

2025 HOUSE AGRICULTURE

HB 1332

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

HB 1332
1/23/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to a value-added agriculture facility incentive program; and to provide a transfer

2:00 p.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Parameters in the State
- Economic contribution
- Studying economics
- 2026, 2-year construction
- Economic analysis
- New crop opportunity
- Different markets
- Utility work - infrastructure
- Grower investment
- Growers Statewide
- Opportunity for growers
- Dry and irrigated land
- Prudent structure
- Reviewed by the Ag Department
- All value-added agriculture

2:00 p.m. Representative Jared C. Hagert, District 20, Emerado, ND, introduced and testified #31110.

2:05 p.m. Doug Goehring, Commissioner, ND Department of Agriculture, testified in favor and submitted testimony #31111.

2:14 p.m. Brandon Bochenski, Mayor, City of Grand Forks, ND, testified in favor and submitted testimony #30866.

2:17 p.m. Aaron Weber, Policy Director, Office of the ND Governor, testified in favor and submitted testimony #31055.

2:19 p.m. Keith J. Lund, Grand Forks Region Economic Development Corporation, testified in favor and submitted testimony #30985.

2:27 p.m. Brad Nilson, Farmer, Hoople, ND, testified in favor and submitted testimony #31107.

2:31 p.m. David Fedge, Hoople, ND, Seed potato grower, testified in favor and submitted testimony #31106.

2:36 p.m. Loren Estad, ND Potato Growers, testified in favor.

2:37 p.m. Katie Vculek, Farmer, Sargent County, Potato Grower, testified in favor.

2:40 p.m. Matt Perdue, Government Relations Director, ND Farmers Union, testified in favor and submitted testimony #31067.

2:44 p.m. Dan Wogsland, Lobbyist, ND Grain Growers Association, testified in favor and submitted testimony #30950.

2:45 p.m. Rachel Gross, ND Farm Bureau, testified in favor.

Additional written testimony:

Melissa Beach, Economic Development Administrator, Minnkota Power Cooperative submitted testimony in favor #30990.

Ken Bertsch, Seed Commissioner, ND State Seed Department, submitted testimony in favor #31006.

Laura A. Lacher, Executive Director, Economic Development Association of North Dakota, submitted testimony in favor #31028.

2:50 p.m. Chairman Beltz closed the hearing.

Diane Lillis, Committee Clerk

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200



City of Grand Forks
(701) 746-4636

**TESTIMONY ON HOUSE BILL 1332
Agriculture Committee
January 23, 2025**

**Brandon Bochenski, Mayor
City of Grand Forks, ND**

Chairman Beltz, members of the committee. Please accept my written and oral testimony in support of HB 1332.

North Dakota soils and our hard working farmers are highly competitive nationally in agriculture production in a variety of crops including potatoes. In order to maximize our important state assets we need to promote as many value-added processing facilities within our borders as close to production as possible. HB 1332 aims to do just that while making our business environment equally as competitive as our production on a national scale.

Processing facilities similar to what is proposed to be built by Agristo in North Dakota have a major positive economic impact where built, and also within the grower communities, as well as, on farm investment and storage. These impacts are felt during the construction phase and last for generations with reduced transportation costs and access to new markets.

Potato acreage itself can be some of the most profitable and a big economic driver for the local and regional farming communities. The State of North Dakota has lost significant potato acreage dating back to the eighties. We now have the opportunity to house three major potato processing companies within the state and gain back a large chunk of acreage lost over the past 40 years.

After three years of due diligence and test trials, Agristo has chosen North Dakota for a 450 Million Dollar production facility. Our distance from markets and logistical challenges require support both statewide and locally, and most importantly from our growers themselves. Thank you for your support in securing North Dakota as a world leader in not only agriculture production, but also ag-processing for generations to come.

Respectfully,
Brandon Bochenski
Mayor of Grand Forks



**North Dakota Grain Growers Association
Testimony in Favor of HB 1332
House Agriculture Committee
January 23, 2025**

Chairman Beltz, Members of the House Agriculture Committee, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association (NDGGA). I appear here today in support of HB 1332 which seeks to enhance the Agriculture Diversification and Development Fund and create a new Value-Added Agriculture Production Facility Incentive Program. This legislation represents a significant investment in North Dakota's agricultural future and economic growth.

NDGGA believes this bill addresses several key priorities for North Dakota agriculture:

- It provides substantial funding (\$30 million) to attract large-scale value-added agriculture facilities to the state. This will create new markets and opportunities for North Dakota farmers.
- The focus on facilities that produce new agricultural products or variants will help diversify our agricultural economy and reduce reliance on traditional commodity markets.
- The requirement for regional producer capital investment ensures these projects will directly benefit North Dakota farmers and ranchers.
- The emphasis on industrial-ready sites with existing infrastructure will accelerate project timelines and maximize economic impact.
- The two-phase grant distribution process provides accountability while still offering meaningful upfront support for these major investments.
- Targeting facilities with competing offers from other states will help North Dakota remain competitive in attracting these transformative projects.

NDGGA is particularly supportive of the \$350 million minimum capital investment requirement. Projects of this scale have the potential to significantly reshape our agricultural economy and provide substantial new opportunities for producers. We also appreciate that this program complements, rather than replaces, the existing loan and grant programs in the Agriculture Diversification and Development Fund. This maintains

important support for smaller value-added projects while creating a new tool for attracting game-changing investments.

In conclusion, NDGGA believes this legislation represents a forward-thinking approach to agricultural development in North Dakota. It has the potential to create new markets, increase profitability for farmers and ranchers, generate jobs, and drive economic growth across the state.

Therefore, Chairman Beltz, Members of the House Agriculture Committee, NDGGA would urge the committee to give this bill a "do pass" recommendation and would hope the full House would concur.

Thank you for your consideration. I would be happy to answer any questions.



Testimony of Mr. Keith Lund
Grand Forks Region Economic Development Corporation President & CEO

House Bill 1332
House Agriculture Committee
January 23, 2025

Chairman Beltz, Vice Chair Hauck, and members of the House Agriculture Committee, my name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation (EDC). I am providing testimony in support of HB 1332.

As a regional economic development organization, the Grand Forks Region EDC's mission is to expand economic opportunity for the citizens of the Grand Forks region by growing and diversifying the region's economy, and by extension, the State of North Dakota's economy. We dedicate a significant amount of our organization's resources to support the growth of agribusiness, a leading sector in our region and North Dakota.

HB 1332 would create a \$30 million value-added agriculture facility incentive program that, if approved, would attract a significant agribusiness company to the Grand Forks region. This investment would exceed \$450 million, leverage more than \$150 million in on-farm commodity storage investment, and create 300-350 high-paying jobs in North Dakota. Construction activities would support an estimated 4,900 jobs over a two-year construction period and generate an overall economic impact of \$1 billion in the Grand Forks region over that time.

In addition to the significant local and regional impacts, HB 1332 creates a tangible return on investment for the State of North Dakota. Based on projections prepared by the North Dakota Commerce Department, the project is estimated to generate \$6.1 million in personal income tax and \$649,000 in corporate income tax revenue during the two-year construction period. Once operational, the project will generate an estimated \$19.2 million in sales tax revenue and \$813,000 in individual income tax revenue to the State of North Dakota. Based on these projections, over \$26 million of the State's investment would be returned after the company has completed one year of operations, with a full return of the State's investment after 14 months.

The economic impact and return on investment of HB 1332 is evident. In addition, benefits to regional producers cannot be overstated. This contemplated project would create new food products for domestic distribution from a new crop variety, further diversifying the State of North Dakota agricultural economy. This project has been led by farmers and creates tremendous value for farmers, communities through Northeast North Dakota and the State of North Dakota.

Thank you, Chairman Beltz, Vice Chair Hauck, and members of the House Agriculture Committee for your service to the State of North Dakota and for the opportunity to provide testimony in support of HB 1332.



5301 32nd Ave S
Grand Forks, ND 58201-3312
Phone 701.795.4000
www.minnkota.com

Testimony of Melissa Beach in Support of HB 1332
House Agriculture Committee
Thursday, January 23, 2025

Chairman Beltz and members of the House Agriculture Committee:

My name is Melissa Beach, and I am the Economic Development Administrator at Minnkota Power Cooperative. I am here today to express my strong support for House Bill 1332.

For nearly 15 years, I've worked in economic development in eastern North Dakota. In that time, I've watched small farmers call it quits, and small businesses and communities struggle.

As economic developers, our role is to retain businesses, assist with community development and grow our economy through the creation of new wealth. For years, our state has explored and encouraged opportunities to strengthen our agricultural economy knowing it is critical we keep our valuable commodities in-state for processing rather than shipping grown products out-of-state. When our commodities leave the state our growers and communities are earning just a fraction of what eventually becomes a much more valuable process and end product.

For generations, our growers have invested in North Dakota to build facilities like pasta plants and sugar processing facilities. Occasionally, private opportunities do present themselves, but we often hear North Dakota isn't considered for processing investment due to the cost of transporting the final product to larger population regions. Why don't we process more of our canola, soybeans, corn, edible beans and potatoes in-state? It can be cost prohibitive to do so, and it is difficult to find companies to make the investment and take the risk on North Dakota.

When strong projects come along, we need to support them. The proposed potato processing facility is truly the work of growers digging to find new market opportunities. Potatoes used to be a much more prevalent crop in North Dakota, and slowly, the industry began to fade – taking many farms, businesses and communities with it.

We have a fantastic opportunity in front of us. The potato growers, the communities and the region are working to support this project. The obstacle of infrastructure to make us competitive with another state's location is what is needed to get this \$450M processing facility built in North Dakota. Beyond the initial investment, this project will impact small schools and communities. Potato storage scattered throughout the region, additional investments in inputs, equipment and labor are all great things for the state.

Most importantly, this project enhances the long-term sustainability of North Dakota's agricultural sector, providing farm families, communities and the state with greater economic resilience and stability.

I urge you to support HB 1332 to encourage continued investment in agricultural diversification and value-added agriculture in North Dakota. The proposed project is just one of many potential success stories that will benefit from this forward-thinking legislation. Thank you for your consideration.

Melissa Beach
Economic Development Administrator
mbeach@minnkota.com
P: 701.795.4225



Kenneth J. Bertsch
State Seed Commissioner



January 23, 2025

Chairman Beltz and members of the House Agriculture Committee:

My name is Ken Bertsch and I serve the agriculture industry as State Seed Commissioner. I ask the Committee for your support for HB 1332, which if enacted will positively impact the seed and commercial potato industries in North Dakota.

As you know, our agency is responsible for the certification of all seed crops in North Dakota including potato. What may be unknown is that North Dakota certifies the most acres of field crops, and the second most acres of potato seed in the U.S. On average, North Dakota growers certify 12,500-13,500 acres of potato each year over the past five years, down from 18-20,000 acres twenty years ago. There are a number of factors influencing this decrease, including lessening demand, high cost/risk and better per-acre yields. Our seed growers supply seed for all three sectors of the ND commercial industry: process, chip and table-stock potato.

The announcement of the Agristo project in Grand Forks means that our seed potato industry will (potentially) benefit in the same manner as the commercial production sector. Seed growers will explain that potato seed production can be estimated by a factor of 10X; in other words, it takes approximately 100 acres of seed to produce enough planting stock to produce 1000 commercial acres. While this is a rough calculation, it is reasonably close for estimating purposes.

The Agristo project estimates 30,000 acres (+/-) of commercial potato production in early phases of operation, and up to 45,000 acres in subsequent years. If these estimates hold true, rough math suggests the need for 3000 to 4500 acres of needed seed production in this region. Based on observations and discussions with relevant parties over the past 2 years, I would suggest that the majority of that seed production will occur in North Dakota.

If these estimates hold true, North Dakota's seed potato industry could grow by 20-35% over today's figures. In an industry that varies by the low single-digits from year to year, and has been in decline for decades, this is an amazing number. In an industry that has lost 30-40 percent of its growers over the past 20 years, we could possibly increase that number along with increasing acres in production. In an industry that spends \$3000-\$5000 per acre producing a crop, more rough math suggests an economic impact to seed growers of \$10-20 million dollars and triple that amount to the ag industry and local communities throughout North Dakota.

Thank you for the opportunity to provide comments on the Agristo project and HB 1332; this is the most positive development in the potato seed sector in years. The potential positive impact on the entire agriculture industry is equally profound. I respectfully request that the Agriculture Committee support a Do Pass for HB 1332 and value-added agriculture facility incentive funding.

"To assure integrity of the seed industry through a commitment to client service and product quality."



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

**Testimony of Laura Lacher
Economic Development Association of North Dakota
In Support of HB 1332
January 23, 2025**

Chair Beltz and members of the House Agriculture Committee:

My name is Laura Lacher, and I am the executive director of the Economic Development Association of North Dakota (EDND). I want to express our support for HB 1332 relating to appropriation for agriculture infrastructure grants to support new or existing value-added agriculture businesses.

EDND represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota to develop more vibrant and efficient communities and improve quality of life.

EDND believes smart, efficient infrastructure that gives North Dakota the capacity to grow is critically important to the health and vitality of North Dakota. Our members support robust funding options to support local infrastructure projects and the state growth from these projects.

The agriculture infrastructure grants will help develop and enhance North Dakota businesses, farmers and communities through the support of critical and timely infrastructure development. This funding will create opportunities and upgrades that will increase the supply of North Dakota agriculture products, enhance the supply chain resilience, and help grow and sustain North Dakota's heritage industry – agriculture. The long-term success of our state depends on new markets and the sustainability of our rural communities.

Thank you for taking the time to discuss HB 1332 and infrastructure support for our communities. EDND and our member communities urge you to support much-needed funding for our agriculture businesses. Thank you.



House Bill 1332
House Agriculture Committee
Aaron Weber – Policy Director, Office of the Governor
January 23, 2025

Chairman Beltz and Members of the Committee,

On behalf of Governor Armstrong and Lieutenant Governor Strinden, thank you for the opportunity to provide testimony in support of House Bill 1332. This legislation is a key opportunity to strengthen our agriculture sector, drive economic growth, and support farmers and ranchers in North Dakota.

In his State of the State address earlier this month, Governor Armstrong committed to promoting pro-agriculture policies and creating value-added agriculture opportunities across the state. HB 1332 is forward-thinking legislation that aligns perfectly with those priorities.

HB 1332 establishes an incentive program to attract value-added agriculture projects, which will create high-quality jobs and spur economic activity, benefiting communities across our state. These projects also benefit our agriculture producers by improving profitability by creating new, local markets for their products.

North Dakota has a long history of success in attracting value-added agriculture projects to our state. This legislation will provide an additional tool to build on this success, benefiting our farmers, ranchers, and communities for years to come. We respectfully ask the committee to advance this bill with a do pass recommendation.

Thank you for your time and consideration.



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
House Agriculture Committee
January 23, 2025**

Chairman Beltz and members of the Agriculture Committee,

My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports HB 1332, thank you for the opportunity to testify.

This bill would create a new value-added facility incentive program within the Agricultural Diversification and Development (ADD) fund. HB 1332 establishes a process for responsible state investment for an exciting new potato processing facility. That process includes:

1. Vetting investments through the ADD Committee to ensure the project meets the requirements established by the legislature, including a strong economic contribution to the state;
2. Providing a \$15 million incentive to a value-added agriculture facility after the facility completes construction; and
3. Providing another \$15 million after the facility reaches 50% of its production capacity.

