Fleet Rate Increases ²	Restores Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grassland grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1009
4/16/2025

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide an exemption.

8:45 a.m. Chairman Bekkedahl opened the hearing.

Members Present: Chairman Bekkedahl, Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.

Discussion Topics:

- Committee Action

8:45 a.m. Senator Wanzek moved to reconsider their actions.

8:45 a.m. Senator Thomas seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

8:48 a.m. Senator Wanzek moved amendment LC 25.0153.02008 and submitted testimony #45018.

8:48 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

8:49 a.m. Senator Wanzek moved a Do Pass as Amended.

8:49 a.m. Senator Erbele seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

Senator Wanzek will carry the bill.

8:51 a.m. Chairman Bekkedahl adjourned the meeting.

Senate Appropriations Committee

HB 1009

04/16/2025

Page 3

Elizabeth Reiten, Committee Clerk

April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

rc 4/16/25
1 of 7

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a
4 report; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 <u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19 <u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>
20 Capital assets	7,000	4,100	11,100

1	Grants	10,953,969	5,261,300	16,215,269
2	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
3	Agricultural products utilization	2,110,417	3,000,000	5,110,417
4	commission			
5	North Dakota trade office	1,600,000	400,000	2,000,000
6	Board of animal health	865,718	(8,357)	857,361
7	Wildlife services	1,657,400	0	1,657,400
8	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
9	Pipeline restoration and reclamation	200,000	(200,000)	0
10	oversight program			
11	Pipeline and royalty oversight programs	0	500,000	500,000
12	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
13	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
14	Less other funds	27,117,306	9,400,921	36,518,227
15	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
16	Full-time equivalent positions	80.00	0.00	80.00
17	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
18	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
19	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
20	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
North Dakota trade office	400,000	0	400,000
Total	\$400,000	\$6,000,000	\$6,400,000
<u>Grasslands grazing grants</u>	<u>\$0</u>	<u>\$3,000,000</u>	<u>\$3,000,000</u>

1	Food distribution grants	0	2,000,000	2,000,000
2	Autonomous technology grants	0	500,000	500,000
3	Total	\$0	\$5,500,000	\$5,500,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES. The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. 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, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND. The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL FUND. The office of management and budget shall transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.

SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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 fund for the purpose of defraying the expenses

of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS - REPORT TO LEGISLATIVE MANAGEMENT.~~ The other funds line item in section 1 of this Act includes the sum of ~~\$3,000,000~~\$5,500,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is 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:

2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

3. \$500,000 is for autonomous technology grants to individuals or entities in the
agriculture industry, as follows:

a. For purposes of this subsection, autonomous technology includes uncrewed
aircraft systems; autonomous vehicles; or other autonomous systems,
processes, or technologies.

b. The agriculture commissioner shall develop an application process and
guidelines for the grants, including eligibility criteria, matching requirements,
eligible uses of grant funding, and maximum grant awards. To be eligible for a
grant, an individual or entity shall certify to the agriculture commissioner that the
operation of the autonomous technology is related to the inspection, operation,
maintenance, or construction of agriculture property or infrastructure. The
agriculture commissioner may require an individual or entity to provide one dollar
of matching funds for every four dollars awarded by the state. An individual or
entity may use grant funding for autonomous technology operations, contracting
for services related to autonomous technology, or other eligible uses as
determined by the agriculture commissioner.

c. During the 2025-26 interim, the agriculture commissioner shall provide at least
one report to the legislative management regarding the grants, including a list of
grant recipients, the amounts awarded, and a description of the use of the grant
funding.

SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota
trade office line item and the general fund appropriation in section 1 of this Act ~~include~~includes
\$2,000,000 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, provide training to export

1 assistants, or purchase computer equipment as part of the North Dakota trade office's export
2 assistant program.

3 **SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
4 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
5 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

6 **SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **4.1-01-02. Salary of agriculture commissioner.**

9 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
10 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
11 ~~six hundred eighty-one hundred forty thousand seven hundred eighty dollars through June 30,~~
12 ~~2026, and one hundred forty-five thousand three dollars after that date.~~

13 **SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
14 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
15 defraying the expenses of the wildlife services program during the biennium beginning July 1,
16 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
17 appropriated for the program to pay indirect costs as part of the United States department of
18 agriculture animal and plant health inspection service wildlife services program.

19 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
20 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
21 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 22 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
23 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
24 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
25 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
26 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 27 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
28 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
29 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
30 chapter 41 of the 2023 Session Laws;

- 1 | ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
- 2 | fund for the regional livestock development and planning program in section 2 of
- 3 | chapter 76 of the 2023 Session Laws; and
- 4 | 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
- 5 | fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
- 6 | the 2023 Session Laws.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1009**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0153.02008](#)) and when so amended, recommends **DO PASS** (16 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed HB 1009 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0153.02008
Title.
Fiscal No. 8

Prepared by the Legislative Council
staff for Senator Wanzek

April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a
4 report; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 <u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19 <u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>
20 Capital assets	7,000	4,100	11,100

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1	Grants	10,953,969	5,261,300	16,215,269
2	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
3	Agricultural products utilization	2,110,417	3,000,000	5,110,417
4	commission			
5	North Dakota trade office	1,600,000	400,000	2,000,000
6	Board of animal health	865,718	(8,357)	857,361
7	Wildlife services	1,657,400	0	1,657,400
8	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
9	Pipeline restoration and reclamation	200,000	(200,000)	0
10	oversight program			
11	Pipeline and royalty oversight programs	0	500,000	500,000
12	Crop harmonization board	75,000	0	75,000
13	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
14	Less other funds	27,117,306	9,400,921	36,518,227
15	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
16	Full-time equivalent positions	80.00	0.00	80.00
17	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
18	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
19	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
20	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
27	Agricultural products utilization commission	\$0	\$3,000,000
28	Grasslands grazing grants	0	3,000,000
29	North Dakota trade office	400,000	0
30	Total	\$400,000	\$6,000,000
31	<u>Grasslands grazing grants</u>	<u>\$0</u>	<u>\$3,000,000</u>

1	Food distribution grants	0	2,000,000	2,000,000
2	Autonomous technology grants	0	500,000	500,000
3	Total	\$0	\$5,500,000	\$5,500,000

4 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
5 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
6 line item in section 1 of this Act, but may request the office of management and budget to
7 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
8 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
9 approved by the sixty-ninth legislative assembly.

