

2025 SENATE AGRICULTURE AND VETERANS AFFAIRS

SB 2327

2025 SENATE STANDING COMMITTEE MINUTES

Agriculture and Veterans Affairs Committee

Fort Union Room, State Capitol

SB 2327
1/31/2025

A bill relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

10:30 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 infrastructure grant program
- Administrative expense authorization
- Agricultural Products Utilization Commission (APUC) and ADD Committee
- Agriculture Diversification and Development (ADD) fund establishment and impact
- Infrastructure improvement and political subdivision
- ND Ethanol Producers Association and the ethanol industry
- Onion growers in ND
- Crop diversification
- Grant requirements and process

10:29 a.m. Representative Mike Brandenburg, District 28, testified in favor and introduced the bill.

10:32 a.m. Matthew Perdue, ND Farmer's Union Members, testified and submitted testimony #33127.

10:38 a.m. Parrell Grossman, Legislative Director for the ND Soybean Growers Association, testified in favor and submitted testimony #33115

10:42 a.m. Leslie Icenogle, ND Corn Growers Association, testified in favor and submitted testimony #33078.

10:42 a.m. Laura Lacher, Executive Director for the ND Ethanol Producers Association (NDEPA), testified in favor and submitted testimony #33196.

10:44 a.m. Barry R. Vculek, operator of Four Star Ag in Oakes, ND, testified in favor and submitted testimony #33051.

10:48 a.m. Jade Koski, on behalf of the ND Stockmen's Association, testified in favor.

10:49 a.m. Dan Wogsland, ND Grain Growers Association, testified in favor and submitted testimony #33131.

10:50 a.m. Chris Albers, rancher from Center, ND, testified in favor.

10:53 a.m. Taley Davis, Agriculture Development Specialist with the ND Department of Agriculture, testified neutrally.

10:55 a.m. Barry R. Vculek, operator of Four-Star Ag in Oakes, ND, testified in favor.

10:55 a.m. Chairman Luick closed the hearing.

10:55 a.m. Senator Myrdal moved a Do Pass.

10:55 a.m. Senator Marcellais 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	A
Senator Kent Weston	Y

Motion passed 5-0-1.

Senator Myrdal will carry the bill.

Additional written testimony:

Samuel A. Wagner, Ag and Food Field Organizer for the Dakota Resource Council, submitted testimony #32748 in neutral.

Travis Maddock, partner in 6 in 1 Meats LLC, submitted testimony #32894 in favor.

Rachel E. Retterath, resident of Washburn, ND, submitted testimony #33077 in favor.

10:56 a.m. Chairman Luick adjourned the meeting.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2327 ([25.1215.01000](#))

Agriculture and Veterans Affairs Committee (Sen. Luick, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2327 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

Testimony SB2327

Sam Wagner
Ag and Food Field Organizer
Dakota Resource Council
1902 E Divide Ave
Bismarck ND 58501
Neutral Testimony for SB2327

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 this bill. Overall, making sure that we have a consistent fund for the expansion of Value Added Agriculture is a good thing. We proudly support mills, pasta factories, creameries, meat processing facilities, and other businesses that directly add value to our crops that we grow in state and the outfits for entrepreneurs and cooperatives in our state to keep these dollars in our local communities to make our local economy thrive.

The biggest problem is though there is a darker side to this, these dollars also bring 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.

We have to temper our desire to bring economic development to our state and balance it so that we do not become a state that is being exploited for our resources with no benefits to ourselves.

1/30/2025

Senate Agriculture and Veterans Affairs

RE: SB 2327

Chairman Luick and Members,

My name is Travis Maddock and I am a small business owner and cattle producer from Maddock. I stand today to share how the Agricultural Diversification and Development Fund (ADD), administered by the Department of Agriculture, has positively affected our small businesses and our ranching operation.

In 2020 my family, along with other partners, purchased the Prairie West Meat facility in New Salem. At that time, the capacity was between 6-7 large animal units per week and their value-added processing was limited to occasionally smoking game and custom products for local friends.

Since our purchase, we have invested over \$500,000 into the facility to expand slaughter and processing capacity, with \$200,000 of these investments coming from an ADD grant. The facility is now USDA-FSIS inspected and can comfortably harvest 15 large animal units per week and value-added processing (smoked and prepared meats) has increased 10-fold.

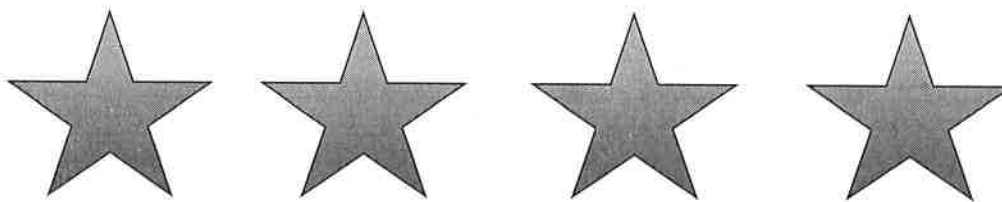
These improvements have provided much needed capacity to regional cattle producers in need of slaughter and processing, either for their own use or for direct-to-consumer sales. The additional value-added processing not only gives our ranching customers more options, but we are now producing smoked- and prepared-meats for commercial customers as well, co-packing under their house brands. Meats that are prepared in New Salem, North Dakota at 6 In 1 Meats are now sold online and found in many convenience stores and groceries across the upper-Midwest.

As our capacity has expanded, so has our payroll, which has increased over 75% from 2022. We now have 4 full-time employees and 3 part-time employees and are advertising to hire 2 more full-time workers as the value-added business continues to grow.

In 2025, we will continue to expand, adding more coolers, capacity, and workers, and our initial investments, added in a large part by the ADD grant, will help leverage this continued growth. Each owner of the facility now has their own meat brand and label and we continue to feature locally grown and harvested meat products across the state.

In closing, the ADD grant has allowed our small business the opportunity to grow, be more profitable, and to make a positive economic impact to not just the New Salem area, but across the state and region.

Thank you for your time, I welcome questions.



Four Star Ag, GP

Robin & Barry Vculek
1109 South 7 Street
Oakes, North Dakota 58474
701-742-3050 Office/701-742-3070 Fax

My name is Barry Vculek and my wife and I operate Four Star Ag at Oakes, ND. We grow, store, sort, grade, package and ship the produce of 1000 acres of onions on irrigated land near Oakes, ND. This amounts to roughly 700-900 semi loads of onions annually.

Onions are a high input, high risk, potentially high return crop that can be grown and stored efficiently in North Dakota. To grow them efficiently there is a need for highly specialized, expensive equipment in the production, handling, storing, grading, sizing and bagging operations.

These high costs contribute greatly to a barrier to entry and a barrier to expansion in the industry.

This summer we made a \$1M expansion into our packing shed by upgrading and automating weighing, bagging and palletizing of product. This allowed us to speed up the process to approximately one semi load per hour while utilizing less laborers on back breaking physical work and focusing that labor more towards quality control.

We were fortunate enough to receive a generous grant from the State of North Dakota through the Agricultural Diversification and Development program. Additionally, the sales tax relief offered by the state was also very beneficial.

This investment allows us a comfort level to grow a larger acreage of onions with the confidence that we have the capacity to get them all processed. I would estimate a one to three year payback on this investment for our operation.

Individuals are limited in expanding new ventures like this in North Dakota by extremely high capital demands. The Agricultural Diversification and Development allows award winners to accelerate potential expansions.

I believe the ADD program is well thought out and well administered and will show a solid return on investment for the taxpayers of North Dakota through the expansion of high value alternative crop acreages in the state by diversifying the crops produced and not relying solely on the commodity crops such as wheat, corn and soybeans.

I'd like to express my gratitude to the North Dakota Department of Agriculture for their assistance to our operation in the form of the Agricultural Diversification and Development grant.

Testimony of Rachel Retterath
SB2327
January 31, 2025

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

I'm Rachel Retterath, I serve as the current Chair of the Agriculture Diversification and Development Fund (ADD) Committee who reviews ADD grant project applications and makes recommendation on funding. I'm an appointed member of the ADD Committee by the North Dakota Ag Commissioner. I grew up on a dairy farm, my husband and I currently farm and ranch on his family farm near Washburn/Center, ND and I work in business development and governmental affairs in the energy industry.

I am writing to encourage you to support SB2327 and the continuation of funding for ADD. ADD has made significant contributions to support new and expanding value added ag businesses across North Dakota since its inception two legislative sessions ago. Last year, there about 30 projects that received support through ADD funding. These investments are making it possible for small and large new or expanding businesses to happen which increase farming/ranching profitability, create new jobs and boost North Dakota's economy.

I'm proud to serve on this committee on behalf of North Dakota. It's an honor to be a part of helping these applicants expand and grow their businesses. There are many examples of projects that help family operations diversify and grow, allowing them to stay on farms and ranches and bring the next generation into the operations. Also examples of processing automation which increases efficiencies and safety, facilities that process our crops before they leave North Dakota to be processed elsewhere. These facilities bring many direct and indirect jobs as well.

ADD is a significant resource of funding help for agriculture producers and businesses that are embarking on new business ventures and investing their own capital into projects that benefit the growth of the agriculture industry in North Dakota focused on food and commodity processing facilities and production facilities, agriculture product

manufacturers and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.

Thank you for the opportunity to provide testimony in support of SB2327.



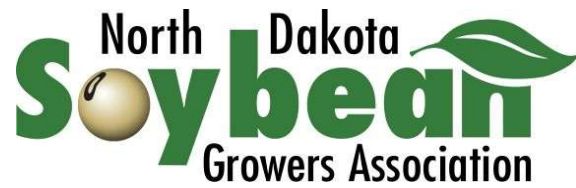
In Favor of SB 2327
Senate Agriculture and Veterans Affairs
January 31, 2025

Chairman Luick and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2327.

Increasing opportunities for value-added agriculture is a policy priority for the North Dakota Corn Growers. The Agriculture Diversification and Development Fund has helped numerous value-added businesses get off the ground or expand, creating jobs and growing the state's economy. The agriculture infrastructure grants are a critical tool to support political subdivisions in improving roads, bridges, and utilities to accommodate these businesses.