This legislation is intended to support development of a new \$450 million yellow potato processing facility in the northeast corner of the state. That facility will significantly increase demand for potatoes in the region, creating important new opportunities for North Dakota farmers. The project would be a major boost to the regional and state economy.

As noted above, HB 1332 requires the ADD Committee to vet the eligible project. The ADD fund is one of North Dakota's unique tools for developing value-added agriculture in our state. Since its establishment in 2021, it has helped secure dozens of projects, including local meat processors, ethanol facilities, craft malting, pea flour processing and more. The ADD Committee has demonstrated a strong ability to make wise investments that benefit agriculture and the broader economy.

We respectfully request a "Do Pass" recommendation on HB 1332. I will stand for any questions.

1/23/25

Chairman Beltz and members of the committee.

My name is David Fedje, I Am from Hoople, ND. I farm in and around the Hoople-Crystal area. I raise certified seed potatoes, yellow , red, round white and russet varieties. I also raise spring wheat , pinto beans, soybeans and canola. I am a board member of the Northland Potato Growers Association and also represent the North Dakota potato council on North Dakota State Seed Commision.

I am here to ask for your support on HB1332 to provide additional infrastructure funding for the 500 million dollar Agristo French fry processing plant to be built in Grand Forks North Dakota. Over the last 3 years, I have, and alot of our potato industry have had the privilege to get to know the Agristo family. The first thing the Agristo did was approach the farmers and get our thoughts on growing yellow potatoes for french fries, availability of land, and our area accepting a foreign company in our community. Agristo consulted with our local agronomists and growers and has 2 years of extensive variety trials in many different growing areas. The results in North Dakota were excellent. As we got to know the Agristo family it became apparent that our philosophy and theirs aligned. They have always said employees#1, growers#2 and customers #3.

I was fortunate to be asked to travel to Belgium and look at their operation. There we visited their factories, growers and the opportunity to see and interact with their culture. The factories were sophisticated, modern and extremely clean. No smells or clouds of smoke/steam out of factories. All the people we met were extremely courteous and open. The farmers we visited were open to us coming and seeing their operations, all had great relationships with Agristo.

I believe the impact of this plant will better North Dakota in many ways. A building of a new potato processing plant is a unique,if not, a once in generation opportunity. The adding of 25000 acres of potatoes gives farmers in North Dakota another profitable crop option. A surge in building and expansion would better many businesses. This is a great benefit for large communities and just as beneficial if not more for our rural small communities here in North Dakota.

I believe this is a great opportunity for North Dakota, North Dakota Famers, the ag industry and all surrounding communities.

Thank you.

1/23/25

Chairman Beltz, and members of the committee.

My name is Brad Nilson from Hoople ND. My partners and I raise certified seed potatoes, wheat and soybeans. I also represent the Northland Potatoes Growers Association on the North Dakota State Seed Commission.

I am here to ask for your support on HB1332 to provide additional infrastructure funding for the \$450,000,000-\$500,000,000 Agristo French fry plant to be constructed in Grand Forks, ND, beginning with site preparations this spring.

I have had the privilege to get to know the Agristo family over the last 3 years. When they first met with growers to see if there would be interest in producing for them and if there was land available, the response was overwhelming. Their next question was, will we as a foreign company named Agristo be welcome in our area? Will our culture be accepted in your communities? They shared their philosophy with the growers: Employees are #1, Growers are #2 and their customers are #3. Growers are excited with Agristo's business philosophy and look forward to profitable relationship for all.

Last week Agristo hosted 20 plus seed growers and potato industry people, including myself, for a week in Belgium and in the Netherlands to tour 2 of their processing facilities and visit with various seed growers and potato breeding companies. It was quickly apparent that what they had been saying in all the meetings about their philosophy, culture and stewardship the last years is exactly what they are about. Their factories were efficient, large, very clean, quiet and produced no odors. Their employee average age was 34 years. Retention of employees was very high, with most employees moving on to better jobs within the company.

Agristo will produce 300,000 mt of finished product per year. They will need 12 million cwt of raw potatoes per year, approximately 28-32 thousand acres. Those acres will require an additional 2,500-3,000 acres of seed potatoes that will be produced mostly in North Dakota. They will employ 300-350 people. Completion of the Agristo french fry plant is expected by the first half of 2028.

In closing I firmly believe Agristo offers great opportunities to not only the ag industries in North Dakota, but will also be of great benefit to our surrounding communities.

Thank you and I would welcome any questions

Hagert

Proposed Amendment~~HB1331~~

HB 1332

SECTION 2. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND.

~~The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the agriculture diversification and development fund, during the biennium beginning July 1, 2025, and ending June 30, 2027.~~

If a grant commitment is made under the value-added agriculture production facility incentive program during the biennium beginning July 1, 2025, and ending June 30, 2027, the agriculture commissioner shall request a transfer from the strategic investment and improvements fund to the agriculture diversification and development fund, from the seventieth legislative assembly. The amount of the request shall not exceed \$30,000,000.

COMMISSIONER
DOUG GOEHRING



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

**NORTH DAKOTA
DEPARTMENT OF AGRICULTURE**

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

**Testimony of Doug Goehring
Agriculture Commissioner
House Agriculture Committee
J-Wing 327C
January 23, 2023**

Chairman Beltz, and members of the House Agriculture Committee, I am Agriculture Commissioner Doug Goehring and I'm here today in support of House Bill 1332.

The agriculture diversification and development committee was created as part of the agriculture diversification and development fund (ADD) to provide grants and interest buy downs to projects meeting the requirements of ADD. To date, we have provided funding to 29 projects totaling \$5,888,921.00 in grants and \$15 million in interest buy downs on 19 projects on loans of \$126 million. Primary discussion surrounding HB 1332 is related to a major potato processing company that has a global footprint and wishes to establish a presence in North America. What I find impressive about the company is their commitment and due diligence. They've spent the last three years, studying the economic aspects, agronomy, soils, communities, culture, growers, and transportation. They have even done 2 years of field trials in both Wisconsin and North Dakota. I can truthfully say in all the years that I have worked with Companies and aware of Company activities that were interested in locating in North Dakota I have never seen this type of a thorough review by a company

before. Their decision has come down to culture, relationships, and a committed effort and potential partnership with the community and the state.

I believe they were truly impressed with how we came together to discuss challenges and opportunities; we were all very forthright in what the landscape looks like for their \$500 million investment in our state.

I believe the great deal of interest that was expressed by our growers and potential commitment of their own investment in the infrastructure they are committed to illustrate a true partnership could be built and would support them in anchoring a presence here in North America. By partnering with Grand Forks and the growers from 15 different counties I believe we can secure that presence here in North Dakota.

These grants have assisted in retaining and expanding value added agriculture in the State. The expansion of the ADD program to include value-added agriculture facility incentive funding is vital in recruiting large scale, value added agricultural processing to the State.

Chairman Beltz, and committee members, thank you for your time and I'd be happy to answer any questions you may have.

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee Room JW327C, State Capitol

HB 1332
1/24/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to a value-added agriculture facility incentive program; and to provide a transfer

9:35 a.m. Chairman Beltz opened the meeting.

Members Present: Chairman Beltz, Vice Chairman Hauck, Representatives Anderson, Dobervich, Henderson, Holle, Hoverson, Kiefert, Nehring, Olson, Rios, Schreiber-Beck, Tveit, Vollmer

Discussion Topics:

- Committee Action

9:36 a.m. Representative Anderson moved to Adopt Amendment LC #25.0541.04001, #38330.

9:37 a.m. Representative Holle moved to second.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	Y
Representative Gretchen Dobervich	Y
Representative Donna Henderson	Y
Representative Dawson Holle	Y
Representative Jeff Hoverson	N
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 13-1-0

9:39 a.m. Representative Hauck moved a Do Pass as amended and Rereferred to Appropriations.

9:39 a.m. Chairman Rios seconded the motion.

Representatives	Vote
Representative Mike Beltz	Y
Representative Dori Hauck	Y
Representative Karen A. Anderson	Y
Representative Gretchen Dobervich	Y
Representative Donna Henderson	N
Representative Dawson Holle	Y
Representative Jeff Hoverson	N
Representative Dwight Kiefert	Y
Representative Dennis Nehring	Y
Representative SuAnn Olson	Y
Representative Nico Rios	Y
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 12-2-0

9:46 a.m. Representative Anderson will carry the bill.

9:46 a.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

- 1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; and to provide a transfer.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 4 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
7 **appropriation.**

- 8 1. There is created in the state treasury the agriculture diversification and development
9 fund. The fund consists of all moneys transferred to the fund by the legislative
10 assembly, interest upon moneys in the fund, and payments of interest and principal on
11 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
12 Dakota on a continuing basis for loan disbursements and administrative costs
13 pursuant to this section, and moneys in the fund are appropriated to the agriculture
14 commissioner on a continuing basis for grants and value-added agriculture facility
15 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
16 diversification and development committee shall designate the amount available from
17 the fund for loans, interest rate buydowns, ~~and grants,~~ and value-added agriculture
18 facility incentive funding.
19 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
20 from the fund to support new or expanding value-added agriculture businesses that

Sixty-ninth
Legislative Assembly

- 1 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create
- 2 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
- 3 from the fund for infrastructure improvements necessary for the development or
- 4 expansion of new or existing value-added agriculture businesses. Value-added
- 5 agriculture businesses include food production or processing facilities; feed or pet food
- 6 processing facilities; commodity processing facilities; agriculture product
- 7 manufacturers; and animal agriculture production facilities, including swine, poultry,
- 8 dairy, and feed lot production facilities.
- 9 3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns
- 10 from the fund in consultation with the agriculture diversification and development
- 11 committee. The Bank shall review loan applications. To be eligible for a loan under this
- 12 section, an entity shall agree to provide the Bank with information as requested. The
- 13 Bank may develop policies for loan participation with local financial institutions. The
- 14 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.
- 15 The Bank may use a portion of the interest paid as a servicing fee to pay for
- 16 administrative costs, which may not exceed one-half of one percent of the amount of
- 17 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,
- 18 and the cost of the audit must be paid from the fund.
- 19 4. The agricultural diversification and development committee shall develop policies for
- 20 grants from the fund to support new or expanding value-added agriculture businesses,
- 21 including eligibility criteria, maximum grant amounts, and reporting requirements.
- 22 Based on recommendations from the agricultural diversification and development
- 23 committee, the agriculture commissioner shall distribute the grant funding.
- 24 5. The agricultural diversification and development committee shall develop a value-
- 25 added agriculture production facility incentive program to provide grants. Grant award
- 26 funding for the value-added agriculture production facility incentive program under this
- 27 subsection is limited to thirty million dollars.
- 28 a. To be eligible for a grant award under the value-added agriculture production
- 29 facility incentive program, the production facility must:
- 30 (1) Be located within the state;

(2) Be a new construction project on an industrial-ready site with access to existing municipal infrastructure;

(3) Have capital investment of at least three hundred fifty million dollars and leverage regional agricultural producer capital investment to support the facility's operations;

(4) Have a competing offer from at least one other midwestern state;

(5) Produce a new agriculture product or variant of an existing agriculture product to provide a domestic supply of the product and to diversify the market for agriculture products; and

(6) Have an estimated economic contribution of at least twenty million dollars when fully operational based on an economic analysis conducted by the Bank.

b. Grant funding under the program is a reimbursement for infrastructure, site acquisition, or other capital expenditures necessary for the value-added agriculture facility construction, including natural gas supply, electricity supply, roads, water lines, wastewater lines, storm water conveyance, or rail lines.

c. Upon issuance of a certificate of occupancy for the value-added agriculture production facility, the agriculture commissioner shall distribute a grant equal to fifty percent of the total grant award from funding available in the agriculture diversification and development fund.

d. Upon achieving fifty percent of the production capacity of the value-added agriculture production facility, the agriculture commissioner shall distribute the remainder of the grant award from funding available in the agriculture diversification and development fund.

e. If the agriculture diversification and development committee approves a grant under this subsection, the agriculture commissioner shall request from the legislative assembly during the next regular or special session, a transfer from the strategic investment and improvements fund to the agriculture diversification and development fund, to provide grant funding in an amount equal to the amount approved by the committee.

1 ~~SECTION 2. TRANSFER STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO~~
2 ~~AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND.~~ The office of management
3 and budget shall transfer the sum of \$30,000,000 from the strategic investment and
4 improvements fund, to the agriculture diversification and development fund, during the biennium
5 beginning July 1, 2025, and ending June 30, 2027.

**REPORT OF STANDING COMMITTEE
HB 1332**

Agriculture Committee (Rep. Beltz, Chairman) recommends **AMENDMENTS** ([25.0541.04001](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1332 was placed on the Sixth order on the calendar.

25.0541.04001
Title.05000

Adopted by the Agriculture Committee

January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

- 1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; and to provide a transfer.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

- 4 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
7 **appropriation.**

- 8 1. There is created in the state treasury the agriculture diversification and development
9 fund. The fund consists of all moneys transferred to the fund by the legislative
10 assembly, interest upon moneys in the fund, and payments of interest and principal on
11 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
12 Dakota on a continuing basis for loan disbursements and administrative costs
13 pursuant to this section, and moneys in the fund are appropriated to the agriculture
14 commissioner on a continuing basis for grants and value-added agriculture facility
15 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
16 diversification and development committee shall designate the amount available from
17 the fund for loans, interest rate buydowns, ~~and grants, and value-added agriculture~~
18 facility incentive funding.
19 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
20 from the fund to support new or expanding value-added agriculture businesses that

demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued from the fund for infrastructure improvements necessary for the development or expansion of new or existing value-added agriculture businesses. Value-added agriculture businesses include food production or processing facilities; feed or pet food processing facilities; commodity processing facilities; agriculture product manufacturers; and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.

3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns from the fund in consultation with the agriculture diversification and development committee. The Bank shall review loan applications. To be eligible for a loan under this section, an entity shall agree to provide the Bank with information as requested. The Bank may develop policies for loan participation with local financial institutions. The Bank shall deposit in the fund all principal and interest paid on the outstanding loans. The Bank may use a portion of the interest paid as a servicing fee to pay for administrative costs, which may not exceed one-half of one percent of the amount of the outstanding loans. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

4. The agricultural diversification and development committee shall develop policies for grants from the fund to support new or expanding value-added agriculture businesses, including eligibility criteria, maximum grant amounts, and reporting requirements. Based on recommendations from the agricultural diversification and development committee, the agriculture commissioner shall distribute the grant funding.

5. The agricultural diversification and development committee shall develop a value-added agriculture production facility incentive program to provide grants. Grant award funding for the value-added agriculture production facility incentive program under this subsection is limited to thirty million dollars.

a. To be eligible for a grant award under the value-added agriculture production facility incentive program, the production facility must:

(1) Be located within the state;

(2) Be a new construction project on an industrial-ready site with access to existing municipal infrastructure;

(3) Have capital investment of at least three hundred fifty million dollars and leverage regional agricultural producer capital investment to support the facility's operations;

(4) Have a competing offer from at least one other midwestern state;

(5) Produce a new agriculture product or variant of an existing agriculture product to provide a domestic supply of the product and to diversify the market for agriculture products; and

(6) Have an estimated economic contribution of at least twenty million dollars when fully operational based on an economic analysis conducted by the Bank.

b. Grant funding under the program is a reimbursement for infrastructure, site acquisition, or other capital expenditures necessary for the value-added agriculture facility construction, including natural gas supply, electricity supply, roads, water lines, wastewater lines, storm water conveyance, or rail lines.

c. Upon issuance of a certificate of occupancy for the value-added agriculture production facility, the agriculture commissioner shall distribute a grant equal to fifty percent of the total grant award from funding available in the agriculture diversification and development fund.

d. Upon achieving fifty percent of the production capacity of the value-added agriculture production facility, the agriculture commissioner shall distribute the remainder of the grant award from funding available in the agriculture diversification and development fund.

e. If the agriculture diversification and development committee approves a grant under this subsection, the agriculture commissioner shall request from the legislative assembly during the next regular or special session, a transfer from the strategic investment and improvements fund to the agriculture diversification and development fund, to provide grant funding in an amount equal to the amount approved by the committee.