10 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**
11 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
12 department of water resources shall transfer to the agriculture commissioner for the purpose of
13 defraying the expenses of the wildlife services program.

14 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
15 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
16 environment and rangeland protection fund to the minor use pesticide fund during the biennium
17 beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
19 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**
20 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
21 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
22 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
23 June 30, 2027.

24 **SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL**
25 **FUND.** The office of management and budget shall transfer any balance in the bioscience
26 innovation grant fund to the general fund on June 30, 2025.

27 **SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
28 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
29 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
30 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
31 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses

1 of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and
2 ending June 30, 2027.

3 **SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

4 The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~ \$8,057,927 from
5 the environment and rangeland protection fund for the purpose of defraying the expenses of
6 various agriculture commissioner programs.

7 **SECTION 10. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
8 section 1 of this Act includes the sum of \$671,918 from the game and fish department operating
9 fund for the purpose of defraying the expenses of various agriculture commissioner programs.

10 **SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
11 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
12 of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which
13 \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
14 reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-
15 production royalty oversight program.

16 **SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
17 **FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING~~**
18 **FUNDS - REPORT TO LEGISLATIVE MANAGEMENT.** The other funds line item in section 1 of
19 this Act includes the sum of ~~\$3,000,000~~ \$5,500,000 from the strategic investment and
20 improvements fund, of which:

21 1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization
22 representing cooperative grazing associations in the state. To be eligible for a grant
23 under this program, an organization must provide one dollar of matching funds from
24 nonstate sources for every four dollars of grant funding. An organization that receives
25 a grant under this program may distribute the funding to cooperative grazing
26 associations for eligible infrastructure projects, which must be located on national
27 grasslands within the state. Eligible infrastructure projects include water development;
28 fencing; conservation initiatives; compliance with federal permitting requirements,
29 including fees for professional services; and other projects to enhance wildlife habitat,
30 capture carbon, or increase the health of grasslands. Program participants shall
31 develop and implement a grazing land plan in compliance with local soil conservation

1 district guidance and the plan must be approved by the local soil conservation district.

2 The agriculture commissioner shall establish additional guidelines for the program:

3 2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

4 3. \$500,000 is for autonomous technology grants to individuals or entities in the
5 agriculture industry, as follows:

6 a. For purposes of this subsection, autonomous technology includes uncrewed
7 aircraft systems; autonomous vehicles; or other autonomous systems,
8 processes, or technologies.

9 b. The agriculture commissioner shall develop an application process and
10 guidelines for the grants, including eligibility criteria, matching requirements,
11 eligible uses of grant funding, and maximum grant awards. To be eligible for a
12 grant, an individual or entity shall certify to the agriculture commissioner that the
13 operation of the autonomous technology is related to the inspection, operation,
14 maintenance, or construction of agriculture property or infrastructure. The
15 agriculture commissioner may require an individual or entity to provide one dollar
16 of matching funds for every four dollars awarded by the state. An individual or
17 entity may use grant funding for autonomous technology operations, contracting
18 for services related to autonomous technology, or other eligible uses as
19 determined by the agriculture commissioner.

20 c. During the 2025-26 interim, the agriculture commissioner shall provide at least
21 one report to the legislative management regarding the grants, including a list of
22 grant recipients, the amounts awarded, and a description of the use of the grant
23 funding.

24 **SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
25 trade office line item and the general fund appropriation in section 1 of this Act ~~include~~includes
26 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
27 may spend sixty percent of this amount without requiring any matching funds from the trade
28 office. Any additional amounts may be spent only to the extent the North Dakota trade office
29 provides one dollar of matching funds from private or other public sources for each one dollar
30 provided by the agriculture commissioner. Matching funds may include money spent by
31 businesses or organizations to pay salaries to export assistants, provide training to export

1 assistants, or purchase computer equipment as part of the North Dakota trade office's export
2 assistant program.

3 **SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
4 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
5 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

6 **SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **4.1-01-02. Salary of agriculture commissioner.**

9 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four-~~
10 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand-~~
11 ~~six hundred eighty~~ one hundred forty thousand seven hundred eighty dollars through June 30,
12 2026, and one hundred forty-five thousand three dollars after that date.

13 **SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
14 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
15 defraying the expenses of the wildlife services program during the biennium beginning July 1,
16 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
17 appropriated for the program to pay indirect costs as part of the United States department of
18 agriculture animal and plant health inspection service wildlife services program.

19 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
20 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
21 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 22 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
23 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
24 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
25 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
26 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 27 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
28 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
29 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
30 chapter 41 of the 2023 Session Laws;

Sixty-ninth
Legislative Assembly

- 1 ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
2 fund for the regional livestock development and planning program in section 2 of
3 chapter 76 of the 2023 Session Laws; and
4 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
5 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
6 the 2023 Session Laws.

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	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Removes Funding for State Fleet Rate Increases ²	Adds Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Adds a section to transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grasslands grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.

2025 CONFERENCE COMMITTEE

HB 1009

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1009

4/23/2025

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.

11:03 a.m. Chairman Brandenburg called the meeting to order.

Members Present: Chairman Brandenburg, Representatives: Kempenich, Meier. Senators: Wanzek, Erbele, Dwyer.

Discussion Topics:

- FTE for plant protection
- State Fleet
- Range Land Protection
- APUC funding
- Coyote Population in North Dakota
- Trade Office in North Dakota

11:05 a.m. Senator Wanzek reviewed amendment LC# 25.0153.02008, testimony #45151.

Additional written testimony:

Grant Gader, Fiscal Analyst, Legislative Council, submitted neutral testimony #45151, #45152, and #45153.

11:28 a.m. Chairman Brandenburg adjourned the meeting.