The North Dakota Corn Growers urge a Do Pass recommendation on SB 2327 to build on a track record of success and encourage further value-added agriculture development in the state. Thank you for your consideration.



SENATE BILL NO. 2327
SENATE AGRICULTURE AND VETERANS AFFAIRS COMMITTEE
LARRY LUICK, CHAIR
TESTIMONY IN SUPPORT OF SENATE BILL 2327

Chairman Luick and members of the Senate Agriculture and Veterans Affairs Committee. I am Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear on behalf of the Association in support of Senate Bill 2327.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

This Committee is aware, according to a 2022 North Dakota Agriculture Industry Economic Contribution Analysis conducted by NDSU, the economic contribution to North Dakota is \$30.8 billion, including \$18.8 billion from direct output and \$12 billion from secondary output.

The Association understands the importance of the agriculture diversification and development fund and enthusiastically supports the continuing appropriation in the re-enactment of section 4.1-01-07.

This section provides as follows: “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.” That is exactly what has been occurring with this program and fund.

This section further provides that “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. North Dakota now has two soybean crushing plants at Spiritwood and Casselton. And that benefits soybean farmers and so many others.

The agriculture diversification and development committee and the Bank of North Dakota seem to be doing an excellent job with this fund. The Association recommends the State keep funding this program and, maybe, in two years when the legislature is back in session, we will have moved the needle in the agriculture economy and NDSU will have a report in which the economic contribution to North Dakota has significantly increased.

Mr. Chairman and members of the Committee, for the reasons stated the Association respectfully asks the Senate Agriculture and Veterans Affairs Committee to give Senate Bill 2327 a “Do Pass” recommendation.

Thank you for your consideration and I would be pleased to try and answer any questions.



Contact:

Matt Perdue, Lobbyist

mperdue@ndfu.org | 701.641.3303

**Testimony of
Matt Perdue
North Dakota Farmers Union
Before the
Senate Agriculture and Veterans Affairs Committee
January 30, 2025**

Chairman Luick and members of the committee,

Thank you for the opportunity to testify on Senate Bill No. 2327. My name is Matt Perdue, and I am testifying on behalf of North Dakota Farmers Union's (NDFU) members. NDFU supports SB 2327.

SB 2327 replenishes the Agriculture Diversification and Development (ADD) fund with a \$25 million appropriation. It also allows the ADD Committee to use a small portion of funds for administrative expenses, which is common for other programs.

Section 1 – Administrative Expenses

Section 1 of the bill adds a new paragraph 5, authorizing the ADD Committee to pay for the cost of administering the program. In recent conversations with the Department of Agriculture, we learned that they are unable to cover routine expenses, including reimbursing committee members for mileage, providing per diem, and renting meeting rooms.

Attached to my testimony is Amendment 25.1215.01001. This amends the new paragraph 5. Due to a drafting error, the original legislation authorized a higher amount for administrative expenses than originally intended. The amendment would tie that authority to administrative expenses used for the Agricultural Products Utilization Commission (APUC). APUC and ADD Committee meetings are typically held in conjunction with each other.

The ADD Committee is composed of the same members as APUC, with the addition of two representatives from the banking sector. Tying administrative expenses to the cost of administering APUC ensures the two can be administered consistently.

Section 2 – Appropriation

Section 2 of the bill provides a \$25 million appropriation to replenish the ADD Fund. The legislation also renews authority for the Agriculture Commissioner to utilize up to \$10 million from the ADD fund for agriculture infrastructure grants. The appropriation matches the appropriation from last legislative session, allowing the program to continue to provide a significant boost to value-added ag development in North Dakota.



The ADD fund was established in 2021 to support new and expanding value-added agriculture enterprises. ADD provides interest buydowns and grants to value-added projects that:

- Demonstrate financial feasibility;
- Enhance profitability for farmers and ranchers;
- Create jobs; and
- Grow the state's economy.

In the first three years of its existence, the ADD fund has had a significant impact on the North Dakota economy. The ADD fund has supported meat processing, ethanol production, pasta production, craft malting, and more. The project has also helped dairy producers invest in robotic milking parlors and beef cattle producers construct new finishing barns.

ADD's return on investment is significant. Since ADD's inception, \$8.7 million in interest buydowns alone have supported \$126 million of investment in value-added agriculture in North Dakota. That investment is driving growth in our broader state economy. In the coming weeks, a new agriculture economic contribution study will be unveiled. That study will show that North Dakota agriculture's economic contribution has grown significantly over the last two years, in part due to growth in commodity processing and livestock production.

Conclusion

Thank you for the opportunity to testify. We encourage the committee to adopt the proposed amendment and recommend a "Do Pass" recommendation on SB 2327.

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

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 uses of the agriculture diversification and development fund; to provide an
3 appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. The agriculture diversification and development committee may use ~~up to five percent~~
24 ~~of the~~ funding available in the agriculture diversification and development fund ~~on July~~
25 ~~first of each odd-numbered year~~ for administrative expenses related to the agriculture
26 infrastructure grant program ~~each biennium~~ only to the extent the administrative
27 expenses paid do not exceed the total administrative expenses paid for the agricultural
28 products utilization commission under section 4.1-01.1-05 from the most recently
29 completed biennium. The agriculture commissioner may reimburse agriculture
30 diversification and development committee members for costs incurred associated
31 with the program.

1 **SECTION 2. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**
2 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
3 the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of
4 management and budget shall transfer to the agriculture diversification and development fund,
5 for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to
6 \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under
7 section 4.1-01-27.



**North Dakota Grain Growers Association
Testimony in Support of SB 2327
Senate Agriculture and Veterans Affairs Committee
January 31, 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). We appreciate the opportunity to testify in support of Senate Bill 2327.

Supporting Value-Added Agricultural and Economic Growth

SB 2327 is a critical piece of legislation that strengthens North Dakota's commitment to value-added agriculture by enhancing the Agriculture Diversification and Development Fund. By expanding access to loans, interest rate buydowns, and grants for value-added agricultural businesses, this bill directly supports the financial feasibility of new and expanding operations. This funding will allow North Dakota farmers and agribusinesses to increase profitability, create jobs, and stimulate rural economic development.

The inclusion of various agricultural sectors including food production, commodity processing, and animal agriculture production facilities ensures that a broad range of industries can benefit from these investments. NDGGA recognizes the value of processing and marketing agricultural products within the state rather than exporting raw commodities. Value-added agriculture not only strengthens our supply chains but also improves price stability and profitability for farmers.

Infrastructure Investments for Agricultural Expansion

SB 2327's commitment to allocating up to \$10 million for agricultural infrastructure grants is particularly important for rural communities and agribusiness development. Modernized infrastructure including grain storage, transportation networks, and processing facilities is vital for ensuring the long-term competitiveness of North Dakota's agricultural sector. Investing in these resources will allow farmers to expand their operations, reduce transportation costs, and access new markets.

Encouraging Private and Public Sector Collaboration

The bill also emphasizes strategic partnerships between the Bank of North Dakota, local financial institutions, and the Agriculture Diversification and Development Committee.

By providing structured loan programs and interest rate buydowns, this legislation ensures that financing opportunities remain accessible and affordable for agricultural entrepreneurs. This collaborative approach maximizes the impact of state funds while leveraging private investment in the sector.

Conclusion

NDGGA supports SB 2327 because it provides much-needed resources to drive innovation, economic expansion, and increased profitability for North Dakota farmers. By facilitating value-added agriculture, improving infrastructure, and fostering collaboration between public and private stakeholders, this bill will position North Dakota as a leader in agricultural diversification and development.

Therefore, Chairman Luick, Members of the Senate Agriculture and Veterans Affairs Committee, NDGGA would respectfully request a Do Pass recommendation on SB 2327 and would urge the full Senate to concur.



Testimony of Laura Lacher
North Dakota Ethanol Producers Association
In Support of SB 2327
January 31, 2025

Chairman Luick and members of the Senate Agriculture and Veterans Affairs committee,

I am Laura Lacher, the executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's six ethanol plants, industry stakeholders and associated businesses. I am here today to voice support for HB 2327, which allocates \$25 million to the agriculture diversification and development (ADD) fund.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been able to expand into various markets. Annually the industry converts 40-60% of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grains), 2.4 tons of CO₂ and 20 million gallons of corn oil used in renewable diesel. North Dakota's ethanol industry also contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs.

Since the creation of the ADD fund in the 67th Legislative Assembly, over 40 projects have been funded, including one at Tharaldson Ethanol in Casselton. This project implemented a selective milling technology system to improve efficiency and increase ethanol production per bushel of corn. The additional funds will assist ethanol and other industries in innovation and diversification in the future.

Thank you for your time, and I respectfully urge a "Do Pass" recommendation on SB 2327. I stand for any questions.

2025 SENATE APPROPRIATIONS

SB 2327

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2327
2/10/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer

3:03 p.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Administration costs
- Agricultural Product Utilization Commission (APUC)
- Agriculture Diversification and Development (ADD) Fund
- Basic administration cost reimbursement
- Administrative expenses definition
- BND report
- Administrative cost of grant awards
- Ag infrastructure
- Interest buydown
- Grant report
- Value-added products

3:05 p.m. Matt Perdue, for ND Farmers Union, testified in favor.

3:27 p.m. Haley Vollmer, ND Corn Growers Association, testified in favor and submitted testimony #36743.

3:28 p.m. Parrell Grossman, Legislative Director for ND Soybean Growers Association, testified in favor.

Additional written testimony:

Laura Lacher, Executive Director of the Economic Development Association of North Dakota, submitted testimony #36465 in favor.

Terry Wanzek, Senator, submitted testimony #36847.

Taley Davis, ND Dept. of Agriculture, submitted testimony #36868 in favor.

3:32 p.m. Chairman Wanzek closed the meeting.

Carol Thompson, Committee Clerk



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 SB 2327
Feb. 10, 2025

Chairman Wanzek and members of the Senate Appropriations – Government Operations Division Committee:

My name is Laura Lacher, executive director of the Economic Development Association of North Dakota (EDND). I am here to express support for SB 2327 relating to the Agriculture Diversification and Development Fund (ADD).