1 ~~SECTION 2. TRANSFER -- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO~~
2 ~~AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND.~~ The office of management
3 and budget shall transfer the sum of \$30,000,000 from the strategic investment and
4 improvements fund, to the agriculture diversification and development fund, during the biennium
5 beginning July 1, 2025, and ending June 30, 2027.

2025 HOUSE APPROPRIATIONS

HB 1332

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1332
2/3/2025

A BILL for an Act to amend and reenact section 4. 1-01. 1-07 of the North Dakota Century Code, relating to a value-added agriculture facility incentive program; and to provide a transfer.

9:01 a.m. Vice Chairman Kempenich called the meeting to order.

Members Present: Chairman Vigesaa, Vice Chair Kempenich, Representatives: Anderson, Berg, Bosch, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner.

Members Absent: Representative Brandenburg

Discussion Topics:

- Agriculture Diversification Program
- Process of Evaluation
- Agriculture Committee
- Grant funding for program
- Natural Gas and Electricity
- Bank of North Dakota involvement
- Strategic Investment Improvement fund

9:01a.m. Representative Mike Beltz introduced the bill.

9:18 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of North Dakota, testified in favor.

9:27 a.m. Brandon Bochenski, Mayor, City of Grand Forks, testified in favor.

9:35 a.m. Vice Chairman Kempenich closed the meeting.

Madaline Cooper, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

HB 1332
2/20/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to a value-added agriculture facility incentive program; and to provide a transfer.

10:39 a.m. Chairman Vigesaa called the meeting to order.

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, Richter, Sanford, Stemen, Swiontek, Wagner

Discussion Topics:

- Grand Forks Project
- Potato Market

10:40 a.m. Representative Hagert introduced the bill.

10:40 a.m. Chairman Vigesaa introduced amendment LC #25.0541.05002, #38213.

10:41 a.m. Calvin Hullet, Chief Business Development Officer, Bank of North Dakota, explained the bill and answered questions from the committee.

10:51 a.m. Brandon Bochenski, Mayor of Grand Forks, testified In Favor, #38220.

Representative Brandenburg moved to adopt the amendment LC #25.0541.05002.

Representative Murphy seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen 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	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

Motion passed 23-0-0.

Representative O'Brien moved Do Pass as amended.

Representative Stemen seconded the motion.

Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen 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	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

Motion passed 23-0-0.

Representative K. Anderson will carry the Bill.

11:01 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Risa Berube, Committee Clerk

RS 2/20/25
1 of 4

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; ~~and~~ to provide a transfer; and to
3 provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
8 **appropriation.**

9 1. There is created in the state treasury the agriculture diversification and development
10 fund. The fund consists of all moneys transferred to the fund by the legislative
11 assembly, interest upon moneys in the fund, and payments of interest and principal on
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
13 Dakota on a continuing basis for loan disbursements and administrative costs
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture
15 commissioner on a continuing basis for grants and value-added agriculture facility
16 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
17 diversification and development committee shall designate the amount available from
18 the fund for loans, interest rate buydowns, ~~and~~ grants, and value-added agriculture
19 facility incentive funding.

- 1 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
2 from the fund to support new or expanding value-added agriculture businesses that
3 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create
4 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
5 from the fund for infrastructure improvements necessary for the development or
6 expansion of new or existing value-added agriculture businesses. Value-added
7 agriculture businesses include food production or processing facilities; feed or pet food
8 processing facilities; commodity processing facilities; agriculture product
9 manufacturers; and animal agriculture production facilities, including swine, poultry,
10 dairy, and feed lot production facilities.
- 11 3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns
12 from the fund in consultation with the agriculture diversification and development
13 committee. The Bank shall review loan applications. To be eligible for a loan under this
14 section, an entity shall agree to provide the Bank with information as requested. The
15 Bank may develop policies for loan participation with local financial institutions. The
16 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.
17 The Bank may use a portion of the interest paid as a servicing fee to pay for
18 administrative costs, which may not exceed one-half of one percent of the amount of
19 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,
20 and the cost of the audit must be paid from the fund.
- 21 4. The agricultural diversification and development committee shall develop policies for
22 grants from the fund to support new or expanding value-added agriculture businesses,
23 including eligibility criteria, maximum grant amounts, and reporting requirements.
24 Based on recommendations from the agricultural diversification and development
25 committee, the agriculture commissioner shall distribute the grant funding.
- 26 5. The agricultural diversification and development committee shall develop a value-
27 added agriculture production facility incentive program to provide grants. Grant award
28 funding for the value-added agriculture production facility incentive program under this
29 subsection is limited to thirty million dollars.
 - 30 a. To be eligible for a grant award under the value-added agriculture production
31 facility incentive program, the production facility must:

- 1 (1) Be located within the state;
- 2 (2) Be a new construction project on an industrial-ready site with access to
- 3 existing municipal infrastructure;
- 4 (3) Have capital investment of at least three hundred fifty million dollars and
- 5 leverage regional agricultural producer capital investment to support the
- 6 facility's operations;
- 7 (4) Have a competing offer from at least one other midwestern state;
- 8 (5) Produce a new agriculture product or variant of an existing agriculture
- 9 product to provide a domestic supply of the product and to diversify the
- 10 market for agriculture products; and
- 11 (6) Have an estimated economic contribution of at least twenty million dollars
- 12 when fully operational based on an economic analysis conducted by the
- 13 Bank.
- 14 b. Grant funding under the program is a reimbursement for infrastructure, site
- 15 acquisition, or other capital expenditures necessary for the value-added
- 16 agriculture facility construction, including natural gas supply, electricity supply,
- 17 roads, water lines, wastewater lines, storm water conveyance, or rail lines.
- 18 c. Upon issuance of a certificate of occupancy for the value-added agriculture
- 19 production facility, the agriculture commissioner shall distribute a grant equal to
- 20 fifty percent of the total grant award from funding available in the agriculture
- 21 diversification and development fund.
- 22 d. Upon achieving fifty percent of the production capacity of the value-added
- 23 agriculture production facility, the agriculture commissioner shall distribute the
- 24 remainder of the grant award from funding available in the agriculture
- 25 diversification and development fund.
- 26 e. The Bank of North Dakota may extend a line of credit of up to thirty million dollars
- 27 to the agriculture commissioner to support a grant from the fund under this
- 28 subsection. The interest rate associated with the line of credit must be the
- 29 prevailing interest rate charged to North Dakota governmental entities.
- 30 f. If the agriculture diversification and development committee approves a grant
- 31 under this subsection, the agriculture commissioner may access the line of credit

1 under this subsection through June 30, 2029, to provide funding for the grant.
2 Any moneys borrowed from the Bank pursuant to this subsection must be
3 transferred to the fund. If the agriculture commissioner accesses the line of
4 credit, the commissioner shall request from the legislative assembly ~~during the~~
5 ~~next regular or special session, a transfer from the strategic investment and~~
6 ~~improvements fund to the agriculture diversification and development fund, to~~
7 ~~provide grant funding in an amount equal to the amount approved by the~~
8 ~~committee~~ a deficiency appropriation to repay the line of credit.

9 **SECTION 2. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that
10 date is ineffective.

**REPORT OF STANDING COMMITTEE
ENGROSSED HB 1332**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.0541.05002](#)) and when so amended, recommends **DO PASS** (23 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1332 was placed on the Sixth order on the calendar.

25.0541.05002
Title.

Prepared by the Legislative Council
staff for Representative Vigesaa
February 4, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; ~~and to provide a transfer; and to~~
3 provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
8 **appropriation.**

9 1. There is created in the state treasury the agriculture diversification and development
10 fund. The fund consists of all moneys transferred to the fund by the legislative
11 assembly, interest upon moneys in the fund, and payments of interest and principal on
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
13 Dakota on a continuing basis for loan disbursements and administrative costs
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture
15 commissioner on a continuing basis for grants and value-added agriculture facility
16 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
17 diversification and development committee shall designate the amount available from
18 the fund for loans, interest rate buydowns, ~~and grants; and value-added agriculture~~
19 facility incentive funding.

- 1 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
2 from the fund to support new or expanding value-added agriculture businesses that
3 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create
4 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
5 from the fund for infrastructure improvements necessary for the development or
6 expansion of new or existing value-added agriculture businesses. Value-added
7 agriculture businesses include food production or processing facilities; feed or pet food
8 processing facilities; commodity processing facilities; agriculture product
9 manufacturers; and animal agriculture production facilities, including swine, poultry,
10 dairy, and feed lot production facilities.
- 11 3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns
12 from the fund in consultation with the agriculture diversification and development
13 committee. The Bank shall review loan applications. To be eligible for a loan under this
14 section, an entity shall agree to provide the Bank with information as requested. The
15 Bank may develop policies for loan participation with local financial institutions. The
16 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.
17 The Bank may use a portion of the interest paid as a servicing fee to pay for
18 administrative costs, which may not exceed one-half of one percent of the amount of
19 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,
20 and the cost of the audit must be paid from the fund.
- 21 4. The agricultural diversification and development committee shall develop policies for
22 grants from the fund to support new or expanding value-added agriculture businesses,
23 including eligibility criteria, maximum grant amounts, and reporting requirements.
24 Based on recommendations from the agricultural diversification and development
25 committee, the agriculture commissioner shall distribute the grant funding.
- 26 5. The agricultural diversification and development committee shall develop a value-
27 added agriculture production facility incentive program to provide grants. Grant award
28 funding for the value-added agriculture production facility incentive program under this
29 subsection is limited to thirty million dollars.
- 30 a. To be eligible for a grant award under the value-added agriculture production
31 facility incentive program, the production facility must:

- 1 (1) Be located within the state;
- 2 (2) Be a new construction project on an industrial-ready site with access to
- 3 existing municipal infrastructure;
- 4 (3) Have capital investment of at least three hundred fifty million dollars and
- 5 leverage regional agricultural producer capital investment to support the
- 6 facility's operations;
- 7 (4) Have a competing offer from at least one other midwestern state;
- 8 (5) Produce a new agriculture product or variant of an existing agriculture
- 9 product to provide a domestic supply of the product and to diversify the
- 10 market for agriculture products; and
- 11 (6) Have an estimated economic contribution of at least twenty million dollars
- 12 when fully operational based on an economic analysis conducted by the
- 13 Bank.
- 14 b. Grant funding under the program is a reimbursement for infrastructure, site
- 15 acquisition, or other capital expenditures necessary for the value-added
- 16 agriculture facility construction, including natural gas supply, electricity supply,
- 17 roads, water lines, wastewater lines, storm water conveyance, or rail lines.
- 18 c. Upon issuance of a certificate of occupancy for the value-added agriculture
- 19 production facility, the agriculture commissioner shall distribute a grant equal to
- 20 fifty percent of the total grant award from funding available in the agriculture
- 21 diversification and development fund.
- 22 d. Upon achieving fifty percent of the production capacity of the value-added
- 23 agriculture production facility, the agriculture commissioner shall distribute the
- 24 remainder of the grant award from funding available in the agriculture
- 25 diversification and development fund.
- 26 e. The Bank of North Dakota may extend a line of credit of up to thirty million dollars
- 27 to the agriculture commissioner to support a grant from the fund under this
- 28 subsection. The interest rate associated with the line of credit must be the
- 29 prevailing interest rate charged to North Dakota governmental entities.
- 30 f. If the agriculture diversification and development committee approves a grant
- 31 under this subsection, the agriculture commissioner may access the line of credit

1 under this subsection through June 30, 2029, to provide funding for the grant.
2 Any moneys borrowed from the Bank pursuant to this subsection must be
3 transferred to the fund. If the agriculture commissioner accesses the line of
4 credit, the commissioner shall request from the legislative assembly during the
5 next regular or special session, a transfer from the strategic investment and
6 improvements fund to the agriculture diversification and development fund, to
7 provide grant funding in an amount equal to the amount approved by the
8 committeea deficiency appropriation to repay the line of credit.

9 **SECTION 2. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that
10 date is ineffective.

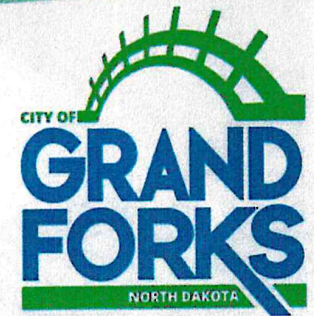
ND Agristo

Major Expansion of the ND Value
Added Agriculture & Potato Market

February 19, 2025



NORTHLAND
POTATOES



ND Agristo Overview

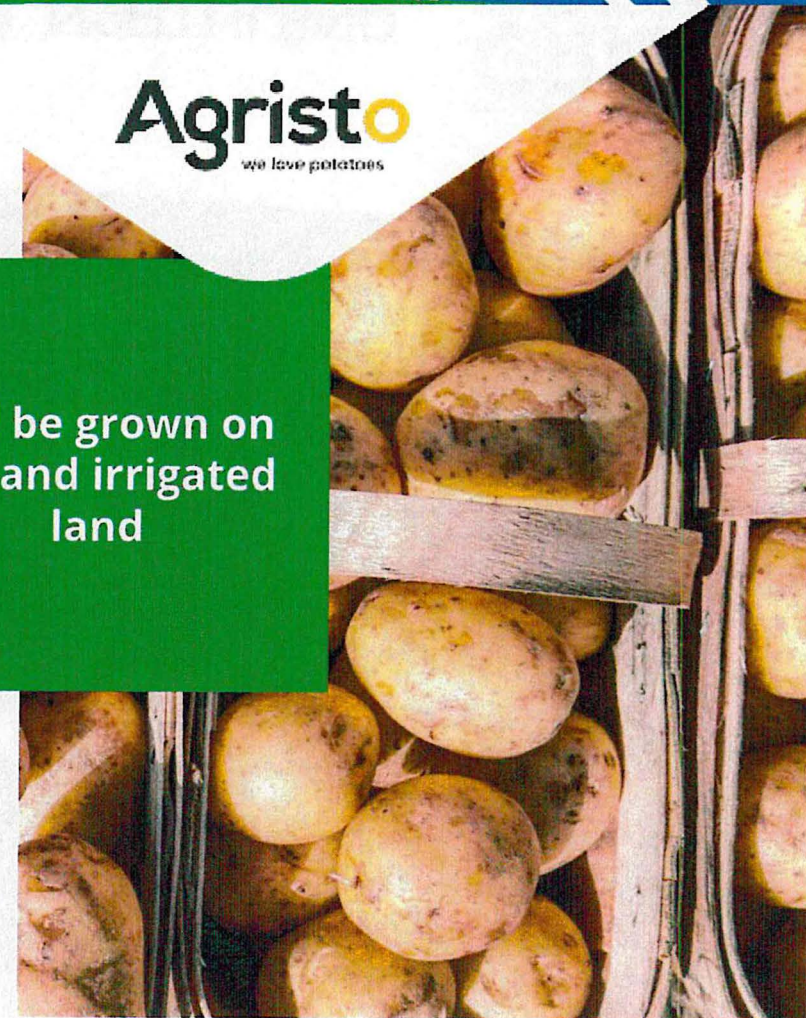
Family-Owned from Belgium and expanding to further serve the U.S. frozen retail market