Madaline Cooper, Committee Clerk

25.0153.02008
Title.04000
Fiscal No. 8

Prepared by the Legislative Council
staff for Senator Wanzek

April 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a
4 report; and to provide an exemption.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14	Salaries and wages	\$17,042,562	\$933,974
15	New and vacant FTE pool	0	587,646
16	Operating expenses	7,426,173	8,222,860
17	<u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$17,976,536</u>
18	<u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>
19	<u>Operating expenses</u>	<u>7,426,173</u>	<u>8,014,256</u>
20	Capital assets	7,000	11,100

Sixty-ninth
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1	Grants	10,953,969	5,261,300	16,215,269
2	<u>Grants</u>	<u>10,953,969</u>	<u>7,841,300</u>	<u>18,795,269</u>
3	Agricultural products utilization	2,110,417	3,000,000	5,110,417
4	commission			
5	North Dakota trade office	1,600,000	400,000	2,000,000
6	Board of animal health	865,718	(8,357)	857,361
7	Wildlife services	1,657,400	0	1,657,400
8	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
9	Pipeline restoration and reclamation	200,000	(200,000)	0
10	oversight program			
11	Pipeline and royalty oversight programs	0	500,000	500,000
12	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
13	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
14	Less other funds	27,117,306	9,400,921	36,518,227
15	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
16	Full-time equivalent positions	80.00	0.00	80.00
17	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,963,577</u>	<u>\$55,901,816</u>
18	<u>Less other funds</u>	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
19	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
20	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
27	Agricultural products utilization commission	\$0	\$3,000,000
28	Grasslands grazing grants	0	3,000,000
29	North Dakota trade office	400,000	0
30	Total	\$400,000	\$6,000,000
31	<u>Grasslands grazing grants</u>	<u>\$0</u>	<u>\$3,000,000</u>

1	Food distribution grants	0	2,000,000	2,000,000
2	Autonomous technology grants	0	500,000	500,000
3	Total	\$0	\$5,500,000	\$5,500,000

4 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
5 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
6 line item in section 1 of this Act, but may request the office of management and budget to
7 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
8 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
9 approved by the sixty-ninth legislative assembly.

10 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**

11 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
12 department of water resources shall transfer to the agriculture commissioner for the purpose of
13 defraying the expenses of the wildlife services program.

14 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
15 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
16 environment and rangeland protection fund to the minor use pesticide fund during the biennium
17 beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
19 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**
20 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
21 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
22 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
23 June 30, 2027.

24 **SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL**
25 **FUND.** The office of management and budget shall transfer any balance in the bioscience
26 innovation grant fund to the general fund on June 30, 2025.

27 **SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**
28 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
29 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
30 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
31 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses

of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.

The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING FUNDS - REPORT TO LEGISLATIVE MANAGEMENT.~~ The other funds line item in section 1 of this Act includes the sum of ~~\$3,000,000~~\$5,500,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is 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

1 district guidance and the plan must be approved by the local soil conservation district.

2 The agriculture commissioner shall establish additional guidelines for the program:

3 2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and

4 3. \$500,000 is for autonomous technology grants to individuals or entities in the
5 agriculture industry, as follows:

6 a. For purposes of this subsection, autonomous technology includes uncrewed
7 aircraft systems; autonomous vehicles; or other autonomous systems,
8 processes, or technologies.

9 b. The agriculture commissioner shall develop an application process and
10 guidelines for the grants, including eligibility criteria, matching requirements,
11 eligible uses of grant funding, and maximum grant awards. To be eligible for a
12 grant, an individual or entity shall certify to the agriculture commissioner that the
13 operation of the autonomous technology is related to the inspection, operation,
14 maintenance, or construction of agriculture property or infrastructure. The
15 agriculture commissioner may require an individual or entity to provide one dollar
16 of matching funds for every four dollars awarded by the state. An individual or
17 entity may use grant funding for autonomous technology operations, contracting
18 for services related to autonomous technology, or other eligible uses as
19 determined by the agriculture commissioner.

20 c. During the 2025-26 interim, the agriculture commissioner shall provide at least
21 one report to the legislative management regarding the grants, including a list of
22 grant recipients, the amounts awarded, and a description of the use of the grant
23 funding.

24 **SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota
25 trade office line item and the general fund appropriation in section 1 of this Act ~~include~~includes
26 \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner
27 may spend sixty percent of this amount without requiring any matching funds from the trade
28 office. Any additional amounts may be spent only to the extent the North Dakota trade office
29 provides one dollar of matching funds from private or other public sources for each one dollar
30 provided by the agriculture commissioner. Matching funds may include money spent by
31 businesses or organizations to pay salaries to export assistants, provide training to export

1 assistants, or purchase computer equipment as part of the North Dakota trade office's export
2 assistant program.

3 **SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
4 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
5 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

6 **SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **4.1-01-02. Salary of agriculture commissioner.**

9 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
10 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
11 ~~six hundred eightyone hundred forty thousand seven hundred eighty dollars through June 30,~~
12 ~~2026, and one hundred forty-five thousand three dollars after that date.~~

13 **SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
14 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
15 defraying the expenses of the wildlife services program during the biennium beginning July 1,
16 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
17 appropriated for the program to pay indirect costs as part of the United States department of
18 agriculture animal and plant health inspection service wildlife services program.

19 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
20 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
21 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 22 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
23 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
24 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
25 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
26 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 27 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
28 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
29 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
30 chapter 41 of the 2023 Session Laws;

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- 1 ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
2 fund for the regional livestock development and planning program in section 2 of
3 chapter 76 of the 2023 Session Laws; and
4 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
5 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
6 the 2023 Session Laws.