EDND represents more than 80 state economic development organizations on the front line of economic development efforts throughout North Dakota. EDND members understand that our state's long-term future depends upon expanded economic diversification and supporting innovation that will bring new wealth to the state.

The Agriculture Diversification and Development Fund (ADD) was established through HB 1475 during the sixty-seventh Legislative Assembly to support new or expanding value-added-agriculture businesses. Since the creation of the ADD fund over 40 projects have come to fruition. These funding opportunities, including grants, interest rate buydowns and loans, are important tools for agriculture opportunities and businesses in North Dakota. With every value-added-agriculture company North Dakota supports, our state becomes more diversified and better positioned for the future.

Thank you for taking the time to allow us to share EDND's support for SB 2327. We request the committee's support in funding ADD to help grow this program for the state's future agriculture businesses.



In Favor of SB 2327
Senate Appropriations – Government Operations Division
February 10, 2025

Chairman Wanzek and Committee members:

For the record, my name is Haley Vollmer. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2327.

Increasing opportunities for value-added agriculture is a policy priority for the North Dakota Corn Growers. The Agriculture Diversification and Development Fund has helped numerous value-added businesses get off the ground or expand, creating jobs and growing the state's economy. The agriculture infrastructure grants are a critical tool to support political subdivisions in improving roads, bridges, and utilities to accommodate these businesses.

The North Dakota Corn Growers urge a Do Pass recommendation on SB 2327 to build on a track record of success and encourage further value-added agriculture development in the state. Thank you for your consideration.

25.1215.01001
Title.

Prepared by the Legislative Council
staff for Senator Wanzek
January 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

- 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 uses of the agriculture diversification and development fund; to provide an
3 appropriation; and to provide for a transfer.

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 pursuant to this section and section
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5 processing facilities; commodity processing facilities; agriculture product
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11 section, an entity shall agree to provide the Bank with information as requested. The
12 Bank may develop policies for loan participation with local financial institutions. The
13 Bank shall deposit in the fund all principal and interest paid on the outstanding loans.
14 The Bank may use a portion of the interest paid as a servicing fee to pay for
15 administrative costs, which may not exceed one-half of one percent of the amount of
16 the outstanding loans. The fund must be audited annually pursuant to section 6-09-29,
17 and the cost of the audit must be paid from the fund.

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

23 5. The agriculture diversification and development committee may use up to five percent
24 of the funding available in the agriculture diversification and development fund on July
25 first of each odd-numbered year for administrative expenses related to the agriculture
26 infrastructure grant program each biennium only to the extent the administrative
27 expenses paid do not exceed the total administrative expenses paid for the agricultural
28 products utilization commission under section 4.1-01.1-05 from the most recently
29 completed biennium. The agriculture commissioner may reimburse agriculture
30 diversification and development committee members for costs incurred associated
31 with the program.

1 **SECTION 2. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**
2 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
3 the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of
4 management and budget shall transfer to the agriculture diversification and development fund,
5 for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to
6 \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under
7 section 4.1-01-27.

AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND

GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring



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ABOUT ADD

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

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

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

ELIGIBILITY

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

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

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

USE OF PROCEEDS

Proceeds may be used to:

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

Proceeds may not be used to:

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

ADMINISTRATION

ADD COMMISSIONERS

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

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



RACHEL RETTERATH, CHAIR
Commissioner's Appointee



MATTHEW GLESSNER, VICE CHAIR
Commissioner's Appointee



DAN KALIL
Commissioner's Appointee



KEITH PELTIER
Commissioner's Appointee



BILL ONGSTAD
Commissioner's Appointee



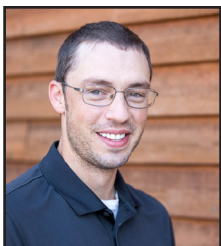
WADE BOESHANS
Governor's Appointee



DENNIS WALSH
Independent Community
Banks of North Dakota



DIANNE PIERCE
North Dakota
Bankers Association



KEVIN SONSALLA
Commerce Designee



DOUG GOEHRING
Agriculture Commissioner



DAVID COOK
NDSU President

ADD STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



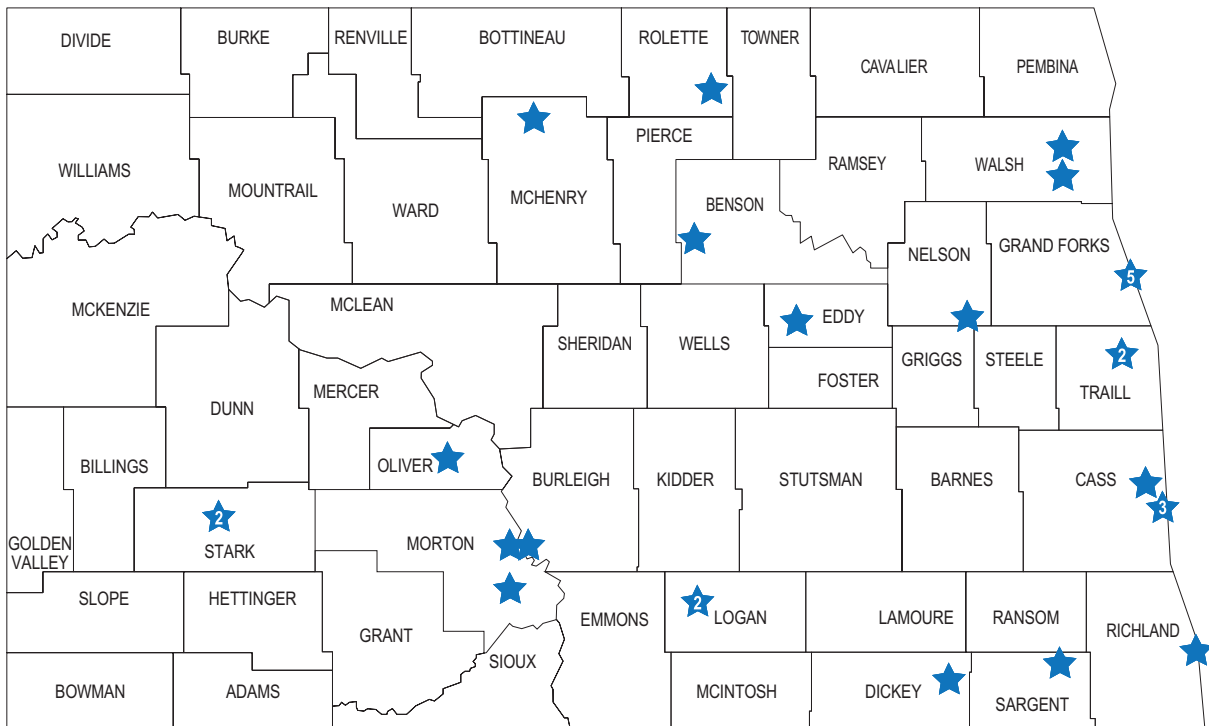
HEATHER LANG
Ag Business Development
Coordinator



TALEY DAVIS
Ag Development Specialist

PROJECT MAP

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



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

PROJECTS



Pinto beans

VOLM PACKAGING MACHINE AND PALLETIZER

Associated Potato Growers, Inc.
Mike Torgerson, Grand Forks

Grant Amount: \$250,000

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

FEEDMILL EXPANSION

Badlands Feeds LLC
Heather Buckman, Dickinson

Grant Amount: \$100,000


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

BILLIE'S SOAP GRAND FORKS EXPANSION

Billie's Soap
Billie & Dale Kellar, Grand Forks

Grant Amount: \$500,000

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



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

CAMPBELL INC WASH PLANT RENOVATION

Campbell, Inc.
Greg Campbell, Grafton

Grant Amount: \$50,000

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

EDIBLE BEAN WAREHOUSE MODERNIZATION AND EXPANSION

Central Valley Bean Cooperative
Daniel Fuglesten, Buxton

Grant Amount: \$250,000

Central Valley Bean Cooperative (CVBC) is

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

DAKOTA HURD CO

Dakota Hurd Co LLC
Justin Berg, Fargo

Grant Amount: \$125,000

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

EPITOME ENERGY LLC

Epitome Energy LLC
Dennis Egan, Grand Forks

Grant Amount: \$500,000

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

ONION PACKAGING AUTOMATION

Four Star Ag
Barry Vculek, Oakes

Grant Amount: \$200,000

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

GIANTS PALLETIZING PROJECT

Giant Snacks Inc
Robert Schuler, Wahpeton

Grant Amount: \$500,000

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

BEEF CONFINEMENT BARN

Gross Cattle Company LLC
Donovan Gross, Napoleon

Grant Amount: \$50,000

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



Sunflower seeds

TRUCKING OPERATION

Holle Farms Trucking LLC
Andrew Holle, Mandan

Grant Amount: \$175,000

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

OFFSITE BUILDING COMPANY, HOMELAND HEMPCRETE, EXPANDING OPERATIONS

Homeland Hempcrete
Matt Marino, Bismarck

Grant Amount: \$148,250

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

KEY-LIX OF NORTH DAKOTA, LLC FACILITY

Key-Lix of ND, LLC
Jed Archibald, Dickinson

Grant Amount: \$150,000

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

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

LARSGAARD WOOL MILL

Larsgaard Wool Mill LLC
Judy Larsgaard, Aneta

Grant Amount: \$50,000

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



Bison

practices in the wool industry.