2 Years of test growing (dry and irrigated) in ND of a new yellow potato from Europe

Will be grown on dry and irrigated land

100+ ND farms in 12 counties and 200 miles around Grand Forks; additional 20,000 acres to the estimated 72,000 acres of potatoes in ND

Agristo
we love potatoes



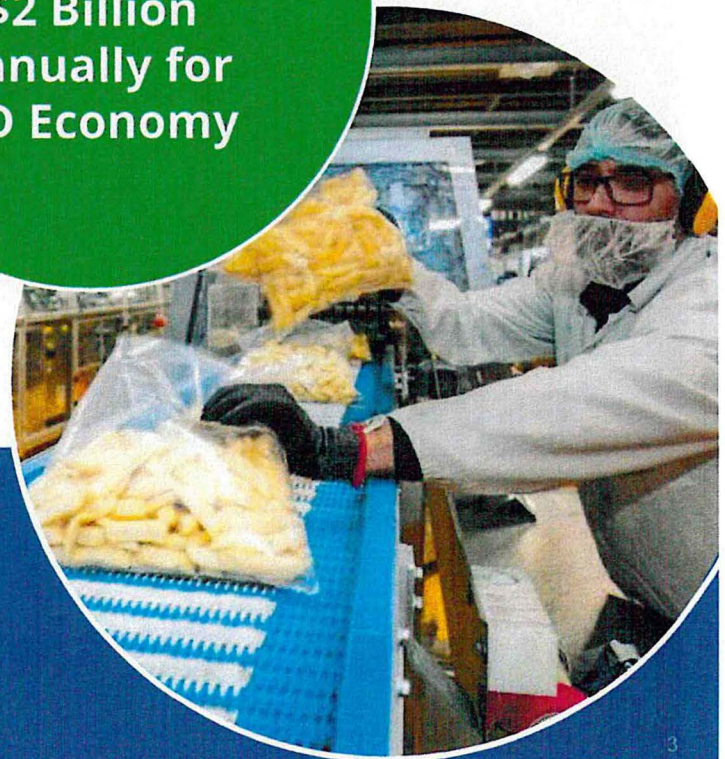
Agristo + ND

Northland Potato Growers
Association + City of Grand Forks
+ State of ND **Collaboration to
grow the ND potato industry**

WORKFORCE

Agristo is working with
experienced labor recruiters
to source employees.

Potato Industry
Generates Over
\$2 Billion
annually for
ND Economy



Agristo Investment

\$450 million

**Direct and Initial
Investment**
in processing facility

\$150 million

Grower Investment
for on-farm and off-farm
grower collaborative
storage.

20% increase
above existing inputs
for area suppliers

=

**Generate est. \$1 Billion
in economic activity
from construction**



Economic Impact

Construction

4,904

CONSTRUCTION JOBS

with \$759M Payroll

+

\$37.9M

STATE SALES TAX

+

\$17M

CITY SALES TAX

+

\$6.1M

INDIVIDUAL
INCOME TAX

Economic Impact

Operations

250 DIRECT JOBS

with \$15M Annual Payroll

406 INDIRECT JOBS

with \$26.7M Annual Payroll
(Suppliers, Grower Labor)

\$19.2M
STATE SALES TAX

+

\$8.6M
CITY SALES TAX
(Annual)

\$813,000
INCOME TAX

+

\$2.26M
CORPORATE INCOME TAX
(Annual)



HOUSE BILL NO. 1332

Agriculture Diversification
and Development Fund


- Up to \$30 million for infrastructure and industrial property
- 9 proposed requirements (Agristo meets/exceeds all)
- Proposed \$30M Grant to be used for land, rail service, and infrastructure special assessments
- Peony/Fufeng site for Agristo (with infrastructure)



City will have invested over \$28 million in infrastructure on industrial ready site and the 20 year/90% property tax incentive is estimated to be \$57 million.

HB 1332 Proposed Requirements

Proposed Requirement	Agristo Facility Details
Located in ND	Facility is proposed to be located on the North End of the City of Grand Forks
New Construction on Industrial-Ready Site	Two industrial ready sites are currently under consideration. The preferred site is the land known as the Peony Site that was proposed for the Fufeng wet corn mill and that is still under private ownership.
Minimum investment of \$350M	Project is currently estimated at \$450M
Leverage Regional Agricultural Producer Capital Investments	Agricultural producers are expected to need approximately \$150M in on-farm investment to support the project.
Have a Competing Offer from at Least One Other Midwestern State	North Dakota/Grand Forks was in Direct Competition with Wisconsin/Stevens Point for this project.
Produce a New Agricultural Product	The Facility will create food products for domestic distribution from a new variety of yellow potato that just completed 2-years of test trials in ND.
Have an Estimated Annual Economic Impact of greater than \$20M	The project is expected to create nearly \$42M in annual wages from direct and induced job creation.

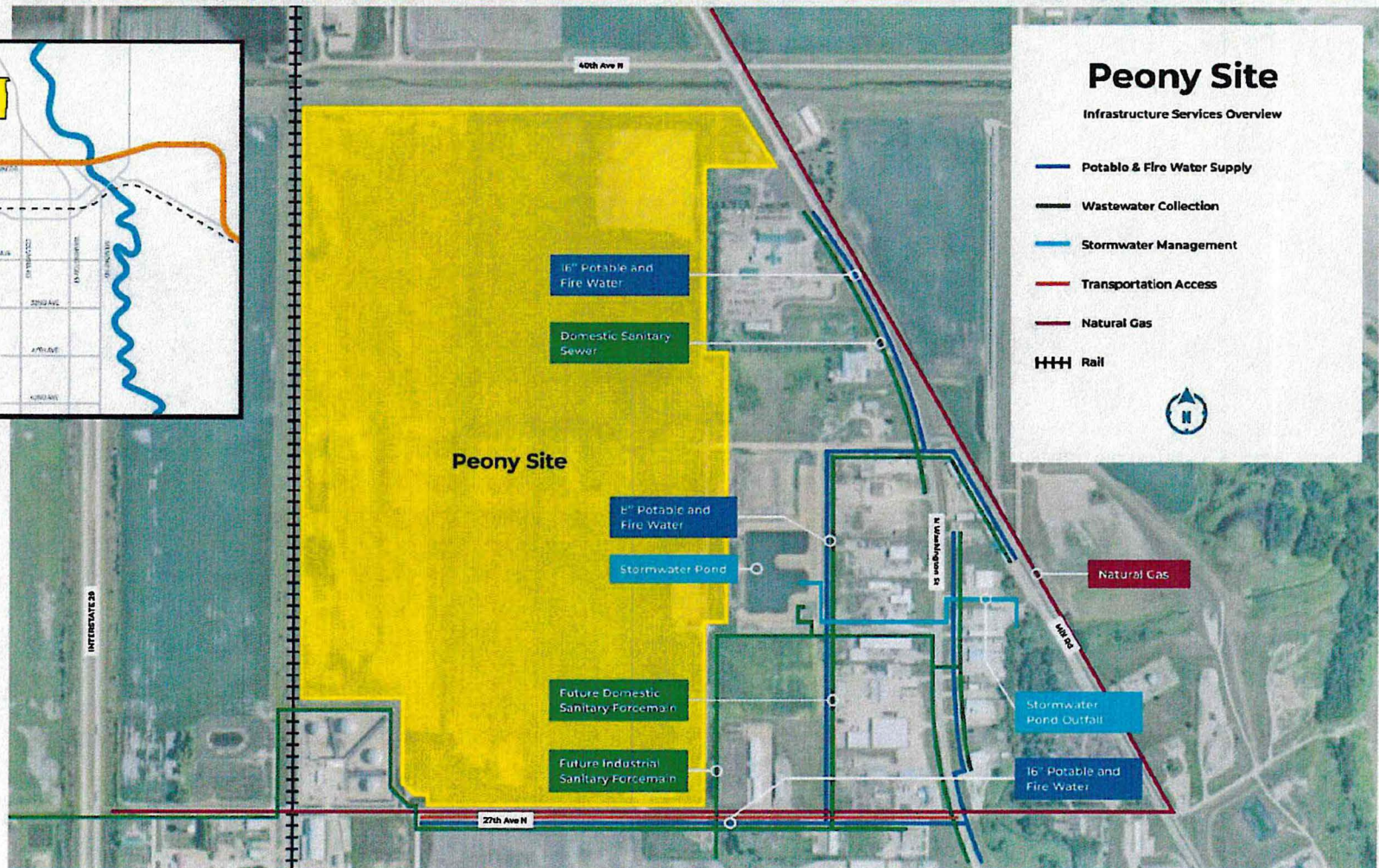
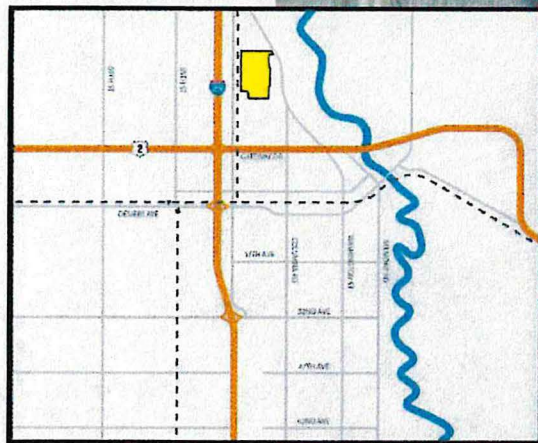


Why are Grant Dollars Necessary?

- More financially feasible site in Wisconsin
- Over \$40M more financially beneficial
(Based on life-cycle cost analysis)
- Primarily comprised of land and site access infrastructure & a more robust tax subsidization program
- Logistical costs were significantly less
(no freight rail service)

Grand Forks vs. Wisconsin Site

	North Dakota/ Grand Forks Site	Wisconsin/ Stevens Point Site
Tax Exemption	20-year / 90%	20-year / 100%
Taxation of Land Value	Full Value	100% Exempt
Public Infrastructure Assessments	\$6.3M	Negligible / No Cost
Site Land Acquisition	\$14M	Negligible / No Cost
Rail Development	\$8M	Not Applicable



QUESTIONS?



**NORTHLAND
POTATOES**

Soil to Success

Building A Legacy of Opportunity for North Dakota Growers & Communities

PROJECT GREEN YIELD SUMMARY

**\$450M Potato
Processing Plant**

**Company New to
North Dakota**

**Grower & City of
Grand Forks
Collaboration**

**Competing with
Wisconsin for
Site Location**

**100+ ND Farms in
12 Counties
Impacted**

The collaboration between the Northland Potato Growers and the Grand Forks region reflects a unified effort to recruit a \$450M potato processing facility, a transformative opportunity for the state. Significant infrastructure investments by the City of Grand Forks, including utilities and site readiness, have laid the groundwork for this project, while regional growers are committing to build modern potato storage facilities to

meet the demand of the potato industry. By keeping processing in-state rather than exporting potatoes for out-of-state processing, this facility ensures a long-term economic benefit to the state, further diversifies the state's ag industry and stabilizes markets for growers. Its impact will span generations, creating local jobs, fostering ag innovation, and establishing North Dakota as a leader in the potato processing industry.

PROJECT IMPACTS



Significant Investment Multiplier

- \$450M direct investment will generate an estimated \$1B in economic activity from construction alone.
- Grower investment of \$100-150M for on-farm or off-site grower collaborative storage.
- 20%+ increase above existing inputs for area suppliers.
- Expansion & upgrades including infrastructure, irrigation and equipment for growers



State Tax Benefits

- State sales tax revenue from construction \$37.9M
- State sales tax revenue from operations \$19.2M annually
- Individual income tax revenue from construction \$6.1M
- Individual income tax revenue from facility employees annually \$813k
- Corporate income tax revenue annually \$2.26M

*State tax collections listed here do NOT include grower, transportation or input tax revenue. This data is for facility only.



Employment & Labor Income

- 4,904 construction jobs with \$759M payroll
- 250 direct jobs for operations with \$15M annual payroll
- 406 indirect/induced jobs with \$26.72M annual payroll (suppliers, grower labor)



Local Tax Benefits

- City/County sales tax collections on construction: \$17M
- City/County sales tax collections on operations annually \$8.6M
- City/County property tax collection \$2.7M annually post-incentive period

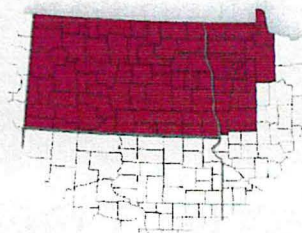


**NORTHLAND
POTATOES**

Building A Legacy of Opportunity for North Dakota Growers & Communities

SEEKING LEGISLATIVE SUPPORT

- The request for Project Green Yield is for \$30M structured as a forgivable loan upon project becoming operational.
- Funds may be used for large scale infrastructure necessary to complete the project. (Examples, Rail, Natural Gas, and electrical infrastructure)
- Local taxing authorities must also participate in infrastructure development and project participation through incentives as available.



QUICK FACTS

- **Annual Economic Impact:** The potato industry generates over \$2 billion annually for North Dakota's economy.
- **Acres Planted:** More than 72,000 acres of potatoes are cultivated in North Dakota each year. This project expects to add 15,000-20,000 ac to that number.
- **Market Share:** North Dakota ranks among the top 5 potato-producing states in the U.S.
- **Export Reach:** North Dakota potatoes are shipped to over 30 states and numerous international markets.
- **Job Creation:** The potato industry supports approximately 10,000 jobs statewide, including growers, processors, and suppliers.
- **Processing Demand:** A significant portion of potatoes grown in North Dakota are transported out of state for processing, highlighting the need for in-state facilities like the proposed Grand Forks plant.
- **Research and Innovation:** The region benefits from partnerships with North Dakota State University, advancing research in sustainable farming and crop improvement.

PROJECT GREEN YIELD FAQ

- **Who will this project impact?**
 - **Growers & ag suppliers:** The proposed project will positively impact a very large area including 100+ farms in ND spanning over 12 counties and 200 miles from Grand Forks. The facility will also draw potatoes from 8 counties in MN with 25+ farms.
 - **Complimentary businesses in ND:** Through both construction and operation, the facility will call on in-state businesses for equipment/metal manufacturing, facility maintenance (electrical, HVAC, plumbing, refrigeration, etc.), cardboard packing companies and will be a large buyer of sunflower oil.
 - **Local/state taxing jurisdictions:** Significant tax revenues will assist with local infrastructure, schools, parks, state funding and more.
- **Will this compete with existing potato processors in ND?:** This company sells 100% retail, while existing processors sell exclusively to quick-service restaurants. The potatoes sought by this company are a different variety than those currently processed in-state, thus opening a new market opportunity for growers.
- **Will this create additional competition for other crops?:** This potato variety opens new opportunities for growers, especially for marginal and underutilized land.
- **Where will the labor come from for this project?:** The company is working with experienced labor recruiters to source employees from elsewhere if necessary.
- **Why isn't there more in-state processing?:** Transportation of commodities to populations has been challenging for years. The only way to maintain hubs of agricultural growth is by bringing processing in-state.

WHO WE ARE

The Northland Potato Growers Association (NPGA) stands as a cornerstone of agricultural excellence in the Upper Midwest. Representing a robust network of potato growers, suppliers, and advocates in North Dakota, Minnesota, NPGA is dedicated to advancing the economic and agricultural strength of the region. With the announcement of a groundbreaking \$450 million potato processing facility to be constructed in Grand Forks, North Dakota, the region is poised for transformative growth. Legislative support for this initiative will amplify its far-reaching benefits for growers, suppliers, and the local economy.