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	\$17,042,562	\$17,976,536		\$17,976,536
New and vacant FTE pool		587,646	\$166,831	754,477
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256
Capital assets	7,000	11,100		11,100
Grants	10,953,969	16,215,269	2,580,000	18,795,269
State Board of Animal Health	865,718	857,361		857,361
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000			
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417
North Dakota Trade Office	1,600,000	2,000,000		2,000,000
Pipeline and royalty oversight programs		500,000		500,000
Total all funds	\$41,938,239	\$53,213,589	\$2,688,227	\$55,901,816
Less estimated income	27,117,306	36,518,227	2,754,113	39,272,340
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476
FTE	80.00	80.00	1.00	81.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for an FTE Plant Protection Position ¹	Removes Funding for State Fleet Rate Increases ²	Adds Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adjusts Funding from One-Time to Ongoing ⁵	Adds One- Time Funding ⁶
Salaries and wages						
New and vacant FTE pool	\$166,831					
Operating expenses	41,396	(\$250,000)				
Capital assets						
Grants			\$80,000			\$2,500,000
State Board of Animal Health						
Wildlife Services				\$150,000		
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$0	\$2,500,000
Less estimated income	104,113	0	0	150,000	0	2,500,000
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	\$0
FTE	1.00	0.00	0.00	0.00	0.00	0.00

	Total Senate Changes
Salaries and wages	
New and vacant FTE pool	\$166,831
Operating expenses	(208,604)
Capital assets	
Grants	2,580,000
State Board of Animal Health	
Wildlife Services	150,000
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	
North Dakota Trade Office	
Pipeline and royalty oversight programs	
Total all funds	\$2,688,227
Less estimated income	2,754,113
General fund	(\$65,886)
FTE	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program.

⁵ Funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office are adjusted from one-time funding to ongoing funding.

⁶ One-time funding is added as follows:

- \$2 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein.
- \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Senate Action

This amendment also:

- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Adds a section to transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund.
- Amends a section identifying \$5,500,000 appropriated in Section 1 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grasslands grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium.

25.0153.04000

Sixty-ninth
Legislative Assembly
of North Dakota

**FIRST ENGROSSMENT
with Senate Amendments
ENGROSSED HOUSE BILL NO. 1009**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a
4 report; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	754,477	754,477
16 Operating expenses	7,426,173	588,083	8,014,256
17 Capital assets	7,000	4,100	11,100
18 Grants	10,953,969	7,841,300	18,795,269
19 Agricultural products utilization	2,110,417	3,000,000	5,110,417
20 commission			
21 North Dakota trade office	1,600,000	400,000	2,000,000
22 Board of animal health	865,718	(8,357)	857,361

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1	Wildlife services	1,657,400	150,000	1,807,400
2	Pipeline restoration and reclamation	200,000	(200,000)	0
3	oversight program			
4	Pipeline and royalty oversight programs	0	500,000	500,000
5	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
6	Total all funds	\$41,938,239	\$13,963,577	\$55,901,816
7	Less other funds	<u>27,117,306</u>	<u>12,155,034</u>	<u>39,272,340</u>
8	Total general fund	\$14,820,933	\$1,808,543	\$16,629,476
9	Full-time equivalent positions	80.00	1.00	81.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
16	Grasslands grazing grants	\$0	\$3,000,000
17	Food distribution grants	0	2,000,000
18	Autonomous technology grants	<u>0</u>	<u>500,000</u>
19	Total	\$0	\$5,500,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The

agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.

The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. 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, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.

The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL FUND. The office of management and budget shall transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.

SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 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 fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The other funds line item in section 1 of this Act includes the sum of \$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS

FUND - MATCHING FUNDS - REPORT TO LEGISLATIVE MANAGEMENT. The other funds line item in section 1 of this Act includes the sum of \$5,500,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is 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;
2. \$2,000,000 is for grants to food pantries for meat and protein related purchases; and
3. \$500,000 is for autonomous technology grants to individuals or entities in the agriculture industry, as follows:
 - a. For purposes of this subsection, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
 - b. The agriculture commissioner shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the agriculture commissioner that the operation of the autonomous technology is related to the inspection, operation, maintenance, or construction of agriculture property or infrastructure. The agriculture commissioner may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or

entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the agriculture commissioner.

- c. During the 2025-26 interim, the agriculture commissioner shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act includes \$2,000,000 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, provide training to export assistants, or purchase computer equipment as part of the North Dakota trade office's export assistant program.

SECTION 14. 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 15. 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 thirty-one thousand four hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand six hundred eighty-one hundred forty thousand seven hundred eighty dollars through June 30, 2026, and one hundred forty-five thousand three dollars after that date.~~

SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS. The wildlife services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of defraying the expenses of the wildlife services program during the biennium beginning July 1, 2025, and ending June 30, 2027. The agriculture commissioner may not use funding

1 appropriated for the program to pay indirect costs as part of the United States department of
2 agriculture animal and plant health inspection service wildlife services program.

3 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
4 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
5 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 6 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
7 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
8 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
9 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
10 section 20 of chapter 41 of the 2023 Session Laws;
- 11 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
12 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
13 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
14 chapter 41 of the 2023 Session Laws;
- 15 3. The sum of \$660,000 appropriated from the environment and rangeland protection
16 fund for the regional livestock development and planning program in section 2 of
17 chapter 76 of the 2023 Session Laws; and
- 18 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
19 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
20 the 2023 Session Laws.