IMPLEMENTING NEW TECHNOLOGY TO OPTIMIZE QUALITY FOR BUSINESS LONGEVITY

Lone Wolf Farms
Christopher Bjorneby, Minto

Grant Amount: \$50,000

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

NOKOTA PACKERS

NoKota Packers, Inc.
Carissa Olsen, Buxton

Grant Amount: \$250,000

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

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

NORTH AMERICAN BISON, LLC - ANIMAL WELFARE AND PRODUCTION FACILITY

North American Bison LLC
Jim Wells, Fargo

Grant Amount: \$500,000

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

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

PINGREE TRANSLOAD

Pingree Transload LLC
Carl & Julie Peterson, Harwood

Grant Amount: \$175,000

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

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

Proof Artisan Distillers LLC
Joel Kath, Fargo

Grant Amount: \$100,000

Proof Artisan Distillers grant funds will be

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

RED RIVER POTATOES PRODUCTION EXPANSION

Red River Potatoes, LLC
Jack Wiegand, Grand Forks

Grant Amount: \$200,000

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

ADDITION/STATE INSPECTION

Rhino Meat Processing LLC
Ryno Conradie, Esmond

Grant Amount: \$100,000

This project aims to enhance facilities by adding

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

BISON FEEDING OPERATION

Rock Valley Feeders LLP
Cole Johnson, Napoleon

Grant Amount: \$500,000

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

SQUARE BUTTE FARM BEEF

Square Butte Farm
Joshua Albers, Center

Grant Amount: \$110,000

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

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

ROBOTIC MILKING BARN

The Dairy Dozen-Milnor, LLP
Richard Millner, Milnor

Grant Amount: \$150,000

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

THREE FARM DAUGHTERS

Three Farm Daughters LLC
Mollie Ficocello, Grand Forks

Grant Amount: \$51,581

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



Robotic dairy

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

1481 MEATS ADDITIONAL EQUIPMENT

1481 Meats Inc.
Tyler & Kelani Welstad, Upham

Grant Amount: \$70,881

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



Meat processing

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

LEWEY'S MEAT SHOP

Lewey's Meat Shop
Steve Lewis, Mylo

Grant Amount: \$133,209

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

ST. ANTHONY MEATS CUSTOM PROCESSING

St. Anthony Meats
Steve Gotta, St. Anthony

Grant Amount: \$250,000

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

NORTH AMERICAN BISON - OUT-BARN PROCESSING AND HANDLING

North American Bison LLC
Jim Wells, New Rockford

Grant Amount: \$200,000

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

FUNDING

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

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

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Bismarck, ND 58505-0020

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800-242-7535

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BANK OF NORTH DAKOTA

1200 Memorial Hwy.

Bismarck, ND 58504

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2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Government Operations Division Red River Room, State Capitol

SB 2327
2/12/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

8:59 a.m. Chairman Wanzek opened the meeting.

Members present: Chairman Wanzek, Vice-Chair Dwyer, Senator Burckhard, Senator Erbele, and Senator Sickler.

Discussion Topics:

- Member Reimbursements
- Committee Authorization of Funds

9:03 a.m. Senator Dwyer introduced the amendment LC 25.1215.01002 and submitted testimony #37352.

9:07 a.m. Senator Dwyer moved amendment LC 25.1215.01002.

9:08 a.m. Senator Sickler seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion Passed 5-0-0.

9:11 a.m. Senator Dwyer moved a Do Pass as Amended.

9:11 a.m. Senator Sickler seconded the motion.

Senators	Vote
Senator Terry M. Wanzek	Y
Senator Randy A. Burckhard	Y
Senator Michael Dwyer	Y
Senator Robert Erbele	Y
Senator Jonathan Sickler	Y

Motion Passed 5-0-0.

Senator Wanzek will carry the bill.

9:12 a.m. Chairman Wanzek closed the hearing.

Elizabeth Reiten for Carol Thompson, Committee Clerk

25.1215.01002
Title.

Prepared by the Legislative Council
staff for Senator Dwyer
February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 | A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
2 | North Dakota Century Code, relating to uses of the agriculture diversification and development
3 | fund and committee; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 | 4.1-01-27. The agriculture diversification and development committee shall designate
17 | the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 | 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 | from the fund to support new or expanding value-added agriculture businesses that
20 | demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. The agriculture diversification and development committee may use up to five percent
24 of the funding available in the agriculture diversification and development fund on July
25 first of each odd-numbered year for administrative expenses related to travel, per diem,
26 and related costs of the agriculture infrastructure grant program each biennium. The
27 agriculture commissioner may reimburse agriculture diversification and development
28 committee members for travel, per diem, and related costs incurred associated with
29 the program as authorized under subsection 2 of section 4.1-01.1-08.

30 **SECTION 2. AMENDMENT.** Section 4.1-01.1-08 of the North Dakota Century Code is
31 amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.
 - a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.
 - b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.
 - c. The member appointed by the governor must be actively engaged in business in this state.
 - d. The remaining committee members must consist of:
 - (1) One representative from the independent community banks of North Dakota;
 - (2) One representative from the North Dakota bankers association;
 - (3) The commissioner of commerce or the commissioner's designee;
 - (4) The president of North Dakota state university or the president's designee; and
 - (5) The agriculture commissioner or the commissioner's designee.
 - e. The committee shall elect one of its members as chairman.
2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive per diem compensation of

1 one hundred thirty-five dollars for each day of attending meetings and performing
2 other duties relating to official business of the committee.

3 **SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**

4 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
5 the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of
6 management and budget shall transfer to the agriculture diversification and development fund,
7 for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to
8 \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under
9 section 4.1-01-27.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2327
2/17/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

2:32 p.m. Chairman Bekkedahl called the meeting to order.

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

Members Absent: Senators Dever, Sickler.

Discussion Topics:

- Program Travel Reimbursements
- Loan, Interest Buydown, and Grant Amounts
- Political Subdivisions in Value Added Ag Processing
- Fund Carryovers or Turn Backs
- Program Funding Progress Reports

2:33 p.m. Senator Wanzek introduced the bill and submitted testimony #37928.

2:36 p.m. Senator Wanzek moved amendment LC 25.1215.01002.

2:36 p.m. Senator Burckhard seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	A
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	A
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 13-1-2.

2:41 p.m. Senator Wanzek moved a Do Pass as Amended.

2:41 p.m. Senator Conley seconded the motion.

2:41 p.m. Doug Goehring, ND Ag Commissioner, testified as neutral.

2:52 p.m. Senator Wanzek withdrew his motion for Do Pass as Amended.

2:53 p.m. Senator Conley withdrew his second.

2:53 p.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

25.1215.01002
Title.

Prepared by the Legislative Council
staff for Senator Dwyer
February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 | A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
2 | North Dakota Century Code, relating to uses of the agriculture diversification and development
3 | fund ~~and committee~~; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 | 4.1-01-27. The agriculture diversification and development committee shall designate
17 | the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 | 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 | from the fund to support new or expanding value-added agriculture businesses that
20 | demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. The agriculture diversification and development committee may use up to five percent
24 of the funding available in the agriculture diversification and development fund on July
25 first of each odd-numbered year for administrative expenses related to travel, per diem,
26 and related costs of the agriculture infrastructure grant program each biennium. The
27 agriculture commissioner may reimburse agriculture diversification and development
28 committee members for travel, per diem, and related costs incurred associated with
29 the program as authorized under subsection 2 of section 4.1-01.1-08.

30 **SECTION 2. AMENDMENT.** Section 4.1-01.1-08 of the North Dakota Century Code is
31 amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.
 - a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.
 - b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.
 - c. The member appointed by the governor must be actively engaged in business in this state.
 - d. The remaining committee members must consist of:
 - (1) One representative from the independent community banks of North Dakota;
 - (2) One representative from the North Dakota bankers association;
 - (3) The commissioner of commerce or the commissioner's designee;
 - (4) The president of North Dakota state university or the president's designee; and
 - (5) The agriculture commissioner or the commissioner's designee.
 - e. The committee shall elect one of its members as chairman.
2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive per diem compensation of

1 one hundred thirty-five dollars for each day of attending meetings and performing
2 other duties relating to official business of the committee.

3 **SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**

4 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
5 the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of
6 management and budget shall transfer to the agriculture diversification and development fund,
7 for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to
8 \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under
9 section 4.1-01-27.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee Harvest Room, State Capitol

SB 2327
2/19/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

8:34 a.m. Chairman Bekkedahl called the meeting to order.

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

Discussion Topics:

- Fund Cap Language
- Carry Over Funding Destination
- Ag Products Utilization Commission Existence

8:34 a.m. Senator Thomas introduced the bill.

8:37 a.m. Senator Thomas moved amendment LC 25.1215.01003.

8:37 a.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 16-0-0.

8:45 a.m. Senator Wanzek moved a Do Pass as Amended.

8:45 a.m. Senator Thomas seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	Y
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	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 15-1-0.

Senator Myrdal will carry the bill.

8:47 a.m. Doug Goehring, ND Ag Commissioner, testified as neutral and submitted testimony #38396 and #38398.

8:49 a.m. Chairman Bekkedahl closed the hearing.

Elizabeth Reiten, Committee Clerk

February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

2-20-25

for 1013

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 uses of the agriculture diversification and development fund; to provide an
3 appropriation; and to provide for a transfer.

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
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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 pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. The agriculture diversification and development committee may use up to five percent
24 of the funding available in the agriculture diversification and development fund on July
25 first of each odd-numbered year for administrative expenses related to the agriculture
26 infrastructure grant program each biennium. The agriculture commissioner may
27 reimburse agriculture diversification and development committee members for costs
28 incurred associated with the program.

29 **SECTION 2. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION**

30 **AND DEVELOPMENT FUND.** There is appropriated out of any moneys in the general fund in
31 the state treasury, not otherwise appropriated, the sum of ~~\$25,000,000~~ \$15,000,000, which the

- 1 office of management and budget shall transfer to the agriculture diversification and
- 2 development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the
- 3 ~~\$25,000,000~~ \$15,000,000, up to \$10,000,000 is available for agriculture infrastructure grants to
- 4 political subdivisions under section 4.1-01-27.

**REPORT OF STANDING COMMITTEE
SB 2327**

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS** ([25.1215.01003](#)) and when so amended, recommends **DO PASS** (15 YEAS, 1 NAY, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2327 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

SB 2327
2/19/25

Agriculture Development & Diversification

Has a continuing appropriation. There are three components to the program \$10 million is available to political subdivisions for infrastructure projects that will upgrade roads and bridges, as well as utilities for projects in counties and townships, where a lack of funds are available to support projects. \$7.5 million is available for interest buy down, \$7.5 million is available for grants.