Gary Shields,
Executive Director
gshields@nppga.org



1/22/2025

PROPOSED AGRISTO GRAND FORKS, ND FACILITY

KEY ITEMS FOR HB1332 SUPPORT NEEDS

WHO IS AGRISTO?

Agristo is a family owned and operated internationally recognized potato processor. They are based in Belgium and the proposed Grand Forks Facility will be their first processing facility to serve the U.S. market. They work closely with regional growers to produce and supply a specialty yellow potato. They have been working with agronomists and growers for the past two years to test grow their potato variety in Wisconsin and North Dakota.

WHY AGRISTO?

House Bill No. 1332 is proposed to create the "agricultural diversification and development fund" (Fund) that would appropriate dollars to the Bank of North Dakota to, among other things, provide value-added agriculture facility incentive funding. To be eligible for grant dollars from the Fund, the value-added facility must meet a number of requirements in the proposed legislation. The Agristo Facility is proposed to check all the boxes necessary to meet these requirements:

Proposed Requirements	Agristo Facility Details
Located in ND	Facility is proposed to be located on the North End of the City of Grand Forks
New Construction on Industrial-Ready Site	Two industrial ready sites are currently under consideration. The preferred site is the land known as the Peony Site that was proposed for the Fufeng wet corn mill and that is still under Fufeng ownership.
Minimum investment of \$350M	Project is currently estimated at \$450M
Leverage Regional Agricultural Producer Capital Investments	Agricultural producers are expected to invest nearly \$150M in on-farm investment to support the project.
Have a Competing Offer from at Least One Other Midwestern State	The City of Grand Forks was in Direct Competition with Wisconsin for this project.
Produce a New Agricultural Product	The Facility will create food products for domestic distribution from a new variety of yellow potato that just completed 2-years of test grows in ND.
Have an Estimated Annual Economic Impact of greater than \$20M	The project is expected to create nearly \$42M in annual wages from direct and induced job creation.

WHY ARE GRANT DOLLARS NECESSARY?

The Agristo Facility's Grand Forks site selection was made in consideration of a more financially feasible site in Wisconsin. In total, and based on the Agristo's Facility life-cycle cost analysis, the Wisconsin site was expected to be financially beneficial over the proposed Grand Forks' site by nearly \$40M. This difference was primarily comprised of land and site access infrastructure that were expected to be essentially free and a more robust tax subsidization program, including a 20-year, 100% property tax abatement and no taxation of land values. In addition, logistics costs were expected to be significantly less with no freight rail service required to efficiently bring end product to market. In order to close the gap and make the Grand Forks site competitive with the Wisconsin site, the support of the State of North Dakota is necessary to ensure this project is secured for our region.

WHAT GRANT AMOUNT WILL LIKELY BE REQUESTED?

Grant dollars from the proposed Fund are not to exceed \$30M for any individual project and must be spent on eligible infrastructure, site acquisition, and/or related capital investments to support the facility. The Agristo Facility is expected to request this full amount to close the financial gap between the competing Wisconsin site. The proposed grant dollars are anticipated to reimburse the following costs that under the currently drafted legislation would be considered eligible:

LAND

Due to the original acquisition cost by Fufeng for the approximately 350-acre industrial ready site on the City's north end and their desire to fully recoup their original investment, site acquisition costs for Agristo are expected to be significant with the current asking price of \$14M.

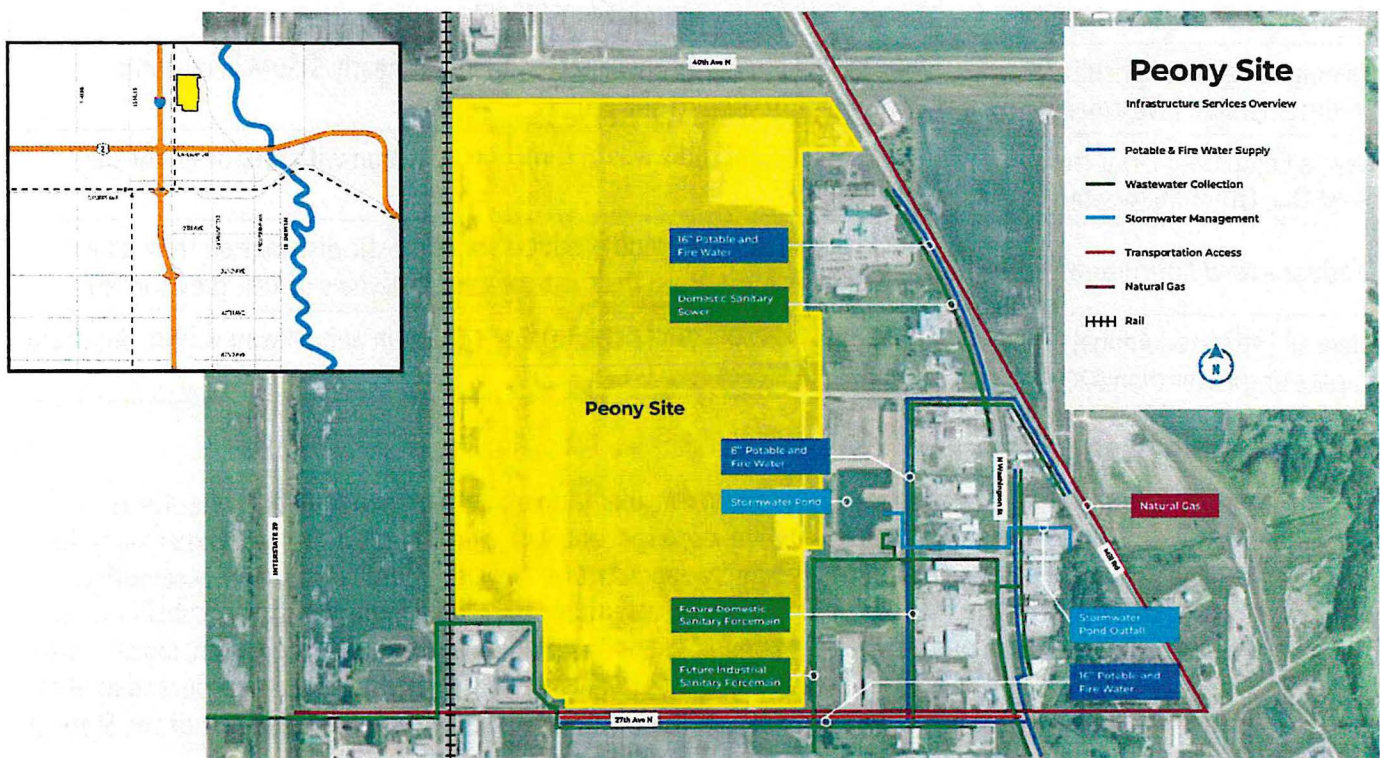
RAIL SERVICE

As stated prior, the Grand Forks site will require rail service development costs that the Wisconsin site did not. The rail development costs are expected to exceed \$10M.

INFRASTRUCTURE SPECIAL ASSESSMENTS

Significant special assessments currently exist on the preferred site that were created to annex and serve the original Fufeng industrial site. To date the City has invested over \$28M in infrastructure to serve the area and currently there is nearly \$6.3M in existing infrastructure assessment costs that would be assumed by Agristo upon acquisition.

	Grand Forks Site	Wisconsin Site
Tax Exemption	20-year / 90%	20-year / 100%
Taxation of Land Value	Full Value	100% Exempt
Public Infrastructure Assessments	\$6.3M	Negligible / No Cost
Site Land Acquisition	\$14M	Negligible / No Cost
Rail Development	\$10M	Not Applicable



2025 SENATE AGRICULTURE AND VETERANS AFFAIRS

HB 1332

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

HB 1332
3/20/2025

A bill relating to a value-added agriculture facility incentive program; to provide a transfer; and to provide an expiration date.

8:58 a.m. Chairman Luick called the meeting to order.

Members present: Chairman Luick, Vice-Chair Myrdal, Senator Marcellais, Senator Weston, Senator Weber, Senator Lemm

Discussion Topics:

- Agriculture Diversification and Development Fund (ADD)
- Requirements to access funds
- Reimbursement completion grant
- Bank of ND and interest buy-downs
- Agristo and a major potato processing facility
- Tariff concerns and the current administration
- Economic and energy impact, job creation, and other positive impacts
- Workforce analysis and concerns
- Crop rotation and seed potatoes
- Certificate of occupancy

8:59 a.m. Representative Jarod Hagert, District 20, testified in favor and introduced the bill.

9:04 a.m. Doug Goehring, Agriculture Commissioner, ND Department of Agriculture, testified in favor and submitted testimony #43287.

9:10 a.m. Todd Feland, City Administrator of Grand Forks, testified in favor.

9:15 a.m. Keith Lund, Regional Economic Development, Grand Forks Region Economic Development Corporation, testified in favor and submitted testimony #42957.

9:19 a.m. Brad Nilson, farmer from Hoople, ND, member of the Northland Potato Growers, testified in favor and submitted testimony #43278, #43279, and #43280.

9:25 a.m. Todd Feland, City Administrator of Grand Forks, answered the committee's questions.

9:26 a.m. Brita Endrud, External Affairs Representative, Minnkota Power Cooperative, testified in favor and submitted testimony #43162.

9:30 a.m. Brad Nilson, farmer from Hoople, ND, member of the Northland Potato Growers, answered the committee's questions.

9:31 a.m. Ken Bertsch, State Seed Commissioner, ND State Seed Department, testified in favor and submitted testimony #42889.

9:34 a.m. Aaron Weber, policy director, Office of the Governor, testified in favor and submitted testimony #43148.

9:35 a.m. Matthew Perdue, ND Farmer's Union, testified in favor and submitted testimony #43204.

9:36 a.m. Dan Wogsland, ND Grain Growers Association, testified in favor and submitted testimony #43199.

9:37 a.m. Laura Locher, Executive Director, ND Ethanol Producers Association (NDEPA), testified in favor and submitted testimony #43101 and #43107.

9:37 a.m. Lesley Icenogle, ND Corn Growers Association, testified in favor.

9:38 a.m. Chairman Luick closed the hearing.

9:38 a.m. Senator Myrdal moved a Do Pass.

9:38 a.m. Senator Weber seconded the motion.

Senators	Vote
Senator Larry Luick	Y
Senator Janne Myrdal	Y
Senator Randy D. Lemm	Y
Senator Richard Marcellais	Y
Senator Mark F. Weber	Y
Senator Kent Weston	Y

Motion passed 6-0-0.

Senator Myrdal will carry the bill.

Additional written testimony:

Brady Ash, Executive Director, Forward Devils Lake, submitted testimony #42474 in favor.

Brandon Bochenski, Mayor, City of Grand Forks, submitted testimony #43063 in favor.

Stacie Sevigny, Executive Director, Walsh County JDA, submitted testimony #43130 in favor.

Joshua P. Heurchert, farmer, Willow Creek Ranch, submitted testimony #43161 in favor.

Rachel Grosz, Government Affairs, ND Farm Bureau, submitted testimony #43190 in favor.

Senate Agriculture and Veterans Affairs Committee
HB 1332
3/20/25
Page 3

Samuel Wagner, Ag and Food Field Organizer, Dakota Resource Council, submitted testimony #43070 in opposition.

9:40 a.m. Chairman Luick closed the hearing.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
REENGROSSED HB 1332 ([25.0541.06000](#))

Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1332 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.



**Testimony in Support of HB 1332
House Appropriations Committee
March 17, 2025**

Chairman Luick and Members of the Senate Agriculture and Veterans Affairs Committee,

My name is Brady Ash and I am writing to you on behalf of Forward Devils Lake Economic Development, to express our strong support for House Bill 1332, which seeks to incentivize the development of value-added agricultural facilities. As an organization dedicated to fostering economic growth and sustainability in the Devils Lake community, we see the continuance in revolutionizing the agricultural world. We also see challenges many rural North Dakota areas are facing as family farms struggle to stay alive.

The creation of value-added agricultural facilities presents an incredible opportunity to generate new wealth for the NE North Dakota region. By processing commodities close to where they are grown, we can keep much of the economic value generated by these crops within our community. Not only will this help our local agricultural producers but it will also be the reason jobs are created in manufacturing and transportation.

The economic impacts of value-added agriculture extend far beyond the farming community. The development of such facilities can create opportunities for downtown revitalization projects, as new workers and businesses are attracted to the region. It creates a ripple effect, improving demand for local services and products and providing much-needed investment into local infrastructure. In addition, it helps bolster the housing market as workers seek residences, which can be particularly beneficial for areas struggling with population decline and an increased need for affordable housing.

This creation of new wealth in the form of tax revenue and new employment opportunities supports our school districts, public services, and local amenities. The reinvestment in education, healthcare, and public infrastructure ensures that our children will have access to the resources and opportunities they need to thrive for the years ahead.

House Bill 1332 is an investment in the long-term future of our rural communities. These types of projects are essential to maintaining and growing our agricultural industry while addressing the economic challenges that have threatened the sustainability of our communities for decades. We believe that by creating new wealth through value-added agriculture, we can help turn a positive corner for not only the agricultural sector but also for our towns, schools, and families.

In closing, it is strongly encouraged that the committee considers the potential of House Bill 1332 and its ability to create positive impacts on North Dakota's rural communities. It will be exciting to partner with the state in bringing these projects to life and ensuring a brighter future for our farmers, businesses, and families.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Brady Ash", is written over the printed name.

Brady Ash

Executive Director

Forward Devils Lake Economic Development



Kenneth J. Bertsch
State Seed Commissioner



Testimony, HB 1332
Senate Agriculture and Veterans Affairs Committee
March 20, 2025

Good morning, Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee.

For the record, my name is Ken Bertsch and I serve the agriculture industry as State Seed Commissioner. Thank you for the opportunity to provide support for HB 1332, which if enacted will positively impact the seed and commercial potato industries in North Dakota.

As you know, our agency is responsible for the certification of all seed crops in North Dakota including potato. What may be unknown is that North Dakota certifies the most acres of field crops, and the second most acres of potato seed in the U.S. On average, North Dakota growers certify 13,000 acres of potato seed each year over the past five years, down from 18-20,000 acres twenty years ago. Our seed growers supply seed for all three sectors of the ND commercial industry: process, chip and table-stock potato.

The announcement of the Agristo project in Grand Forks means that our seed potato industry will (potentially) benefit in the same manner as the commercial production sector. Seed growers will explain that potato seed production can be estimated by a factor of 10X; in other words, it takes approximately 100 acres of seed to produce enough planting stock to produce 1000 commercial potato acres. While this is a rough calculation, it is reasonably close for estimating purposes.

The Agristo project estimates 30,000 acres (+/-) of commercial potato production in early phases of operation, and up to 45,000 acres in subsequent years. If these estimates hold true, rough math suggests the need for 3000 to 4500 acres of seed production in this region. Based on observations and discussions with relevant parties over the past 2 years, I am confident that the majority of that seed production will occur in North Dakota.

If these estimates hold true, North Dakota's seed potato industry could grow by 20-30% in terms of acreage produced. In an industry that production varies by the low single-digits from year to year, and has been in decline for decades, these are amazing numbers. Our growers commonly spend \$4000-\$5000 per acre producing a seed crop; more rough math would impute an economic impact to seed growers of \$10-20 million dollars and triple that amount to the ag industry and local communities throughout North Dakota.