Agriculture Commissioner - Budget No. 602
Agency Worksheet - House Bill No. 1009

	House Version				Senate Version				Senate Compared to House Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total	Increase (Decrease)			
									FTE Positions	General Fund	Other Funds	Total
2025-27 Biennium Base Level	80.00	\$14,820,933	\$27,117,306	\$41,938,239	80.00	\$14,820,933	\$27,117,306	\$41,938,239	0.00	\$0	\$0	\$0
2025-27 Ongoing Funding Changes												
Base payroll changes		\$203,651	(\$228,654)	(\$25,003)		\$203,651	(\$228,654)	(\$25,003)				\$0
Salary increase		380,240	263,409	643,649		383,276	266,444	649,720		\$3,036	\$3,035	6,071
Health insurance increase		268,677	211,746	480,423		271,679	214,749	486,428		3,002	3,003	6,005
Adds funding to replace the 2023-25 new FTE pool		214,930		214,930		214,930		214,930				0
Adds funding to replace the 2023-25 vacant FTE pool		393,797	268,273	662,070		393,797	268,273	662,070				0
Removes funding for the 2025-27 new and vacant FTE pool		(146,988)	(104,860)	(251,848)		(156,256)	(114,129)	(270,385)		(9,268)	(9,269)	(18,537)
Adjusts base level funding for temporary salaries		(203,625)	1,024	(202,601)		(203,625)	1,024	(202,601)				0
Adds funding for an FTE plant protection position				0	1.00	107,344	107,344	214,688	1.00	107,344	107,344	214,688
Adjusts base level funding for travel		(1,100)	218,808	217,708		(1,100)	218,808	217,708				0
Adds funding for state fleet rate increases		750,000		750,000		500,000		500,000		(250,000)		(250,000)
Adjusts base level funding for operating expenses		(322,996)	625,775	302,779		(322,996)	625,775	302,779				0
Adds funding for operating expenses		26,200		26,200		26,200		26,200				0
Reduces funding for the postproduction royalty oversight program			(200,000)	(200,000)			(200,000)	(200,000)				0
Moves pipeline and royalty oversight programs to a new line item				0				0				0
Adjusts base level funding for capital assets			4,100	4,100			4,100	4,100				0
Adds base level funding for the specialty crop block grant program			1,968,500	1,968,500			1,968,500	1,968,500				0
Adds funding for the noxious weed program			366,900	366,900			366,900	366,900				0
Removes funding for the grape and wine grant program		(80,000)		(80,000)		0		0		80,000		80,000
Adjusts base level funding for grants			5,900	5,900			5,900	5,900				0
Adds funding for the APUC program				0			3,000,000	3,000,000			3,000,000	3,000,000
Adjusts base level funding for the board of animal health		(8,357)		(8,357)		(8,357)		(8,357)				0
Adds base level funding for COVID-19 specialty crop block grants				0				0				0
Adds funding for the North Dakota trade office				0		400,000		400,000		400,000		400,000
Adds funding for aerial contract services for the Wildlife Services program				0			150,000	150,000			150,000	150,000
Total ongoing funding changes	0.00	\$1,474,429	\$3,400,921	\$4,875,350	1.00	\$1,808,543	\$6,655,034	\$8,463,577	1.00	\$334,114	\$3,254,113	\$3,588,227
One-Time Funding Items												
Bioscience innovation grant program				\$0				\$0				\$0
Livestock planning program				0				0				0
Grasslands grazing grants			\$3,000,000	3,000,000			\$3,000,000	3,000,000				0
APUC program			3,000,000	3,000,000			0	0			(\$3,000,000)	(3,000,000)
North Dakota trade office		\$400,000		400,000		\$0		0		(\$400,000)		(400,000)
Adds funding for food distribution grants for meat and protein				0			2,000,000	2,000,000			2,000,000	2,000,000

Adds funding for autonomous technology grants				0			500,000	500,000			500,000	500,000
Total one-time funding changes	0.00	\$400,000	\$6,000,000	\$6,400,000	0.00	\$0	\$5,500,000	\$5,500,000	0.00	(\$400,000)	(\$500,000)	(\$900,000)
Total Changes to Base Level Funding	0.00	\$1,874,429	\$9,400,921	\$11,275,350	1.00	\$1,808,543	\$12,155,034	\$13,963,577	1.00	(\$65,886)	\$2,754,113	\$2,688,227
2025-27 Total Funding	80.00	\$16,695,362	\$36,518,227	\$53,213,589	81.00	\$16,629,476	\$39,272,340	\$55,901,816	1.00	(\$65,886)	\$2,754,113	\$2,688,227
Federal funds included in other funds				\$17,614,841				\$17,614,841				\$0
Total ongoing changes - Percentage of base level	0.0%	9.9%	12.5%	11.6%	1.3%	12.2%	24.5%	20.2%	N/A	N/A	N/A	N/A
Total changes - Percentage of base level	0.0%	12.6%	34.7%	26.9%	1.3%	12.2%	44.8%	33.3%	N/A	N/A	N/A	N/A

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version
New and vacant FTE pool line item	Section 3 provides for the use of funding in the new and vacant FTE pool line item.	Section 3 provides for the use of funding in the new and vacant FTE pool line item.
Transfer - Department of Water Resources to Agriculture Commissioner	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.	Section 4 identifies \$125,000 in the other funds line item in Section 1 is from the Department of Water Resources, which the department shall transfer to the Agriculture Commissioner for the Wildlife Services program.
Transfer - Environment and rangeland protection fund to minor use pesticide fund	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	Section 5 requires the Agriculture Commissioner to transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Transfer - Environment and rangeland protection fund to environmental impact mitigation fund		Section 6 requires the Agriculture Commissioner to transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund.
Transfer - Bioscience innovation grant fund to general fund		Section 7 requires the Office of Management and Budget to transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.
Other funds - Transfer - Bank of North Dakota profits - APUC	Section 6 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.	Section 8 identifies \$3 million in the other funds line item, which is from funding transferred from Bank of North Dakota profits to the Agriculture Commissioner for deposit in the APUC fund for the APUC program.
Other funds - Environment and rangeland protection fund	Section 7 identifies \$7,803,814 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.	Section 9 identifies \$8,057,927 in the other funds line item in Section 1 is from the environment and rangeland protection fund for various Department of Agriculture programs.
Other funds - Game and Fish Department operating fund	Section 8 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.	Section 10 identifies \$671,918 in the other funds line item in Section 1 is from the Game and Fish Department operating fund for various Department of Agriculture programs.
Other funds - Abandoned oil and gas well plugging and site reclamation fund	Section 9 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).	Section 11 identifies \$500,000 in the other funds 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 (\$200,000) and the post-production royalty oversight program (\$300,000).
Other funds - Strategic investment and improvements fund	Section 10 identifies \$3 million in the other funds line item in Section 1 is from the strategic investment and improvements fund for grasslands grazing grants.	Section 12 identifies \$5.5 million in the other funds line item in Section 1 is from the strategic investment and improvements fund, of which \$3 million is for grassland grazing grants to organizations representing cooperative grazing associations in the state, \$2 million is for grants to food pantries for meat and protein, and \$500,000 is for autonomous technology grants to individuals or entities in the agriculture industry.