Most ag related projects are classified as agricultural property so there is a limited amount of resources to support infrastructure in their respective communities. It's primarily why most counties and townships vote against siting a project because it has an impact on infrastructure but does not generate extra tax revenue.

To date no political subdivision has been approved, but the program has only been operating a little over 18 months. We are aware that there are likely 3 projects in the near future that will be eligible. It stands to reason that it takes time to permit facilities and no infrastructure improvements will be made until there are secured projects. Once a project is permitted then the county or Township is eligible to apply to the program and the agriculture commissioner and the department of transportation Director will review the application to determine its eligibility and funding.

Attached are several examples of companies/entities that received funding and outlines the return or value back to the community and industry.

Projects are required to submit expenses for reimbursement and a final report before all funds are dispersed. Approximately 60% of the projects in this biennium have been completed and a few examples are what you can review in the following document. The attached booklet outlines the types of projects approved.

Agriculture Infrastructure

\$10 million – Cash on Hand – No viable projects to date

Grants awarded under this section may not exceed: a. The lesser of one million two hundred fifty thousand dollars per project or eighty percent of the infrastructure project cost for grants awarded under subsection 2. b. The lesser of three hundred fifty thousand dollars per project or eighty percent of the capital improvement project costs for grants awarded under subsection 3.

Eligible Uses of Grant Funding:

1. Roadway and Bridge Improvements:

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

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

Loans and Interest Buydowns

21-23 Biennium

\$7,500,000.00 was allocated for interest buydowns

23-25 biennium

\$7,500,000.00 was allocated for interest buydowns

Total Appropriated from 2021-2025: \$15million

\$8,653,188 has been committed

\$6,346,812 is remaining

Value of Loans: \$125 million

Grants

21-23 Biennium

\$2,500,000 was funded

\$2,250,000 was awarded

\$250,000 was carried over (extension)

12 total projects – all closed

23-25 Biennium

\$7,500,000 Unappropriated

\$5,813,921 Obligated

\$1,556,065 Remaining – Upcoming Meetings (February 26 & May 28)

\$132,347 Interest

29 Total Projects – 14 closed, 15 open

Granting Process

Submit online Application

At the Meeting:

1. Each applicant presents their proposal followed by questions from the ADD board members.
2. After presentations, the board discusses the merits of each proposal.
3. Projects are scored and ranked. Decisions are funded or denied.

After the Meeting:

1. Applicants are called within one to two business days after the meeting.
2. Throughout the grant period, grantees submit financial documentation for reimbursement.
 - a. All financial documentation must include the purpose, date, and amount of the expense.
 - b. Eligibility of the expenses is determined by cross-referencing the NOGA and approved grant application.
3. Upon the completion of the project, a final report is required and final payment is made.

Pingree Transload LLC

\$1 million in premiums of sales to growers in the area

Conversations and partnerships with growers would not have happened without the expansion of the facility.

Dairy Dozen Milnor

Economic Impact ROI Study alone costs \$13,000

1. Efficient Use of Grant Funds

- The 1,600 head robotic milking dairy farm project supports 65 total jobs during construction, with a one-time economic impact of \$4.6 million in labor income, \$6.4 million in value-added, and nearly \$13.2 million in total sales.

2. Tax Revenue Generation

- Estimated \$1.4 million in total tax revenue from construction, including \$545,000 at the federal level and \$133,000 at state and local levels.

3. Operational Impact

- The dairy's operations will employ 10 workers with \$1.2 million in labor income annually and generate \$1.1 million in value-added.
- Total operational impact is projected at \$14.3 million in output, \$4.8 million in value-added, and 36 jobs when accounting for indirect effects.

4. Tax Revenue from Operations

- Annual tax revenue from operations estimated at \$763,000, including \$599,000 at the federal level and \$164,000 at state and local levels.

North American Bison

Total Expansion Cost = \$6 million

* \$500,000 in revenue / \$250,000 in benefits and labor in ND/yr *

Only plant in the U.S. that only processes Bison

Phase 1

1. Efficient Use of Grant Funds

- North American Bison LLC utilized ADD funding to expand its New Rockford plant, increasing processing capacity from ~11,000 to ~17,000 head annually.

2.. Support for Independent Ranchers

- Increased processing capacity supports more animal purchases from independent ranchers, fostering agricultural growth.

3.Sustainable Growth

- Supports bison herd regeneration, sustainable ranching, and local economic development through expanded production and employment.

Phase 2

1. Efficient Use of Grant Funds

- North American Bison LLC utilized ADD funding to reconfigure its plant barn, enhancing bison processing and distribution operations in New Rockford, ND.

2. \$38 million to \$60 million

Four Star Ag

1. Efficient Use of Grant Funds

- ADD funding enabled the purchase of weighing, bagging, and palletizing equipment, increasing capacity from 500-900 50-pound bags per hour with minimal labor.

Square Butte Farms

1. Efficient Use of Grant Funds

- Square Butte Farm utilized ADD funding to construct two cattle feeding barns, enhancing their livestock operation despite weather-related construction delays.

2. Economic Contribution

- Supports North Dakota's agriculture sector by enhancing cattle performance, ensuring steady growth rates, and maintaining optimal feed intake through weather protection.

3. Improved Livestock Management

- Cattle maintained expected weight gain even during harsh winter conditions, demonstrating improved operational performance.

4. Enhanced Feed Efficiency

- The barn awnings kept feed bunks free of snow, ensuring consistent feed intake and reducing waste.

5. Scalability & Long-Term Operations

- The new barns allow for expanded herd management, supporting future growth and operational stability.

6. Support for Local Agriculture

- Contributes to North Dakota's agricultural economy by supporting cattle production, feed suppliers, and related industries.

7. Sustainable Growth

- Enhances farm resilience, ensuring better animal welfare, operational efficiency, and economic stability.

Red River Potatoes

1. Efficient Use of Grant Funds

- Red River Potatoes utilized ADD funding to commission two state-of-the-art Norris Thermal Technologies dehydrators, more than doubling production capacity from 15,000 lbs. to over 35,000 lbs. per hour.

2. Enhanced Production Capacity

- Increased intake of raw materials and extended procurement efforts, allowing for higher throughput and efficiency.

Rock Valley Feeders LLP

1. Efficient Use of Grant Funds

- Rock Valley Feeders utilized ADD funding to expand its bison feeding and finishing operation, exceeding the original plan with a larger facility and lagoon/holding pond for runoff management.

2. Increased Bison Production Capacity

- Expanded feeding capacity beyond 500 head, boosting bison production and supporting the local bison processing facility in New Rockford.
- Flexible pen designs allow handling of various herd sizes for current and future growth.

3. Employment Opportunities

- Created and sustained jobs for local employees, contractors, and related industries during and after construction.

4. Scalable Operations

- Infrastructure enhancements position Rock Valley Feeders for future growth and increased production, supporting North Dakota's bison industry.

5. Support for Agricultural Industries

- Increased bison production bolsters North Dakota's agriculture and processing sectors, supporting farmers, feed producers, and processing facilities.

Three Farm Daughters

1. Efficient Use of Grant Funds

- 3 Farm Daughters utilized \$51,581 from the ADD program to acquire a scale, bag sealer, and box taper, significantly improving their bulk pasta packing operations.

2. Cost Savings & Increased Efficiency

- The new equipment increased packing efficiency by over 500%, from 4 cases per hour manually to 25 cases per hour.

3. Revenue Growth

- Achieved over a 6-digit increase in bulk and foodservice sales within a year.
- Expanded distribution to 7 new states, boosting revenue and market presence.

Dakota Hurd

1. Cost Savings & Local Economic Support

- Chose local service providers such as Scott's Electric for electrical setup and local scale operators for product weighing, injecting funds back into the North Dakota economy.

2. Collaborative Partnerships

- Collaborated with North Dakota-based Pure Advantage and Bismarck's Homeland Hempcrete, fostering regional economic growth and strengthening the hemp industry ecosystem.

3. Enhanced Production Efficiency

- Installed a compression bagging machine that improved bagging speed by 5-6 times, enabling high-volume supply to retail markets.

Tharaldson Ethanol

1. Total Project Cost & Funding
 - The project had a total cost of \$5.6 million, with \$250,000 awarded from the program.
2. Tax Revenue Contribution
 - The project will generate additional tax revenue for the state, contributing to North Dakota's economy.
3. Ethanol Yield and Corn Oil Production
 - The SMT™ System increases ethanol yield, starch extraction, and corn oil production.
 - The system has the potential to reduce enzyme costs, which can further improve efficiency and cost savings.
4. Sustainability and Industry Growth
 - The new technology increases efficiency in ethanol production, supporting North Dakota's renewable energy sector.
 - The system can be replicated at other ethanol plants, encouraging further industry expansion.
 - By enhancing production efficiency, the project strengthens North Dakota's position in the renewable energy market.
5. Commercialization Potential
 - The project is moving into its commercial phase, indicating potential for long-term economic and technological impact beyond just the Casselton facility.
 - This technology could attract further investment and new business opportunities in the ethanol and renewable energy industries.

GP Turnkey Tharaldson LLC

1. Total Project Cost & Funding

- The total project cost is \$89 million, with \$250,000 in funding from the ADD program.
- To date, \$38 million has been spent on construction, procurement, and engineering.

2. High-Value Protein & Corn Oil Production

- The MSCTM system will produce high-value protein at 52%, increasing to 60% or greater.
- It will generate a 20% increase in corn oil yield.
- A new DDGS (dried distillers' grains) stream will have a pro-fat content close to 28%.

3. Increased Efficiency & Output

- The MSCTM system aims for a 10% plant throughput gain.
- Expected production capacity: 105,000 tons annually.
- The facility will operate 355 days per year.

4. Agricultural & Renewable Energy Sector Growth

- The system increases demand for local corn feedstock, benefiting North Dakota farmers.
- 54 million bushels of corn annually will be required for target DDGS production.
- Farmers will have increased access to dried distillers' grains and corn oil for livestock feed.