Thank you for the opportunity to provide comments on HB 1332; this is the most positive development in the potato seed sector in years and the potential positive impact on the entire agriculture industry is equally profound. The minimum capital investment, occupancy and fifty-percent production capacity requirements in the legislation make this a prudent and functional incentive program for value added projects.

I respectfully request that the Agriculture and Veterans Affairs Committee support a Do Pass for HB 1332 and value-added agriculture facility incentive funding.

"To assure integrity of the seed industry through a commitment to client service and product quality."



Testimony of Mr. Keith Lund
Grand Forks Region Economic Development Corporation President & CEO

House Bill 1332
Senate Agriculture and Veterans Affairs Committee
March 20, 2025

Chairman Luick, Vice Chair Myrdal, and members of the Senate Agriculture and Veterans Affairs Committee, my name is Keith Lund, and I am President & CEO of the Grand Forks Region Economic Development Corporation (EDC). I am providing testimony in support of HB 1332.

The Grand Forks Region EDC's mission is to expand economic opportunity for the citizens of the Grand Forks region by growing and diversifying the region's economy, and by extension, the State of North Dakota's economy. We dedicate a significant amount of our organization's resources to support the growth of agribusiness, a leading sector in our region and North Dakota.

HB 1332 would create a \$30 million value-added agriculture facility incentive program that, if approved, would attract a significant international agribusiness company to the Grand Forks region. This investment would exceed \$450 million, leverage more than \$150 million in on-farm commodity storage investment, and create 300-350 high-paying jobs in North Dakota. Construction activities would support an estimated 4,900 jobs over a two-year construction period and generate an overall economic impact of \$1 billion in the Grand Forks region over that time.

In addition to the significant local and regional impacts, HB 1332 creates a tangible return on investment for the State of North Dakota. Based on projections prepared by the North Dakota Commerce Department, the project is estimated to generate \$6.1 million in personal income tax and \$649,000 in corporate income tax revenue during the two-year construction period. Once operational, the project will generate an estimated \$19.2 million in sales tax revenue and \$813,000 in individual income tax revenue to the State of North Dakota. Based on these projections, over \$26 million of the State's investment would be returned after the company has completed one year of operations, with a full return of the State's investment after 14 months.

The economic impact and return on investment of HB 1332 is evident. In addition, benefits to regional producers cannot be overstated. This contemplated project would create new food products for domestic distribution from a new crop variety, further diversifying the State of North Dakota agricultural economy. This project has been led by farmers and creates tremendous value for farmers, communities through Northeast North Dakota and the State of North Dakota.

Thank you, Chairman Luick, Vice Chair Myrdal, and members of the House Agriculture Committee for your service to the State of North Dakota and for the opportunity to provide testimony in support of HB 1332.

255 N. 4th St.
PO Box 5200
Grand Forks, ND 58206-5200



City of Grand Forks
(701) 746-4636

**TESTIMONY ON HOUSE BILL 1332
Agriculture and Veterans Affairs
March 20, 2025**

**Brandon Bochenski, Mayor
City of Grand Forks, ND**

Chairman Luick, members of the committee. Please accept my written testimony in support of HB 1332.

North Dakota soils and our hard working farmers are highly competitive nationally in agriculture production in a variety of crops including potatoes. In order to maximize our important state assets we need to promote as many value-added processing facilities within our borders as close to production as possible. HB 1332 aims to do just that while making our business environment equally as competitive as our production on a national scale.

Processing facilities similar to what is proposed to be built by Agristo in North Dakota have a major positive economic impact where built, and also within the grower communities, as well as, on farm investment and storage. These impacts are felt during the construction phase and last for generations with reduced transportation costs and access to new markets.

Potato acreage itself can be some of the most profitable and a big economic driver for the local and regional farming communities. The State of North Dakota has lost significant potato acreage dating back to the eighties. We now have the opportunity to house three major potato processing companies within the state and gain back a large chunk of acreage lost over the past 40 years.

After three years of due diligence and test trials, Agristo has chosen North Dakota for a 450 Million Dollar production facility. Our distance from markets and logistical challenges require support both statewide and locally, and most importantly from our growers themselves.

We support a DO PASS on HB 1332.

Thank you for your support in securing North Dakota as a world leader in not only agriculture production, but also ag-processing for generations to come.

Respectfully,
Brandon Bochenski
Mayor of Grand Forks

Testimony HB1332

Sam Wagner
 Ag and Food Field Organizer
 Dakota Resource Council
 1902 E Divide Ave
 Bismarck ND 58501
 Testimony in opposition of HB1332

To the Honorable Chairman and the members of the Committee. We submit these remarks on behalf of DRC.

Mr Chairman,

We understand the intentions of this bill but we believe that there could be some positive aspects of HB1332 Overall, making sure that we have a consistent fund for the expansion of Value Added Agriculture is a positive step for the future of our farmers. We proudly support mills, pasta factories, creameries, meat processing facilities, and other businesses that directly add value to what we grow and raise in North Dakota, create opportunities for small businesses, and keep dollars in our local communities. This bill seems to be luring the larger corporate entities to our state that probably need the least amount of help setting up shop and could be problematic to our communities.

However, we are submitting testimony in opposition to this bil for several reasons.

1. **Supporting CAFOs and Larger Multinational Corporations:** The biggest problem though is that these dollars can be claimed by anyone. A majority of these funds can potentially go to just a few entities and take away from investment opportunities for smaller operations. We see this in large animal agriculture facilities like Riverview Dairy, Multinational Corporations that can push out our local elevators like NDSP, or foreign entities like Fufeng in Grand Forks. More often than not our state is willing to throw cash at these entities when they do not need economic assistance.
2. **Tax abatement shouldn't be allowed:** If assistance is given, companies should not qualify for a tax abatement. 30 million dollars with no caps to projects and no language to prevent businesses from double dipping on state and local tax abatements and infrastructure costs on businesses that would honestly be able to pay their way. In Casselton ND NDSP received state dollars and received a substantial tax break on the state and local level to build their Soy Crushing plant, along with Federal dollars to improve the rail lines leading to the facility. They will be paying reduced taxes while their net profits will be in the 30-40 million dollar range every year.
3. **Consider state funded projects instead of private:** If we are willing to invest this much money we need to start asking ourselves why we can't use this money to build our own state owned facilities like the State Mill and Elevator. If we took a low interest loan or bond from our state bank, we could budget the money to build a state milk processing

plant, meat processing plant, and a rendering facility. If we did that we would have a facility that wouldn't be subject to the whims of private business and we could plan the exact type of economic development that we want rather than reacting to whoever comes knocking at our door. We could pay off the loans with a yearly budget that is clearly spelled out. Furthermore, the revenues that they produced from the profits of these facilities could go into the general fund or pay off the project. Keep in mind that the State Mill has served us for 100 years and has turned a profit every year giving our producers a reliable place to sell their products. I think if we want to promote agriculture in our state we could do the same with our other industries.

North Dakota has a proud and long history of supporting family farms and limiting large-scale agriculture from out-of-state corporations. We urge a **Do Not Pass** on this bill unless you strike out any reference to Animal Feeding Operations to Value Added Agriculture and ensure that entities receiving this assistance will not be granted tax abatements.



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Laura Lacher
Economic Development Association of North Dakota
In Support of HB 1332
March 20, 2025

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Laura Lacher, and I am the executive director of the Economic Development Association of North Dakota (EDND). I want to express our support for HB 1332 relating to appropriation for agriculture infrastructure grants to support new or existing value-added agriculture businesses.

EDND represents state economic development organizations on the front line of economic development efforts throughout North Dakota. The organization's primary purpose is to promote the creation of new wealth throughout North Dakota to develop more vibrant and efficient communities and improve quality of life.

EDND believes that smart, efficient infrastructure that gives North Dakota the capacity to grow is critically important to the health and vitality of North Dakota. Our members support robust funding options to support local infrastructure projects and the state growth from these projects.

The agriculture infrastructure grants will help develop and enhance North Dakota businesses, farmers and communities through the support of critical and timely infrastructure development. This funding will create opportunities and upgrades that will increase the supply of North Dakota agriculture products, enhance the supply chain resilience, and help grow and sustain North Dakota's heritage industry – agriculture. The long-term success of our state depends on new markets and the sustainability of our rural communities.

Thank you for taking the time to discuss HB 1332 and infrastructure support for our communities. EDND and our member communities urge you to support much-needed funding for our agriculture businesses. Thank you.



Testimony of Laura Lacher

North Dakota Ethanol Producers Association

In Support of HB 1332

March 20, 2025

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee:

My name is Laura Lacher, executive director of the North Dakota Ethanol Producers Association (NDEPA). On behalf of our members, I want to express our strong support for HB 1332, which provides essential infrastructure grants to support new and existing value-added agriculture businesses. This investment is a strategic opportunity to enhance North Dakota's agricultural economy, strengthen our supply chain, and ensure long-term industry competitiveness.

The ethanol industry is a critical driver of North Dakota's economy, creating high-quality jobs, adding value to our state's farm production, and providing new market opportunities for growers. The success of our industry—and the broader agriculture sector—relies on smart, efficient infrastructure that allows us to process, transport, and market our products effectively. Without continued investment, we risk limiting our ability to expand, modernize, and remain competitive in an evolving global market.

HB 1332 is more than just an infrastructure funding bill—it is a direct investment in North Dakota's farmers, rural communities, and value-added agriculture businesses. Upgraded infrastructure will not only improve transportation and processing capabilities but also enhance supply chain resilience, reduce costs, and attract further private investment. These grants will help build the foundation for future growth, keeping North Dakota at the forefront of agricultural innovation and economic development.

North Dakota has always been a leader in value-added agriculture, and ethanol production is a part of that success. By supporting this legislation, the legislature is ensuring that our state remains a top competitor in agriculture and biofuels, driving both economic sustainability and rural prosperity.

We appreciate your commitment to strengthening North Dakota's agriculture industry, and we strongly urge a "Do Pass" recommendation on HB 1332. Thank you for your time and consideration. I am happy to answer any questions.



516 Cooper Avenue, Suite 101 | Grafton, ND 58237 | 701-352-3550

Testimony of Stacie Sevigny in Support of HB 1332
Senate Agriculture and Veterans Affairs
March 19, 2025

Dear Chairman Luick and Members of the Committee:

My name is Stacie Sevigny and I am the Executive Director of the Walsh County Job Development Authority (WCJDA) in northeast North Dakota. I am writing in support of HB 1332.

As the county's economic development organization that works with and supports businesses and communities, we see firsthand the challenges that many rural areas are facing. Agriculture is a vital piece of the community vitality puzzle in Walsh County.

The creation of value-added agricultural facilities, including processing plants, provides an incredible opportunity to diversify and protect one of our most-valued commodities.

In speaking with Walsh County potato growers about the Agristo potato processing project, there is notable excitement. This project is viewed as instrumental in providing more opportunities for growers. These opportunities will have a direct economic impact by creating needs for additional storage and infrastructure. Perhaps some of the most beneficial impacts for potato producers will be the opportunity to diversify and expand. One producer surmised it could be the largest impact potato producers experience for generations.

Value-added agricultural facilities also support our larger neighboring cities, specifically the City of Grand Forks. Strong rural communities are an important component to the entire region's economic health. The benefits of the ripple effect of a project like this could be infinite. This includes supporting new housing, increased tax revenue, and reinvestment in our communities.

Supporting House Bill 1332 is an investment in the long-term prosperity of our rural communities. These projects are essential to maintaining and growing our agricultural industry while addressing the economic challenges that have threatened the sustainability of our communities for generations.

Thank you for your time and consideration.

Sincerely,

Stacie Sevigny
Executive Director
Stacie@redriverrc.com
701-360-4681



House Bill 1332
Senate Agriculture and Veterans Affairs Committee
Aaron Weber – Policy Director, Office of the Governor
March 20, 2025

Chairman Luick and Members of the Committee,

On behalf of Governor Armstrong and Lieutenant Governor Strinden, thank you for the opportunity to provide testimony in support of House Bill 1332. This legislation is a key opportunity to strengthen our agriculture sector, drive economic growth, and support farmers and ranchers in North Dakota.

In his State of the State address, Governor Armstrong committed to promoting pro-agriculture policies and creating value-added agriculture opportunities across the state. HB 1332 is forward-thinking legislation that aligns perfectly with those priorities.

HB 1332 establishes an incentive program to attract value-added agriculture projects, which will create high-quality jobs and spur economic activity, benefiting communities across our state. These projects also benefit our agriculture producers by improving profitability by creating new, local markets for their products.

North Dakota has a long history of success in attracting value-added agriculture projects to our state. This legislation will provide an additional tool to build on this success, benefiting our farmers, ranchers, and communities for years to come. We respectfully ask the committee to advance this bill with a do pass recommendation.

Thank you for your time and consideration.

Josh Heuchert
 Willow Creek Ranch
 304 Spruce Lane
 Cavalier, ND 58220

Chairman Luick and Members of the Senate Ag and Veterans Affairs Committee,

DO PASS HB 1332

What a great way to support North Dakota AG with New manufacturing and processing facilities in North Dakota. New plants like Agristo coming into North Dakota mean the world to Ag producers.

North Dakota can be the Center of incoming companies expanding into the United States.

I don't think anyone really has a handle yet on the expansion and infrastructure needs to support a large processing plant like this. 40 to 60,000 additional acres of Potatoes needed to support it. They have the market sales and are coming to ND. Fantastic news. The biggest news for a potato grower in a while.

Highlights of things to come

1. New Farm potato storage. (Agristo needs farm storage to support plant 24/365)
2. New specialized Farm seed storage for whole seed. (box crates, sorting and sizing)
3. New varieties and opportunities for seed growers. (Universities like NDSU)
4. Specialized equipment for whole seed
5. New manufacturing orders for equipment. Lockwood, Tri Steel, Harriston, and Mayo are all local manufacturers of potato equipment.
- 6. New opportunity for young farmers**
7. More technology.
8. More opportunities for ND to lead the way.
9. JOBS>>>>>>>
10. Expansion of local coops and agronomy centers.

The on-farm investment to serve this plant will be a huge boost to the rural North Dakota Economy. Please Help get it built, and we will make all these investments above. Please help support SB2039 also. It goes hand in hand with this bill to secure our finances with banks for these infrastructure projects.

Josh Heuchert.

Powered by Potatoes



5301 32nd Ave S
Grand Forks, ND 58201-3312
Phone 701.795.4000
www.minnkota.com

**Testimony of Brita Endrud in Support of HB 1332
Senate Agriculture & Veterans Affairs Committee
Thursday, March 20, 2025**

Chairman Luick and members of the Senate Agriculture & Veterans Affairs Committee:

My name is Brita Endrud, and I am an External Affairs Representative at Minnkota Power Cooperative. I am here today to testify in support of House Bill 1332.

Minnkota Power Cooperative is a not-for-profit electric generation and transmission cooperative who provides wholesale power to 11 member-owner distribution co-ops in eastern North Dakota and northwestern Minnesota. These members serve nearly 151,000 consumer accounts in a 34,500 square-mile area. As a rural electric cooperative, whose members are predominately in rural, agricultural areas, we take great interest in opportunities that would strengthen the agricultural economy in our communities.

Minnkota's economic development department works on retaining businesses, assisting with community development and helps with growing the economy through the creation of new wealth. For years, North Dakota has explored and encouraged opportunities to strengthen our agricultural economy knowing how important it is that the state keeps valuable commodities in-state for processing rather than shipping grown products out-of-state. When North Dakota commodities leave the state, our growers and communities earn just a fraction of what eventually becomes a much more valuable process and end-product.