Other Sections in Agriculture Commissioner - Budget No. 602

Section Description	House Version	Senate Version	
North Dakota Trade Office - Matching funds requirement	Section 11 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	Section 13 identifies \$2 million of the funding appropriated in Section 1 is from the general fund for 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. Additional amounts may be spent only to the extent that the North Dakota Trade Office provides \$1 of matching funds from private or other public sources for every \$1 provided by the department. 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 assistance program.	
Waterbank program - Matching funds	Section 12 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.	Section 14 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.	
Agriculture Commissioner salary	Section 13 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	Section 15 amends Section 4.1-01-02 to increase the salary of the Agriculture Commissioner from \$136,680 to \$140,780 (3 percent) effective July 1, 2025, and to \$145,003 (3 percent) effective July 1, 2026.	
Wildlife Services Program - Indirect Costs		Section 16 provides the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program.	
Exemption - COVID-19 specialty crop block grant program	Subsection 1 of section 14 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	Subsection 1 of section 17 provides an exemption to continue \$300,000 appropriated for the 2019-21 biennium and continued into the 2021-23 and 2023-25 bienniums for the COVID-19 specialty crop block grant program into the 2025-27 biennium. The 2021 Legislative Assembly appropriated \$5 million for the program.	
Exemptions - Grasslands grazing grants		Subsections 2 and 4 of section 17 provide exemptions to continue \$5 million appropriated for the 2021-23 biennium and \$1 million appropriated for the 2023-25 biennium for the grasslands grazing grants program into the 2025-27 biennium. The 2023 Legislative Assembly appropriated \$1 million for the program.	
Exemption - Livestock planning program	Subsection 2 of section 14 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	Subsection 3 of section 17 provides an exemption to continue \$660,000 in unexpended 2023-25 biennium funds for the regional livestock development and planning program into the 2025-27 biennium. A total of \$1.2 million was appropriated from the environment and rangeland protection fund for this purpose for the 2023-25 biennium.	

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division

Brynhild Haugland Room, State Capitol

HB 1009

4/23/2025

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.

4:07 p.m. Chairman Brandenburg called the meeting to order.

Members Present: Chairman Brandenburg, Representatives: Kempenich, Meier. Senators: Wanzek, Erbele, Dwyer.

Discussion Topics:

- One Time funding for Trade Office
- Food bank funding
- Emergency Clause
- Carry-Over Authority

4:22 p.m. Representative Meier moved to verbal amend Trade Office funding to be moved to one-time, food bank funding from 2 million to 1.5 million, and 500,000 to 300,000 for autonomous technology grants and to add an emergency clause in replace of LC# 25.0153.04000, previous testimony #45152.

4:22 p.m. Senator Wanzek seconded the motion.

4:23 p.m. Roll Call Vote 6-0-0.

4:24 p.m. Chairman Brandenburg adjourned the meeting.

Madaline Cooper, Committee Clerk

April 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

VC 4/24/25
1059

ENGROSSED HOUSE BILL NO. 1009

Introduced by

Appropriations Committee

In place of amendment (25.0153.02008) adopted by the Senate, Engrossed House Bill No. 1009 is amended by amendment (25.0153.02009) as follows:

- 1 A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture
2 commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code,
3 relating to the salary of the agriculture commissioner; to provide for a transfer; and to provide for
4 a report; to provide an exemption; and to declare an emergency.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the
10 agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027,
11 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
14 Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
15 New and vacant FTE pool	0	587,646	587,646
16 Operating expenses	7,426,173	796,687	8,222,860
17 <u>Salaries and wages</u>	<u>\$17,042,562</u>	<u>\$933,974</u>	<u>\$17,976,536</u>
18 <u>New and vacant FTE pool</u>	<u>0</u>	<u>754,477</u>	<u>754,477</u>
19 <u>Operating expenses</u>	<u>7,426,173</u>	<u>588,083</u>	<u>8,014,256</u>

1	Capital assets	7,000	4,100	11,100
2	Grants	10,953,969	5,261,300	16,215,269
3	<u>Grants</u>	<u>10,953,969</u>	<u>7,141,300</u>	<u>18,095,269</u>
4	Agricultural products utilization	2,110,417	3,000,000	5,110,417
5	commission			
6	North Dakota trade office	1,600,000	400,000	2,000,000
7	Board of animal health	865,718	(8,357)	857,361
8	Wildlife services	1,657,400	0	1,657,400
9	<u>Wildlife services</u>	<u>1,657,400</u>	<u>150,000</u>	<u>1,807,400</u>
10	Pipeline restoration and reclamation	200,000	(200,000)	0
11	oversight program			
12	Pipeline and royalty oversight programs	0	500,000	500,000
13	Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
14	Total all funds	\$41,938,239	\$11,275,350	\$53,213,589
15	Less other funds	27,117,306	9,400,921	36,518,227
16	Total general fund	\$14,820,933	\$1,874,429	\$16,695,362
17	Full-time equivalent positions	80.00	0.00	80.00
18	<u>Total all funds</u>	<u>\$41,938,239</u>	<u>\$13,263,577</u>	<u>\$55,201,816</u>
19	<u>Less other funds</u>	<u>27,117,306</u>	<u>11,455,034</u>	<u>38,572,340</u>
20	<u>Total general fund</u>	<u>\$14,820,933</u>	<u>\$1,808,543</u>	<u>\$16,629,476</u>
21	<u>Full-time equivalent positions</u>	<u>80.00</u>	<u>1.00</u>	<u>81.00</u>

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
28	Agricultural products utilization commission	\$0	\$3,000,000
29	Grasslands grazing grants	0	3,000,000
30	<u>Food distribution grants</u>	<u>0</u>	<u>1,500,000</u>
31	<u>Autonomous technology grants</u>	<u>0</u>	<u>300,000</u>

1	North Dakota trade office	<u>400,000</u>	<u>0</u>	<u>400,000</u>
2	Total	\$400,000	\$6,000,000	\$6,400,000
3	Total	\$400,000	\$7,800,000	\$8,200,000

4 **SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST.** The
5 agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool
6 line item in section 1 of this Act, but may request the office of management and budget to
7 transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in
8 accordance with the guidelines and reporting provisions included in House Bill No. 1015, as
9 approved by the sixty-ninth legislative assembly.