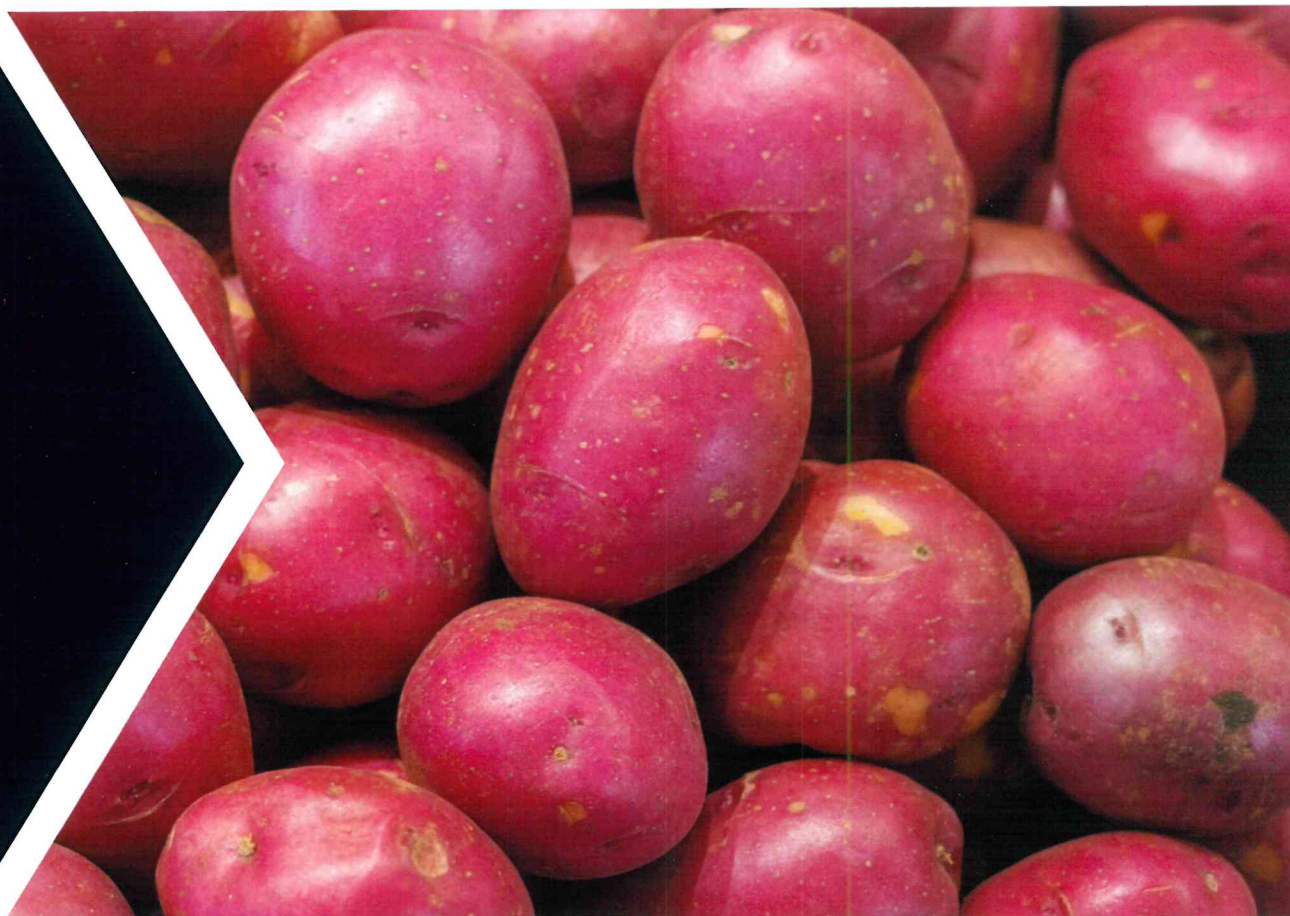
5. Sustainability & Industry Development

- The MSCTM system enhances ethanol plant efficiency and sustainability.
- North Dakota's ethanol industry will gain a competitive edge in high-protein feed markets.
- The project sets the stage for future renewable energy innovations and investments.

SB 2357
2/19/25

AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND

GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring

BND 
Bank of North Dakota

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ABOUT ADD

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

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

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

ELIGIBILITY

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

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

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

USE OF PROCEEDS

Proceeds may be used to:

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

Proceeds may not be used to:

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

ADMINISTRATION

ADD COMMISSIONERS

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

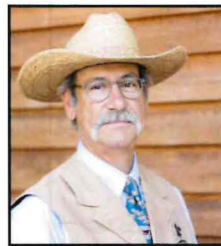
The board also includes three statutory members: the North Dakota Agriculture Commissioner, the Director of the Department of Economic Development & Finance, and the President of North Dakota State University, or their designees. The remaining two members must be representatives from Independent Community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



RACHEL RETTERATH, CHAIR
Commissioner's Appointee



MATTHEW GLESSNER, VICE CHAIR
Commissioner's Appointee



DAN KALIL
Commissioner's Appointee



KEITH PELTIER
Commissioner's Appointee



BILL ONGSTAD
Commissioner's Appointee



WADE BOESHANS
Governor's Appointee



DENNIS WALSH
Independent Community
Banks of North Dakota



DIANNE PIERCE
North Dakota
Bankers Association



KEVIN SONSALLA
Commerce Designee



DOUG GOEHRING
Agriculture Commissioner



DAVID COOK
NDSU President

ADD STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



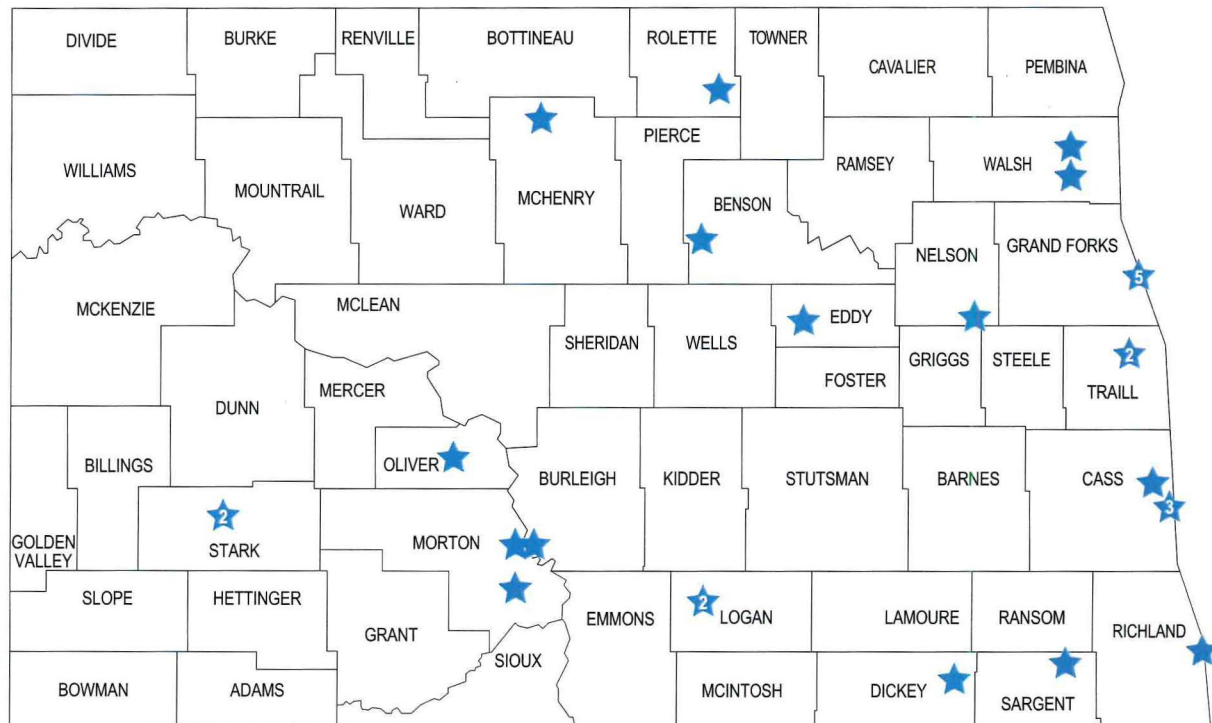
HEATHER LANG
Ag Business Development
Coordinator



TALEY DAVIS
Ag Development Specialist

PROJECT MAP

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



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

PROJECTS



Pinto beans

VOLM PACKAGING MACHINE AND PALLETIZER

Associated Potato Growers, Inc.
Mike Torgerson, Grand Forks

Grant Amount: \$250,000

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

FEEDMILL EXPANSION

Badlands Feeds LLC
Heather Buckman, Dickinson

Grant Amount: \$100,000

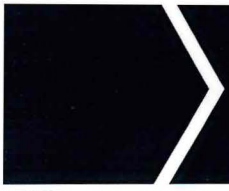
This project aims to establish a connection between already existing pelleting equipment and newly installed storage bins, allowing Pingree to maximize the use of additional space. By implementing this connection, they will be able to install new elevator legs, which will significantly increase product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

BILLIE'S SOAP GRAND FORKS EXPANSION

Billie's Soap
Billie & Dale Kellar, Grand Forks

Grant Amount: \$500,000

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



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

CAMPBELL INC WASH PLANT RENOVATION

Campbell, Inc.
Greg Campbell, Grafton

Grant Amount: \$50,000

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

EDIBLE BEAN WAREHOUSE MODERNIZATION AND EXPANSION

Central Valley Bean Cooperative
Daniel Fuglesten, Buxton

Grant Amount: \$250,000

Central Valley Bean Cooperative (CVBC) is

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

DAKOTA HURD CO

Dakota Hurd Co LLC
Justin Berg, Fargo

Grant Amount: \$125,000

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

EPITOME ENERGY LLC

Epitome Energy LLC
Dennis Egan, Grand Forks

Grant Amount: \$500,000

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

ONION PACKAGING AUTOMATION

Four Star Ag
Barry Vculek, Oakes

Grant Amount: \$200,000

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

GIANTS PALLETIZING PROJECT

Giant Snacks Inc
Robert Schuler, Wahpeton

Grant Amount: \$500,000

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

BEEF CONFINEMENT BARN

Gross Cattle Company LLC
Donovan Gross, Napoleon

Grant Amount: \$50,000

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



Sunflower seeds

TRUCKING OPERATION

Holle Farms Trucking LLC
Andrew Holle, Mandan

Grant Amount: \$175,000

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

OFFSITE BUILDING COMPANY, HOMELAND HEMPCRETE, EXPANDING OPERATIONS

Homeland Hempcrete
Matt Marino, Bismarck

Grant Amount: \$148,250

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

KEY-LIX OF NORTH DAKOTA, LLC FACILITY

Key-Lix of ND, LLC
Jed Archibald, Dickinson

Grant Amount: \$150,000

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

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

LARSGAARD WOOL MILL

Larsgaard Wool Mill LLC
Judy Larsgaard, Aneta

Grant Amount: \$50,000

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



Bison

practices in the wool industry.