For generations, growers have invested in North Dakota through the building of facilities like pasta plants and sugar processing facilities. Occasionally, private opportunities do present themselves, but we often hear that investment in processing in North Dakota is not always considered due to the cost of transporting the final product to larger population regions. Why do we not process more of our canola, soybeans, corn, edible beans and potatoes in-state? Because it can be cost prohibitive to do so and it is difficult to find companies to make the investment or take the risk on North Dakota. This is why when strong projects come along, we need to support them.

A proposed potato processing facility is truly the work of North Dakota growers finding new market opportunities and this is a fantastic opportunity for growers. Potatoes used to be a much more prevalent crop in the state, and sadly, the industry has slowly faded over the years – taking many farms, families, businesses and communities with it. We have a fantastic opportunity here and potato growers, the communities and the region are working to support this project. The obstacle of infrastructure to make us competitive with another state's location is what is needed to get this \$450M processing facility built in North Dakota. Beyond the initial investment, this project will impact small schools and communities. Potato storage scattered throughout the region, additional investments in inputs, equipment and labor are all great things for the state.

North Dakota's potato industry spans across nearly 20 counties, and many of these rural communities heavily depend on agriculture for economic stability. The construction of a potato processing facility will directly benefit these areas, generate jobs, increase demand for local goods and services, and help revitalize agriculture-focused economies. This project will also provide long-term growth for small towns and agricultural regions beyond Grand Forks through boosting economic activity in places that have seen slow growth in recent years.

This project enhances the long-term sustainability of North Dakota's agricultural sector by providing farm families, communities, and the state with greater economic resilience and stability.

I urge you to support HB 1332 to encourage continued investment in agricultural diversification and value-added agriculture in North Dakota. The proposed project is just one of many potential success stories that will benefit from this forward-thinking legislation. Thank you for your consideration.

Brita Endrud
External Affairs Representative
Minnkota Power Cooperative
bendrud@minnkota.com
P: 701.795.4368



Chairman Luick and Honorable members of the Senate Agriculture and Veterans

Affairs Committee: For the record, my name is Rachel Grosz, I am testifying on behalf of North Dakota Farm Bureau (NDFB). It is my pleasure to extend NDFB's support of HB 1332, which will create a value-added agriculture facility incentive program.

NDFB represents 28,000 member-families across our state. Farmers and ranchers in all sectors of agriculture create and drive our policy, making it truly grassroots. Our members have consistently adopted policy which supports producers' efforts in diversification, expansion, and vertical integration or added-value for operations of all sizes.

Additionally, we are cognizant of the positive impact large-scale processing and infrastructure have on the broader agriculture industry and on our state's economy. NDFB policy is reflective of the goals outlined in the bill before you; we would like to echo the sponsors' desire to enhance the opportunities for value-added facilities, and ultimately, opportunities for ag producers' viability.

NDFB commends the sponsors for their dedication to advancing North Dakota's agricultural and economic future. Their commitment to strengthening opportunities for North Dakota agriculture demonstrates understanding of the challenges our farmers and ranchers face, as well as a proactive approach to enhancing the vitality of our industry. Keen recognition of the need for targeted support for value-added processing will help ensure North Dakota's agricultural economy remains resilient for generations to come. The bill reflects a dedication to fostering innovation, sustainability, and growth within our state's most vital industry—agriculture.

The Agriculture Diversification and Development Fund (ADD), administered by the North Dakota Department of Agriculture has been a great success over the last several years. This bill's provisions for expanding the ADD's reach will continue to benefit our state's producers. By strengthening the ADD, we are assuring ND producers can continue to provide high-quality products to consumers. In tandem with individual producers' success, this initiative makes our state a desirable place to do business: attracting international engagement and investment, creating jobs, and fostering resiliency in our rural communities.

Additionally, this bill is a critical piece in preserving the relevance of North Dakota's agricultural products in an increasingly complex and competitive global market. With these considerations, I appreciate your time and respectfully urge a "do-pass" recommendation from your committee.

Respectfully,

Rachel Grosz

Government Affairs NDFB

Fargo

1101 1st Ave. N. | PO Box 2064, Fargo, ND 58107-2064

Phone: 701-298-2200 | 1-800-367-9668

Bismarck

4900 Ottawa St. | PO Box 2793, Bismarck, ND 58502-2793

Phone: 701-224-0330 | 1-800-932-8869



**North Dakota Grain Growers Association
Testimony in Support of HB 1332
Senate Agriculture and Veterans Affairs Committee
March 20, 2025**

Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, for the record my name is Dan Wogsland representing the North Dakota Grain Growers Association (NDGGA). NDGGA appears before you today in support of HB 1332. HB 1332 will drive economic growth, foster agricultural innovation, and enhance the profitability of North Dakota's farmers and ranchers.

As North Dakota continues to strengthen its position as a leader in agriculture, this bill is a crucial step toward ensuring that we remain competitive in an evolving industry. The Agriculture Diversification and Development Fund plays a pivotal role in supporting value-added agriculture, which extends the economic benefits of agricultural production beyond raw commodity sales.

Key Benefits of HB 1332:

1. Encourages Value-Added Agriculture

- By providing grants and incentives, this bill supports businesses that process and manufacture agricultural products, allowing North Dakota producers to capture more value from their crops and livestock.
- The inclusion of food production, feed processing, commodity processing, and animal agriculture ensures a broad spectrum of economic development.

2. Boosts Economic Growth and Job Creation

- The requirement that eligible projects have a minimum capital investment of \$350 million demonstrates a commitment to attracting large-scale investments in North Dakota.
- With an estimated economic contribution of at least \$20 million per project, this bill will significantly enhance rural economies, creating jobs and expanding opportunities for local communities.

3. Infrastructure Investment for Agriculture Expansion

- HB 1332 provides critical funding for infrastructure improvements, such as natural gas and electricity supply, roads, and water systems, that are essential for large-scale agricultural processing facilities.
- These improvements will not only support value-added agriculture but also benefit surrounding businesses and communities.

4. Keeps North Dakota Competitive

- The bill ensures that our state remains a top destination for agricultural investment by requiring that projects have a competing offer from another Midwestern state—a necessary safeguard to attract major industry players.
- It positions North Dakota to take advantage of growing domestic demand for diversified agricultural products.

5. Financial Prudence and Long-Term Vision

- The Bank of North Dakota's oversight of loans and grants ensures responsible financial management.
- The \$30 million grant limit balances necessary investment with fiscal responsibility, ensuring that funds are allocated efficiently.

Conclusion

HB 1332 represents an investment in North Dakota's future—empowering farmers, strengthening rural communities, and ensuring that our agricultural industry remains innovative and competitive. Chairman Luick, Members of the Committee, NDGGA would respectfully request a Do Pass recommendation for HB 1332 to ensure that North Dakota continues to lead in value-added agriculture and economic development.

Thank you for your time and consideration. I am happy to address any questions.



Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
In Support of HB 1332
Senate Agriculture and Veterans Affairs Committee
March 20, 2025**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on HB 1332. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports HB 1332.

This bill would create a new value-added facility incentive program within the Agricultural Diversification and Development (ADD) fund. HB 1332 establishes a process for responsible state investment for an exciting new potato processing facility. That process includes:

1. Vetting investments through the ADD Committee to ensure the project meets the requirements established by the legislature, including a strong economic contribution to the state;
2. Providing a \$15 million incentive to a value-added agriculture facility after the facility completes construction; and
3. Providing another \$15 million after the facility reaches 50% of its production capacity.

This legislation is intended to support development of a new \$450 million yellow potato processing facility in the northeast corner of the state. That facility will significantly increase demand for potatoes in the region, creating important new opportunities for North Dakota farmers. The project would be a major boost to the regional and state economy.

As noted above, HB 1332 requires the ADD Committee to vet the eligible project. The ADD fund is one of North Dakota's unique tools for developing value-added agriculture in our state. Since its establishment in 2021, it has helped secure dozens of projects, including local meat processors, ethanol facilities, craft malting, pea flour processing and more. The ADD Committee has demonstrated a strong ability to direct wise investments that benefit agriculture and the broader economy.

We respectfully request a "Do Pass" recommendation on HB 1332. I will stand for any questions.



**NORTHLAND
POTATOES**

Soil to Success

Building A Legacy of Opportunity for North Dakota Growers & Communities

PROJECT GREEN YIELD SUMMARY

**\$450M Potato
Processing Plant**

**Company New to
North Dakota**

**Grower & City of
Grand Forks
Collaboration**

**Competing with
Wisconsin for
Site Location**

**100+ ND Farms in
12 Counties
Impacted**

The collaboration between the Northland Potato Growers and the Grand Forks region reflects a unified effort to recruit a \$450M potato processing facility, a transformative opportunity for the state. Significant infrastructure investments by the City of Grand Forks, including utilities and site readiness, have laid the groundwork for this project, while regional growers are committing to build modern potato storage facilities to

meet the demand of the potato industry. By keeping processing in-state rather than exporting potatoes for out-of-state processing, this facility ensures a long-term economic benefit to the state, further diversifies the state's ag industry and stabilizes markets for growers. Its impact will span generations, creating local jobs, fostering ag innovation, and establishing North Dakota as a leader in the potato processing industry.

PROJECT IMPACTS



Significant Investment Multiplier

- \$450M direct investment will generate an estimated \$1B in economic activity from construction alone.
- Grower investment of \$100-150M for on-farm or off-site grower collaborative storage.
- 20%+ increase above existing inputs for area suppliers.
- Expansion & upgrades including infrastructure, irrigation and equipment for growers



State Tax Benefits

- State sales tax revenue from construction \$37.9M
- State sales tax revenue from operations \$19.2M annually
- Individual income tax revenue from construction \$6.1M
- Individual income tax revenue from facility employees annually \$813k
- Corporate income tax revenue annually \$2.26M

*State tax collections listed here do NOT include grower, transportation or input tax revenue. This data is for facility only.



Employment & Labor Income

- 4,904 construction jobs with \$759M payroll
- 250 direct jobs for operations with \$15M annual payroll
- 406 indirect/induced jobs with \$26.72M annual payroll (suppliers, grower labor)



Local Tax Benefits

- City/County sales tax collections on construction: \$17M
- City/County sales tax collections on operations annually \$8.6M
- City/County property tax collection \$2.7M annually post-incentive period

ND Agristo

Major Expansion of the ND Value
Added Agriculture & Potato Market

March 20, 2025



NORTHLAND
POTATOES



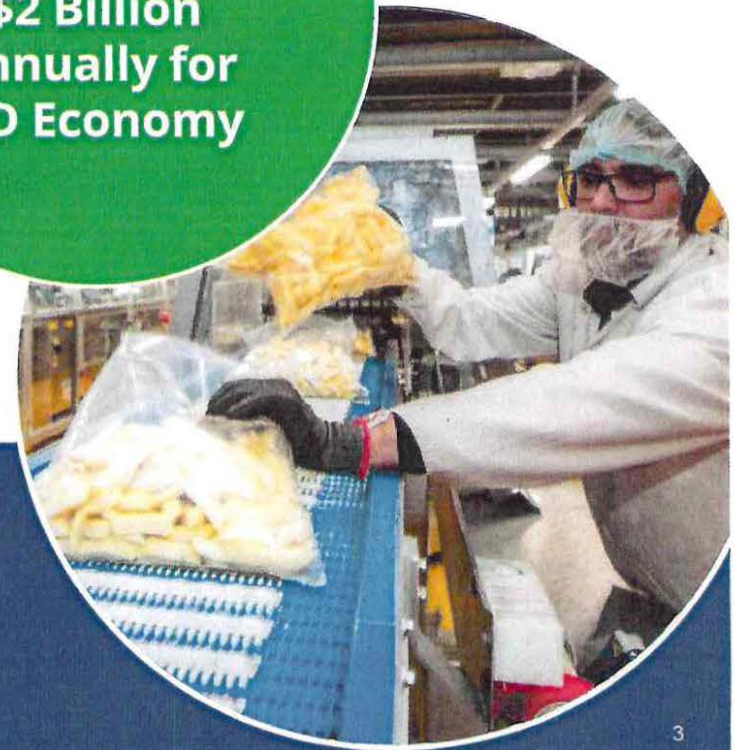
Agristo + ND

Northland Potato Growers
Association + City of Grand Forks
+ State of ND **Collaboration to
grow the ND potato industry**

WORKFORCE

Agristo is working with
experienced labor recruiters
to source employees.

Potato Industry
Generates Over
\$2 Billion
annually for
ND Economy



Economic Impact

Construction

4,904

CONSTRUCTION JOBS

with \$759M Payroll

+

\$37.9M

STATE SALES TAX

+

\$17M

CITY SALES TAX

+

\$6.1M

INDIVIDUAL
INCOME TAX



HOUSE BILL NO. 1332

Agriculture Diversification
and Development Fund

- Up to \$30 million for infrastructure and industrial property
- 9 proposed requirements (Agristo meets/exceeds all)
- Proposed \$30M Grant to be used for land, rail service, and infrastructure special assessments
- Peony/Fufeng site for Agristo (with infrastructure)

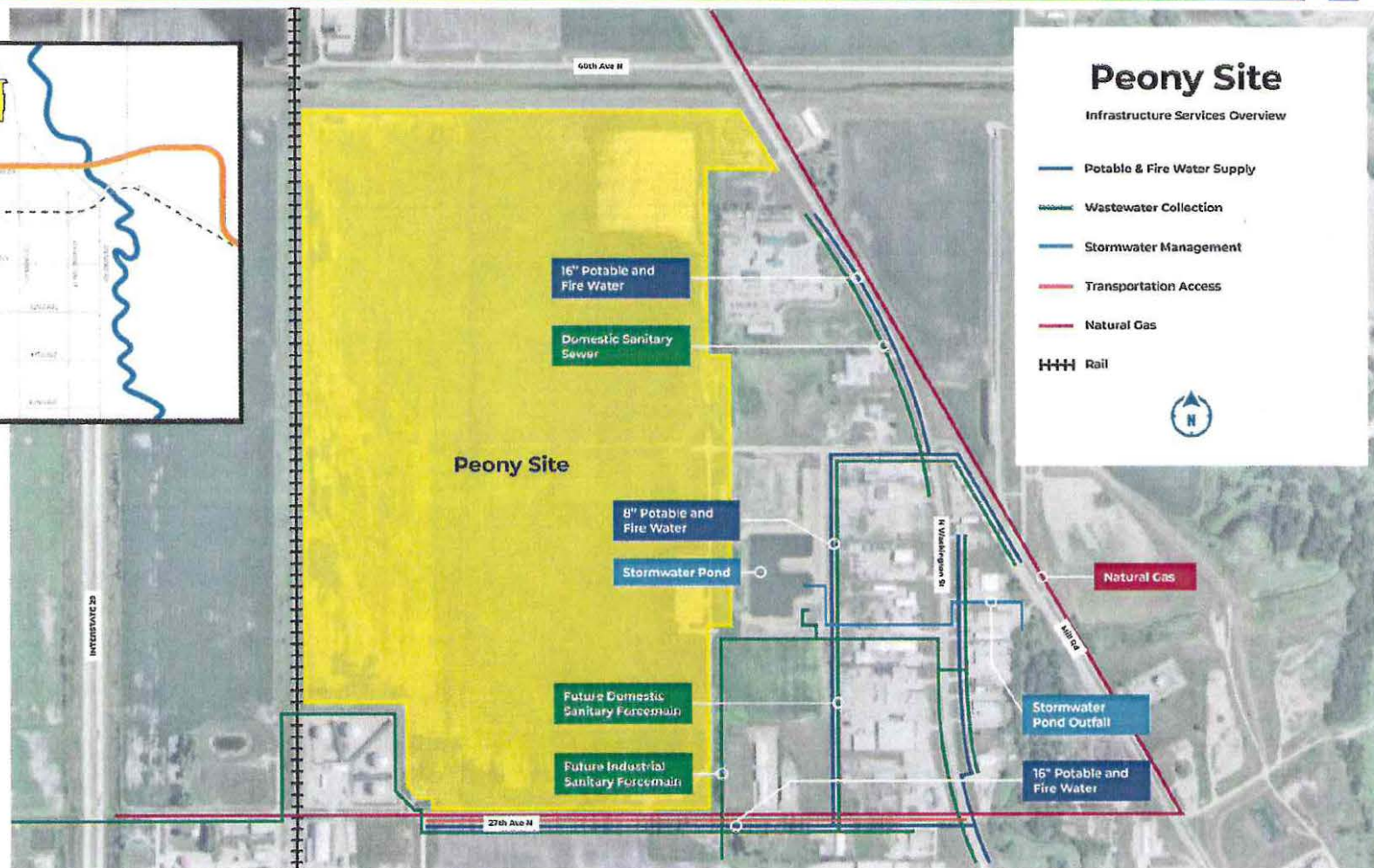


City will have invested over \$28 million in infrastructure on industrial ready site and the 20 year/90% property tax incentive is estimated to be \$57 million.