10 **SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES.**

11 The other funds line item in section 1 of this Act includes the sum of \$125,000 which the
12 department of water resources shall transfer to the agriculture commissioner for the purpose of
13 defraying the expenses of the wildlife services program.

14 **SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND -**
15 **MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the
16 environment and rangeland protection fund to the minor use pesticide fund during the biennium
17 beginning July 1, 2025, and ending June 30, 2027.

18 **SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO**
19 **ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.**

20 The agriculture commissioner shall transfer \$250,000 from the environment and rangeland
21 protection fund to the environmental impact mitigation fund for the purpose of mitigation of
22 agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending
23 June 30, 2027.

24 **SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL**
25 **FUND.** The office of management and budget shall transfer any balance in the bioscience
26 innovation grant fund to the general fund on June 30, 2025.

27 **SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS -**

28 **AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The other funds line item in
29 section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall
30 transfer from the Bank's current earnings and undivided profits to the agriculture commissioner
31 for deposit in the agricultural products utilization fund for the purpose of defraying the expenses

1 of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and
2 ending June 30, 2027.

3 **SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND.**

4 The other funds line item in section 1 of this Act includes the sum of ~~\$7,803,814~~\$8,057,927 from
5 the environment and rangeland protection fund for the purpose of defraying the expenses of
6 various agriculture commissioner programs.

7 **SECTION 10. OTHER FUNDS - GAME AND FISH FUND.** The other funds line item in
8 section 1 of this Act includes the sum of \$671,918 from the game and fish department operating
9 fund for the purpose of defraying the expenses of various agriculture commissioner programs.

10 **SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND**
11 **SITE RECLAMATION FUND.** The other funds line item in section 1 of this Act includes the sum
12 of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which
13 \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and
14 reclamation program and \$300,000 is for the purpose of defraying the expenses of the post-
15 production royalty oversight program.

16 **SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS**
17 **FUND - ~~GRASSLANDS GRAZING GRANT PROGRAM - ONE-TIME FUNDING - MATCHING~~**
18 **FUNDS - REPORT TO LEGISLATIVE MANAGEMENT.** The other funds line item in section 1 of
19 this Act includes the sum of ~~\$3,000,000~~\$4,800,000 from the strategic investment and
20 improvements fund, of which:

- 21 1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization
22 representing cooperative grazing associations in the state. To be eligible for a grant
23 under this program, an organization must provide one dollar of matching funds from
24 nonstate sources for every four dollars of grant funding. An organization that receives
25 a grant under this program may distribute the funding to cooperative grazing
26 associations for eligible infrastructure projects, which must be located on national
27 grasslands within the state. Eligible infrastructure projects include water development;
28 fencing; conservation initiatives; compliance with federal permitting requirements,
29 including fees for professional services; and other projects to enhance wildlife habitat,
30 capture carbon, or increase the health of grasslands. Program participants shall
31 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-:

2. \$1,500,000 is for grants to food pantries for meat and protein-related purchases; and

3. \$300,000 is for autonomous technology grants to individuals or entities in the agriculture industry, as follows:

a. For purposes of this subsection, autonomous technology includes uncrewed aircraft systems, autonomous vehicles, or other autonomous systems, processes, or technologies.

b. The agriculture commissioner shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the agriculture commissioner that the operation of the autonomous technology is related to the inspection, operation, maintenance, or construction of agriculture property or infrastructure. The agriculture commissioner may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the agriculture commissioner.

c. During the 2025-26 interim, the agriculture commissioner shall provide at least one report to the legislative management regarding the autonomous technology grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$2,000,000 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, provide training to export

1 assistants, or purchase computer equipment as part of the North Dakota trade office's export
2 assistant program.

3 **SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages
4 line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds
5 for the North Dakota outdoor heritage fund grant provided for the waterbank program.

6 **SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **4.1-01-02. Salary of agriculture commissioner.**

9 The annual salary of the agriculture commissioner is ~~one hundred thirty-one thousand four~~
10 ~~hundred twenty-three dollars through June 30, 2024, and one hundred thirty-six thousand~~
11 ~~six hundred eighty-one hundred forty thousand seven hundred eighty dollars through June 30,~~
12 ~~2026, and one hundred forty-five thousand three~~ dollars after that date.

13 **SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife
14 services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of
15 defraying the expenses of the wildlife services program during the biennium beginning July 1,
16 2025, and ending June 30, 2027. The agriculture commissioner may not use funding
17 appropriated for the program to pay indirect costs as part of the United States department of
18 agriculture animal and plant health inspection service wildlife services program.

19 **SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following
20 appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into
21 the biennium beginning July 1, 2025, and ending June 30, 2027:

- 22 1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds
23 for the specialty crop block grant program during the 2019-21 biennium in section 1 of
24 chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in
25 section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in
26 section 20 of chapter 41 of the 2023 Session Laws; ~~and~~

- 27 2. The sum of \$5,000,000 appropriated from the strategic investment and improvements
28 fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of
29 the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of
30 chapter 41 of the 2023 Session Laws;

1 ~~2.3.~~ The sum of \$660,000 appropriated from the environment and rangeland protection
2 fund for the regional livestock development and planning program in section 2 of
3 chapter 76 of the 2023 Session Laws; and

4 4. The sum of \$1,000,000 appropriated from the strategic investment and improvements
5 fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of
6 the 2023 Session Laws.

7 **SECTION 18. EMERGENCY.** Section 7 of this Act is declared to be an emergency
8 measure.