IMPLEMENTING NEW TECHNOLOGY TO OPTIMIZE QUALITY FOR BUSINESS LONGEVITY

Lone Wolf Farms
Christopher Bjorneby, Minto

Grant Amount: \$50,000

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

NOKOTA PACKERS

NoKota Packers, Inc.
Carissa Olsen, Buxton

Grant Amount: \$250,000

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

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

NORTH AMERICAN BISON, LLC - ANIMAL WELFARE AND PRODUCTION FACILITY

North American Bison LLC
Jim Wells, Fargo

Grant Amount: \$500,000

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

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

PINGREE TRANSLOAD

Pingree Transload LLC
Carl & Julie Peterson, Harwood

Grant Amount: \$175,000

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

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

Proof Artisan Distillers LLC
Joel Kath, Fargo

Grant Amount: \$100,000

Proof Artisan Distillers grant funds will be

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

RED RIVER POTATOES PRODUCTION EXPANSION

Red River Potatoes, LLC
Jack Wiegand, Grand Forks

Grant Amount: \$200,000

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

ADDITION/STATE INSPECTION

Rhino Meat Processing LLC
Ryno Conradie, Esmond

Grant Amount: \$100,000

This project aims to enhance facilities by adding

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

BISON FEEDING OPERATION

Rock Valley Feeders LLP
Cole Johnson, Napoleon

Grant Amount: \$500,000

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

SQUARE BUTTE FARM BEEF

Square Butte Farm
Joshua Albers, Center

Grant Amount: \$110,000

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

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

ROBOTIC MILKING BARN

The Dairy Dozen-Milnor, LLP
Richard Millner, Milnor

Grant Amount: \$150,000

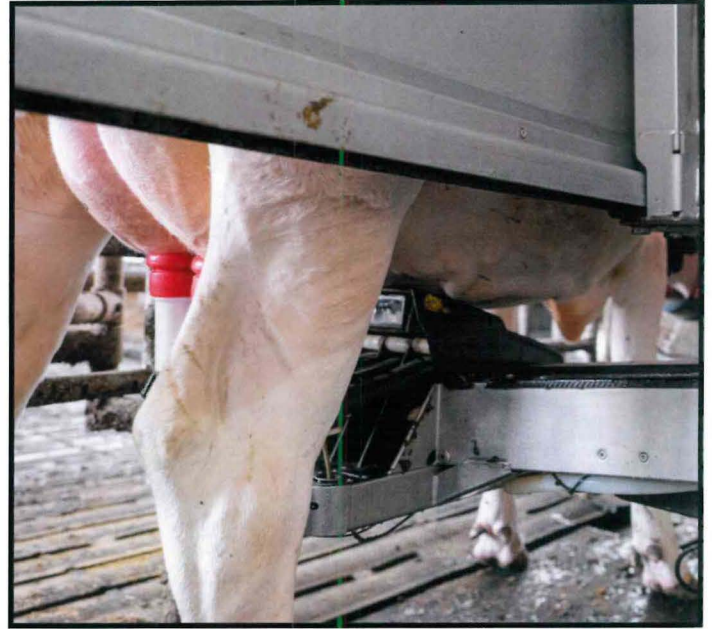
Five Star Dairy is investing \$300,000 to add a new robotic milking barn to its operations. Recently, the dairy converted its milking parlor to robotic milking, driven by numerous advantages. This transition aims to enhance milk production, improve cow comfort, and promote herd health, while also reducing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

THREE FARM DAUGHTERS

Three Farm Daughters LLC
Mollie Ficocello, Grand Forks

Grant Amount: \$51,581

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



Robotic dairy

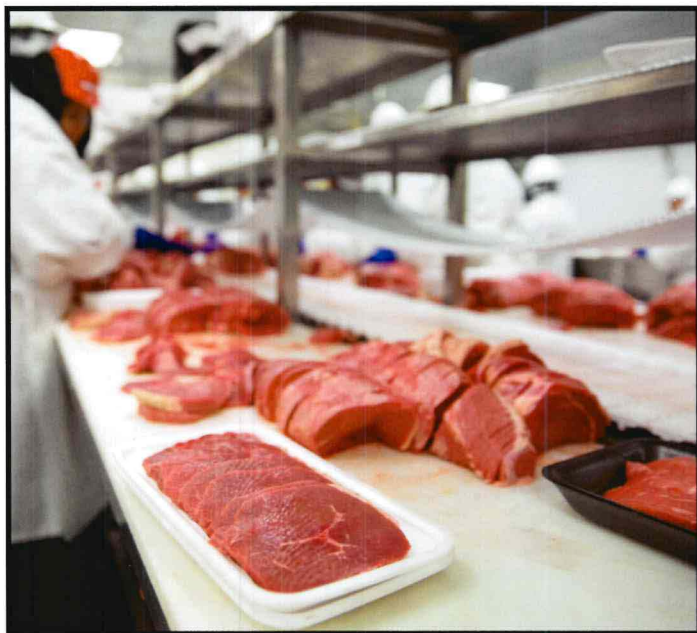
pasta, with the potential to expand into additional product lines. It will provide ample warehouse space to support the growing business of Three Farm Daughters, while also offering services to other companies seeking food-grade co-packing and warehousing solutions in the region. This new facility aims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

1481 MEATS ADDITIONAL EQUIPMENT

1481 Meats Inc.
Tyler & Kelani Welstad, Upham

Grant Amount: \$70,881

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



Meat processing

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

LEWEY'S MEAT SHOP

Lewey's Meat Shop
Steve Lewis, Mylo

Grant Amount: \$133,209

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

ST. ANTHONY MEATS CUSTOM PROCESSING

St. Anthony Meats
Steve Gotta, St. Anthony

Grant Amount: \$250,000

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

NORTH AMERICAN BISON - OUT-BARN PROCESSING AND HANDLING

North American Bison LLC
Jim Wells, New Rockford

Grant Amount: \$200,000

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

FUNDING

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

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

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Bismarck, ND 58505-0020

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BANK OF NORTH DAKOTA

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Bismarck, ND 58504

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2025 HOUSE AGRICULTURE

SB 2327

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

SB 2327
3/13/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

5:00 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:

- Value added agriculture
- Small business niche
- Cost share program
- Infrastructure cost share program
- Agriculture Product Utilization Commission (APUC)
- Replenish the fund

5:00 p.m. Senator Terry M. Wanzek, District 29, Jamestown, ND, introduced, testified and submitted testimony #41404.

5:10 p.m. Doug Goehring, Agriculture Commissioner, ND Department of Agriculture testified in support and submitted testimony #41403, #42223 and #42225.

5:21 p.m. Parrell Grossman, Legislative Director, North Dakota Soybean Growers Association, testified in favor and submitted testimony #41251.

5:27 p.m. Matt Perdue, ND Farmers Union, testified in favor.

5:30 p.m. Julie Ellingson, ND Stockman's Association testified in favor.

5:30 p.m. Dan Wogsland, Lobbyist, North Dakota Grain Growers Association, testified in favor and submitted testimony #41242.

5:31 p.m. Haley Vollmer, Clearwater Communications, Representing North Dakota Corn Growers Association, testified in favor.

5:32 p.m. Joel Kath, Proof Artisan Distillers, testified in favor.

5:33 p.m. Samuel A. Wagner, Ag and Food Field Organizer, Dakota Resource Council testified in opposition and submitted testimony #41318.

5:43 p.m. Erik Olson, Abercrombie, ND, testified as neutral and submitted testimony #41358.

Additional Written Testimony:

Laura Lacher, Executive Director, Economic Development Association of North Dakota, submitted testimony in favor #41102 and #41104.

Rachel Retterath, Washburn, ND, submitted testimony in favor #41174.

Mollie Ficocello, Co-Founder, Three Farm Daughters, LLC, Grand Forks, ND, submitted testimony in favor #41286.

Cindy Zick, Richland County, Wahpeton, ND, submitted testimony in opposition #41335.

Lesley Icenogle, North Dakota Corn Growers Association submitted testimony in favor #41153.

5:47 p.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk



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 SB 2327
March 13, 2025

Chairman Beltz and members of the House Agriculture Committee:

My name is Laura Lacher, executive director of the Economic Development Association of North Dakota (EDND). EDND represents economic development organizations on the front line of economic development efforts throughout North Dakota. EDND members understand that our state's long-term future depends upon expanded economic diversification and supporting innovation that will bring new wealth to the state. I am here to express support for SB 2327 relating to the Agriculture Diversification and Development Fund (ADD).

The Agriculture Diversification and Development Fund (ADD) was established through HB 1475 during the sixty-seventh Legislative Assembly to support new or expanding value-added-agriculture businesses. Since the creation of the ADD fund over 40 projects have come to fruition. These funding opportunities, including grants, interest rate buydowns and loans, are important tools for agriculture opportunities and businesses in North Dakota. With every value-added-agriculture company North Dakota supports, our state becomes more diversified and better positioned for the future.

Thank you for taking the time to allow us to share EDND's support for SB 2327. We request the committee's support in funding ADD to help grow this program for the state's future agriculture businesses.



Testimony of Laura Lacher
North Dakota Ethanol Producers Association
In Support of SB 2327
March 13, 2025

Chairman Beltz and members of the House Agriculture Committee,

My name is Laura Lacher, the executive director for the North Dakota Ethanol Producers Association (NDEPA), which represents North Dakota's ethanol plants, industry stakeholders and associated businesses. I am here today to voice support for SB 2327, which allocates \$25 million to the agriculture diversification and development (ADD) fund.