Why are Grant Dollars Necessary?

- More financially feasible site in Wisconsin
- Over \$40M more financially beneficial
(Based on life-cycle cost analysis)
- Primarily comprised of land and site access infrastructure & a more robust tax subsidization program
- Logistical costs were significantly less
(no freight rail service)



1/20/23

Chairman Luick, and members of the committee.

My name is Brad Nilson from Hoople, ND. Together with my partners we raise certified seed potatoes, wheat, and soybeans in Walsh and Pembina counties. I represent Northland Potatoes on the ND State Seed Commission.

I am here to ask for your support of HB1332 to provide additional infrastructure funding for the \$450,000,000.00 Agristo Potato processing plant to be constructed in Grand Forks, with site preparations planned for spring 2025.

I have had the privilege to get to know many of the Agristo group over the past 3 years. Agristo is a family run business started in 1986 in Belgium with 3 processing facilities in Belgium, 1 in the Netherlands, 1 in India and 1 under construction in France. Their first questions of growers were, would they and their culture would be accepted and welcomed in North Dakota? Next question of course was interest in growing potatoes for them and land availability. The response was overwhelming. Their philosophy presented to growers early on was employees, growers and customers in that order. Another part of their business model was profitability for growers.

In January, Agristo hosted about 20 seed potato growers and industry people, including myself, for a week in Belgium and in the Netherlands. We toured 2 of their processing plants, visited several potato farms and 2 potato breeding companies. It was soon apparent that what they had communicated to us growers the past years is exactly as they operate in Belgium and the Netherlands. Their factories were efficient, large, very clean, quiet and produced no odors. Their average employee age was 34 years. The retention of employees was very high, with many moving up to better jobs within the company.

Agristo will produce 300,000 mt of finished product/year. They will need 12 million cwt of raw potatoes/year, approximately 28-32,000 acres of potatoes produced on both dryland and irrigated acres. North Dakota currently raises about 71,000 acres of potatoes. Those acres will also require an additional 3,000 acres of certified seed potatoes.

In closing I firmly believe HB1332 offers Agristo a commitment from the State of North Dakota to provide great opportunities to not only the ag communities of North Dakota, but will also benefit all of North Dakota as Agristo will consume large amounts natural gas, electricity, transportation, sunflower and canola oils and many other goods and services from our great state.

Thank you for your attention, I would welcome any questions.

COMMISSIONER
DOUG GOEHRING



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

**NORTH DAKOTA
DEPARTMENT OF AGRICULTURE**

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

**Testimony of Doug Goehring
Agriculture Commissioner
Senate Agriculture and Veterans Affairs
Fort Union
March 20, 2025**

Chairman Luick, and members of the Senate Agriculture and Veterans Affairs Committee, I am Agriculture Commissioner Doug Goehring and I'm here today in support of House Bill 1332.

The agriculture diversification and development committee was created as part of the agriculture diversification and development fund (ADD) to provide grants and interest buy downs to projects meeting the requirements of ADD. To date, we have provided funding to 32 projects totaling \$6,646,351 in grants and \$8.6 million in interest buy downs on 19 projects on loans of \$126 million. Primary discussion surrounding HB 1332 is related to a major potato processing company that has a global footprint and wishes to establish a presence in North America. What I find impressive about the company is their commitment and due diligence. They've spent the last three years, studying the economic aspects, agronomy, soils, communities, culture, growers, and transportation. They have even done 2 years of field trials in both Wisconsin and North Dakota. I can truthfully say in all the years that I have worked with Companies and aware of Company activities that were interested in locating in North Dakota I have never seen this type of a thorough review by a company

2025 SENATE APPROPRIATIONS

HB 1332

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

HB 1332
4/14/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to a value-added agriculture facility incentive program; to provide a transfer; and to provide an expiration date.

9:28 a.m. Vice-Chairman Erbele opened the hearing.

Members Present: Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.
Members Absent: Chairman Bekkedahl, Senator Davison.

Discussion Topics:

- Committee Action

9:28 a.m. Senator Dwyer moved amendment LC 25.0541.06001 and submitted testimony #44967.

9:29 a.m. Senator Conley seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	A
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
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 12-1-3.

9:29 a.m. Senator Dwyer moved a Do Pass as Amended.

9:29 a.m. Senator Conley seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	A
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	N
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 12-2-2.

Senator Myrdal will carry the bill.

9:30 a.m. Vice-Chairman Erbele adjourned the meeting.

Elizabeth Reiten, Committee Clerk

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT**

REENGROSSED HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

CO
4/14/25
1049

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; to provide for a transfer; ~~and~~ to
3 provide an expiration date; and to declare an emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing**
8 **appropriation.**

9 1. There is created in the state treasury the agriculture diversification and development
10 fund. The fund consists of all moneys transferred to the fund by the legislative
11 assembly, interest upon moneys in the fund, and payments of interest and principal on
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
13 Dakota on a continuing basis for loan disbursements and administrative costs
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture
15 commissioner on a continuing basis for grants and value-added agriculture facility
16 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
17 diversification and development committee shall designate the amount available from
18 the fund for loans, interest rate buydowns, ~~and~~ grants, and value-added agriculture
19 facility incentive funding.

2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued from the fund to support new or expanding value-added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued from the fund for infrastructure improvements necessary for the development or expansion of new or existing value-added agriculture businesses. Value-added agriculture businesses include food production or processing facilities; feed or pet food processing facilities; commodity processing facilities; agriculture product manufacturers; and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.
3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns from the fund in consultation with the agriculture diversification and development committee. The Bank shall review loan applications. To be eligible for a loan under this section, an entity shall agree to provide the Bank with information as requested. The Bank may develop policies for loan participation with local financial institutions. The Bank shall deposit in the fund all principal and interest paid on the outstanding loans. The Bank may use a portion of the interest paid as a servicing fee to pay for administrative costs, which may not exceed one-half of one percent of the amount of the outstanding loans. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.
4. The agricultural diversification and development committee shall develop policies for grants from the fund to support new or expanding value-added agriculture businesses, including eligibility criteria, maximum grant amounts, and reporting requirements. Based on recommendations from the agricultural diversification and development committee, the agriculture commissioner shall distribute the grant funding.
5. The agricultural diversification and development committee shall develop a value-added agriculture production facility incentive program to provide grants. Grant award funding for the value-added agriculture production facility incentive program under this subsection is limited to thirty million dollars.
 - a. To be eligible for a grant award under the value-added agriculture production facility incentive program, the production facility must:

- 1 (1) Be located within the state;
- 2 (2) Be a new construction project on an industrial-ready site with access to
- 3 existing municipal infrastructure;
- 4 (3) Have capital investment of at least three hundred fifty million dollars and
- 5 leverage regional agricultural producer capital investment to support the
- 6 facility's operations;
- 7 (4) Have a competing offer from at least one other midwestern state;
- 8 (5) Produce a new agriculture product or variant of an existing agriculture
- 9 product to provide a domestic supply of the product and to diversify the
- 10 market for agriculture products; and
- 11 (6) Have an estimated economic contribution of at least twenty million dollars
- 12 when fully operational based on an economic analysis conducted by the
- 13 Bank.
- 14 b. Grant funding under the program is a reimbursement for infrastructure, site
- 15 acquisition, or other capital expenditures necessary for the value-added
- 16 agriculture facility construction, including natural gas supply, electricity supply,
- 17 roads, water lines, wastewater lines, storm water conveyance, or rail lines.
- 18 c. Upon issuance of a certificate of occupancy for the value-added agriculture
- 19 production facility, the agriculture commissioner shall distribute a grant equal to
- 20 fifty percent of the total grant award from funding available in the agriculture
- 21 diversification and development fund.
- 22 d. Upon achieving fifty percent of the production capacity of the value-added
- 23 agriculture production facility, the agriculture commissioner shall distribute the
- 24 remainder of the grant award from funding available in the agriculture
- 25 diversification and development fund.
- 26 e. The Bank of North Dakota may extend a line of credit of up to thirty million dollars
- 27 to the agriculture commissioner to support a grant from the fund under this
- 28 subsection. The interest rate associated with the line of credit must be the
- 29 prevailing interest rate charged to North Dakota governmental entities.
- 30 f. If the agriculture diversification and development committee approves a grant
- 31 under this subsection, the agriculture commissioner may access the line of credit

1 under this subsection through June 30, 2029, to provide funding for the grant.
2 Any moneys borrowed from the Bank pursuant to this subsection must be
3 transferred to the fund. If the agriculture commissioner accesses the line of
4 credit, the commissioner shall request from the legislative assembly a deficiency
5 appropriation to repay the line of credit.

6 **SECTION 2. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that
7 date is ineffective.

8 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE
REENGROSSED HB 1332**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.0541.06001](#)) and when so amended, recommends **DO PASS** (12 YEAS, 2 NAYS, 2 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed HB 1332 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.0541.06001
Title.

Prepared by the Legislative Council
staff for Representative Hagert
March 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1332

Introduced by

Representatives Hagert, Brandenburg, Grueneich, Headland, Ista, Lefor, O'Brien, K.
Anderson

Senators Meyer, Myrdal, Patten, Thomas

1 A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code,
2 relating to a value-added agriculture facility incentive program; to provide for a transfer; ~~and~~ to
3 provide an expiration date; and to declare an emergency.

4 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

5 **SECTION 1. AMENDMENT.** Section 4.1-01.1-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **4.1-01.1-07. Agriculture diversification and development fund - Continuing** 8 **appropriation.**

9 1. There is created in the state treasury the agriculture diversification and development
10 fund. The fund consists of all moneys transferred to the fund by the legislative
11 assembly, interest upon moneys in the fund, and payments of interest and principal on
12 loans made from the fund. Moneys in the fund are appropriated to the Bank of North
13 Dakota on a continuing basis for loan disbursements and administrative costs
14 pursuant to this section, and moneys in the fund are appropriated to the agriculture
15 commissioner on a continuing basis for grants and value-added agriculture facility
16 incentive funding pursuant to this section and section 4.1-01-27. The agriculture
17 diversification and development committee shall designate the amount available from
18 the fund for loans, interest rate buydowns, ~~and grants~~, and value-added agriculture
19 facility incentive funding.

- 1 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
2 from the fund to support new or expanding value-added agriculture businesses that
3 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create
4 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
5 from the fund for infrastructure improvements necessary for the development or
6 expansion of new or existing value-added agriculture businesses. Value-added
7 agriculture businesses include food production or processing facilities; feed or pet food
8 processing facilities; commodity processing facilities; agriculture product
9 manufacturers; and animal agriculture production facilities, including swine, poultry,
10 dairy, and feed lot production facilities.
- 11 3. The Bank of North Dakota shall develop policies for loans and interest rate buydowns
12 from the fund in consultation with the agriculture diversification and development
13 committee. The Bank shall review loan applications. To be eligible for a loan under this
14 section, an entity shall agree to provide the Bank with information as requested. The
15 Bank may develop policies for loan participation with local financial institutions. The
16 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.
17 The Bank may use a portion of the interest paid as a servicing fee to pay for
18 administrative costs, which may not exceed one-half of one percent of the amount of
19 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,
20 and the cost of the audit must be paid from the fund.
- 21 4. The agricultural diversification and development committee shall develop policies for
22 grants from the fund to support new or expanding value-added agriculture businesses,
23 including eligibility criteria, maximum grant amounts, and reporting requirements.
24 Based on recommendations from the agricultural diversification and development
25 committee, the agriculture commissioner shall distribute the grant funding.
- 26 5. The agricultural diversification and development committee shall develop a value-
27 added agriculture production facility incentive program to provide grants. Grant award
28 funding for the value-added agriculture production facility incentive program under this
29 subsection is limited to thirty million dollars.
 - 30 a. To be eligible for a grant award under the value-added agriculture production
31 facility incentive program, the production facility must:

- 1 (1) Be located within the state;
- 2 (2) Be a new construction project on an industrial-ready site with access to
- 3 existing municipal infrastructure;
- 4 (3) Have capital investment of at least three hundred fifty million dollars and
- 5 leverage regional agricultural producer capital investment to support the
- 6 facility's operations;
- 7 (4) Have a competing offer from at least one other midwestern state;
- 8 (5) Produce a new agriculture product or variant of an existing agriculture
- 9 product to provide a domestic supply of the product and to diversify the
- 10 market for agriculture products; and
- 11 (6) Have an estimated economic contribution of at least twenty million dollars
- 12 when fully operational based on an economic analysis conducted by the
- 13 Bank.
- 14 b. Grant funding under the program is a reimbursement for infrastructure, site
- 15 acquisition, or other capital expenditures necessary for the value-added
- 16 agriculture facility construction, including natural gas supply, electricity supply,
- 17 roads, water lines, wastewater lines, storm water conveyance, or rail lines.
- 18 c. Upon issuance of a certificate of occupancy for the value-added agriculture
- 19 production facility, the agriculture commissioner shall distribute a grant equal to
- 20 fifty percent of the total grant award from funding available in the agriculture
- 21 diversification and development fund.
- 22 d. Upon achieving fifty percent of the production capacity of the value-added
- 23 agriculture production facility, the agriculture commissioner shall distribute the
- 24 remainder of the grant award from funding available in the agriculture
- 25 diversification and development fund.
- 26 e. The Bank of North Dakota may extend a line of credit of up to thirty million dollars
- 27 to the agriculture commissioner to support a grant from the fund under this
- 28 subsection. The interest rate associated with the line of credit must be the
- 29 prevailing interest rate charged to North Dakota governmental entities.
- 30 f. If the agriculture diversification and development committee approves a grant
- 31 under this subsection, the agriculture commissioner may access the line of credit

1 under this subsection through June 30, 2029, to provide funding for the grant.
2 Any moneys borrowed from the Bank pursuant to this subsection must be
3 transferred to the fund. If the agriculture commissioner accesses the line of
4 credit, the commissioner shall request from the legislative assembly a deficiency
5 appropriation to repay the line of credit.

6 **SECTION 2. EXPIRATION DATE.** This Act is effective through June 30, 2029, and after that
7 date is ineffective.

8 **SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.