8 of 9

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	\$17,042,562	\$17,976,536		\$17,976,536	\$17,976,536	
New and vacant FTE pool		587,646	\$166,831	754,477	754,477	
Operating expenses	7,426,173	8,222,860	(208,604)	8,014,256	8,014,256	
Capital assets	7,000	11,100		11,100	11,100	
Grants	10,953,969	16,215,269	1,880,000	18,095,269	18,795,269	(\$700,000)
State Board of Animal Health	865,718	857,361		857,361	857,361	
Wildlife Services	1,657,400	1,657,400	150,000	1,807,400	1,807,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000					
Ag. Products Utilization Commission	2,110,417	5,110,417		5,110,417	5,110,417	
North Dakota Trade Office	1,600,000	2,000,000		2,000,000	2,000,000	
Pipeline and royalty oversight programs		500,000		500,000	500,000	
Total all funds	\$41,938,239	\$53,213,589	\$1,988,227	\$55,201,816	\$55,901,816	(\$700,000)
Less estimated income	27,117,306	36,518,227	2,054,113	38,572,340	39,272,340	(700,000)
General fund	\$14,820,933	\$16,695,362	(\$65,886)	\$16,629,476	\$16,629,476	\$0
FTE	80.00	80.00	1.00	81.00	81.00	0.00

Department 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adds Funding for an FTE Plant Protection Position ¹	Removes Funding for State Fleet Rate Increases ²	Adds Funding for the Grape and Wine Grant Program ³	Adds Funding for the Wildlife Services Program ⁴	Adds One- Time Funding ⁵	Total Conference Committee Changes
Salaries and wages						
New and vacant FTE pool	\$166,831					\$166,831
Operating expenses	41,396	(\$250,000)				(208,604)
Capital assets						
Grants			\$80,000		\$1,800,000	1,880,000
State Board of Animal Health						
Wildlife Services				\$150,000		150,000
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission						
North Dakota Trade Office						
Pipeline and royalty oversight programs						
Total all funds	\$208,227	(\$250,000)	\$80,000	\$150,000	\$1,800,000	\$1,988,227
Less estimated income	104,113	0	0	150,000	1,800,000	2,054,113
General fund	\$104,114	(\$250,000)	\$80,000	\$0	\$0	(\$65,886)
FTE	1.00	0.00	0.00	0.00	0.00	1.00

¹ Funding of \$113,382 from the general fund and \$113,382 from the environment and rangeland protection fund is added for an FTE plant protection position, including \$41,396 for operating expenses, the same as provided by the Senate. Funding for salaries and wages is decreased by \$185,368 and funding of \$166,831 is added to the new and vacant FTE pool for the position resulting in net savings of \$18,537.

² Removes \$250,000 added by the House for state fleet rate increases to provide a total of \$500,000 from the general fund, the same as provided by the Senate. The House provided \$750,000 from the general fund for state fleet rate increases.

³ Funding of \$80,000 from the general fund is added to restore funding removed by the House for the grape and wine grant program, the same as provided by the Senate.

⁴ Funding of \$150,000 from the environment and rangeland protection fund is added for aerial contract services for the Wildlife Services program to provide a total of \$1,807,400 for the Wildlife Services program, the same as provided by the Senate.

⁵ One-time funding is added as follows:

- \$1.5 million from the strategic investment and improvements fund (SIIF) for grants to food pantries for meat and protein. The Senate provided \$2 million from SIIF for grants to food pantries for meat and protein.
- \$300,000 from SIIF for autonomous technology grants. The Senate provided \$500,000 from SIIF for autonomous technology grants.

House Bill No. 1009 - Other Changes - Conference Committee Action

This amendment also:

- Does not adjust funding of \$3 million from Bank of North Dakota profits for the APUC program and \$400,000 from the general fund for the North Dakota Trade Office from one-time funding to ongoing funding. The House provided one-time funding and the Senate provided ongoing funding for the APUC program and the North Dakota Trade Office.
- Adds a section providing for a \$250,000 transfer from the environment and rangeland protection fund to the environmental impact mitigation fund for the environmental impact mitigation program, the same as provided by the Senate. The Agriculture Commissioner has continuing appropriation authority for the environmental impact mitigation fund.
- Adds a section to transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025, the same as included by the Senate. This will increase the beginning general fund balance for the 2025-27 biennium by \$1,029,968.
- Amends a section identifying funding in Section 1 from the environment and rangeland protection fund, the same as included by the Senate.
- Amends a section identifying \$4,800,000 appropriated in Section 1 from SIIF. The Senate appropriated \$5,500,000 from SIIF. The House appropriated \$3,000,000 from SIIF.
- Adds a section to provide the funding appropriated in the wildlife services line item may not be used to pay indirect costs as part of the United States Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services program, the same as included by the Senate.
- Amends a section to provide exemptions to authorize the Agriculture Commissioner to continue funding for grasslands grazing grants of \$5 million appropriated from SIIF for the 2021-23 and \$1 million appropriated from SIIF for the 2023-25 biennium into the 2025-27 biennium, the same as included by the Senate.
- Declares an emergency for the transfer from the bioscience innovation grant fund to the general fund.

HB 1009 042325 1623 PM Roll Call Vote

Final Recommendation

HB 1009

Date Submitted: April 23, 2025, 4:23 p.m.

Recommendation: In Place Of

Amendment LC #: 25.0153.02009

Engrossed LC #: N/A

Description:

Motioned By: Meier, Lisa

Seconded By: Wanzek, Terry M.

House Carrier: Brandenburg, Mike

Senate Carrier: Wanzek, Terry M.

Emergency Clause: None

Vote Results: 6 - 0 - 0

Rep. Brandenburg, Mike	Yea
Rep. Meier, Lisa	Yea
Rep. Kempenich, Keith	Yea
Sen. Wanzek, Terry M.	Yea
Sen. Erbele, Robert	Yea
Sen. Dwyer, Michael	Yea

**REPORT OF CONFERENCE COMMITTEE
ENGROSSED HB 1009**

Your conference committee (Sens. Wanzek, Erbele, Dwyer and Reps. Brandenburg, Meier, Kempenich) recommends that in place of amendment [25.0153.02008](#) adopted by the Senate, Engrossed HB 1009 is amended by amendment [25.0153.02009](#).

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.