Thanks to North Dakota's innovative private sector and supportive state government, North Dakota's ethanol industry has been able to expand into various markets. Annually the industry converts 40-60% of the state's corn crop into more than 550 million gallons of ethanol, 1.5 million tons of high-value livestock feed (distillers grains), 2.4 tons of CO₂ and 20 million gallons of corn oil used in renewable diesel. North Dakota's ethanol industry also contributes nearly \$1.7 billion annually to the state's economy and provides thousands of direct and indirect jobs.

Since the creation of the ADD fund in the 67th Legislative Assembly, over 40 projects have been funded, including one at Tharaldson Ethanol in Casselton. This project implemented a selective milling technology system to improve efficiency and increase ethanol production per bushel of corn. The additional funds will assist ethanol and other industries in innovation and diversification in the future.

Thank you for your time, and I respectfully urge a "Do Pass" recommendation on SB 2327. I stand for any questions.



In Favor of SB 2327

House Agriculture

March 13, 2025

Chairman Beltz and Committee members:

For the record, my name is Lesley Icenogle. Thank you for the opportunity to testify on behalf of the North Dakota Corn Growers Association (NDCGA) in favor of Senate Bill 2327.

Increasing opportunities for value-added agriculture is a policy priority for the North Dakota Corn Growers. The Agriculture Diversification and Development Fund has helped numerous value-added businesses get off the ground or expand, creating jobs and growing the state's economy. The agriculture infrastructure grants are a critical tool to support political subdivisions in improving roads, bridges, and utilities to accommodate these businesses.

The North Dakota Corn Growers urge a Do Pass recommendation on SB 2327 to build on a track record of success and encourage further value-added agriculture development in the state. Thank you for your consideration.

**Testimony of Rachel Retterath
In Support of SB2327
January 31, 2025**

Chairman Beltz and members of the House Agriculture Committee,

I'm Rachel Retterath, I serve as the current Chair of the Agriculture Diversification and Development Fund (ADD) Committee who reviews ADD grant project applications and makes recommendation on funding. I'm an appointed member of the ADD Committee by the North Dakota Ag Commissioner. I grew up on a dairy farm, my husband and I currently farm and ranch on his family farm near Washburn/Center, ND and I work in business development and governmental affairs in the energy industry.

I am writing to encourage you to support SB2327 and the continuation of funding for ADD. ADD has made significant contributions to support new and expanding value added ag businesses across North Dakota since its inception two legislative sessions ago. Last year, there about 30 projects that received support through ADD funding. These investments are making it possible for small and large new or expanding businesses to happen which increase farming/ranching profitability, create new jobs and boost North Dakota's economy.

I'm proud to serve on this committee on behalf of North Dakota. It's an honor to be a part of helping these applicants expand and grow their businesses. There are many examples of projects that help family operations diversify and grow, allowing them to stay on farms and ranches and bring the next generation into the operations. Also examples of processing automation which increases efficiencies and safety, facilities that process our crops before they leave North Dakota to be processed elsewhere. These facilities bring many direct and indirect jobs as well.

ADD is a significant resource of funding help for agriculture producers and businesses that are embarking on new business ventures and investing their own capital into projects that benefit the growth of the agriculture industry in North Dakota focused on food and commodity processing facilities and production facilities, agriculture product

manufacturers and animal agriculture production facilities, including swine, poultry, dairy, and feed lot production facilities.

Thank you for the opportunity to provide testimony in support of SB2327.



**North Dakota Grain Growers Association
Testimony in Support of SB 2327
House Agriculture Committee
March 13, 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). The North Dakota Grain Growers Association (NDGGA) appears before you today to express its strong support for Engrossed Senate Bill No. 2327. We believe this legislation is crucial for the continued growth and prosperity of North Dakota's agricultural sector.

Key Points of Support:

Strengthening Value-Added Agriculture:

- * The bill's focus on supporting new and expanding value-added agriculture businesses is vital for diversifying our agricultural economy. By encouraging food production, processing, and manufacturing within the state, we can increase the value of our raw commodities and create new market opportunities for North Dakota's grain growers.
- * The inclusion of animal agriculture production facilities, such as swine, poultry, and dairy, recognizes the interconnectedness of our agricultural sectors and the potential for synergistic growth.

Enhancing Profitability for Farmers and Ranchers:

- * The bill's emphasis on projects that enhance profitability for farmers and ranchers aligns directly with the NDGGA's mission. By supporting value-added businesses that provide stable markets and fair prices for our members' products, this legislation will contribute to the long-term economic sustainability of our farms.

Job Creation and Economic Growth:

- * The investment in value-added agriculture will create new jobs in rural communities and stimulate economic growth throughout the state. This is particularly important for maintaining the vitality of our agricultural regions and attracting young people to careers in agriculture.

Efficient Fund Management and Oversight:

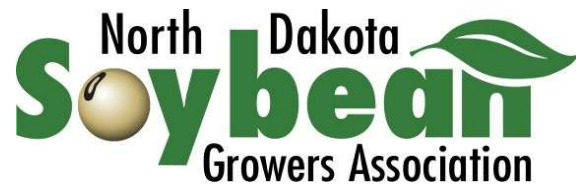
- * The bill's provisions for the Bank of North Dakota to manage loan programs and the Agriculture Commissioner to oversee grant distribution ensure responsible and efficient use of public funds.
- * The agricultural diversification and development committee oversight and the annual audit of the fund are very important for accountability.
- * Infrastructure Grants for Political Subdivisions:
 - * The allocation of up to \$10,000,000 for agriculture infrastructure grants to political subdivisions under section 4.1-01-27 is very important. Infrastructure improvements are often a critical need for value added agriculture development, and this portion of the bill is very well received.

Appropriation and Transfer:

- * The appropriation of \$15,000,000 to the Agriculture Diversification and Development Fund is a significant investment in the future of North Dakota agriculture.

Conclusion:

NDGGA believes that Engrossed Senate Bill No. 2327 represents a strategic investment in the future of North Dakota agriculture. By supporting value-added businesses and infrastructure development, this legislation will create new opportunities for North Dakota agriculture, strengthen our rural communities, and enhance the overall economic prosperity of our state. We urge the Legislative Assembly to pass this important bill. Thank you for your consideration and NDGGA would respectfully request a Do Pass recommendation.



SENATE BILL NO. 2327
HOUSE AGRICULTURE COMMITTEE
MIKE BELTZ, CHAIR
TESTIMONY IN SUPPORT OF ENGROSSED SENATE BILL 2327
MARCH 13, 2025

Chairman Beltz and members of the House Agriculture Committee. I am Parrell Grossman, and it is my privilege to be the Legislative Director for the North Dakota Soybean Growers Association. I appear on behalf of the Association in support of Engrossed Senate Bill 2327.

The Association advocates for more than 8,900 operations that raise soybeans in North Dakota. In 2024, North Dakota farmers planted 6.6 million acres of soybeans, producing over 245 million bushels of soybeans in North Dakota.

The Committee is very aware of the agricultural economic impact in North Dakota. NDSU's 2024 North Dakota Agriculture Industry Economic Contribution Analysis reported that the economic contribution to North Dakota is \$41.3 billion, including \$26 billion from direct output and \$15.3 billion from secondary output. The report also concluded that this economic contribution included 46,620 direct jobs and 76,740 secondary jobs for total jobs of 123,360.

The Association understands the importance of the agriculture diversification and development fund and we enthusiastically support the continuing appropriation of \$15,000.000 in the re-enactment of section 4.1-01-07.

This section provides as follows: "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." We understand that is exactly what has been occurring with this program and fund.

This section further provides that “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. North Dakota is incredibly fortunate to now have two soybean crushing plants at Spiritwood and Casselton. Those plants greatly benefit soybean farmers and North Dakota’s economy, including providing many quality jobs in rural North Dakota.

The agriculture diversification and development committee and the Bank of North Dakota seem to be doing an excellent job of facilitating the program’s intended purposes and mission and responsibly managing these funds. The Association is very appreciative of the legislature’s past and strong support of this program. The Association recommends the State keep funding this program and believes it is possible we could see another over \$10 billion growth in agriculture’s economic contribution to North Dakota, as occurred between 2022 and 2024.

Mr. Chairman and members of the House Agriculture Committee, for the reasons stated the Association respectfully asks the House Agriculture Committee to give Engrossed Senate Bill 2327 a “Do Pass” recommendation.

Thank you for your consideration and I will try and answer any questions.

Legislative Letter of Support

March 13, 2025

RE Bill 2327 Letter of Support by Mollie Ficocello, 3 Farm Daughters, Grand Forks ND

Chairman and committee members,

For the record, my name is Mollie Ficocello, and I am a Co-founder of 3 Farm Daughters in Grand Forks, ND, a better for you pasta brand that was built on a passion to reconnect people with where their food comes from, the farm. Our pastas are sold online, through retail partners, and food service. Thank you for the opportunity to submit testimony regarding Bill 2327: A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

I am here today to support Bill 2327. In 2024, 3 Farm Daughters received ADD funds to help create efficiencies in our food service packaging operation. Prior to the program, our packing process was very slow, manual and labor intensive. Through the ADD program, we purchase an automated scale, a poly bag sealer and case taper.

Having this equipment has increased our packing capacity by over 10x which has in return allowed us to take on new accounts and more quickly service our current accounts. Prior to the receiving the ADD funds, the economics of our food service side of the business was unsustainable, however now it has transitioned to being one of the more profitable sectors of our business.

Therefore, I strongly encourage this body to support Bill 2327.

Thank you for your time and review of this testimony today and thank you for your service to our state.

Testimony SB2327

Sam Wagner
 Ag and Food Field Organizer
 Dakota Resource Council
 1902 E Divide Ave
 Bismarck ND 58501
 Testimony in opposition of SB2327

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 SB 2327 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.

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. 10 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.

Testimony In Opposition to SB 2327

3/13/25

To the Honorable Chairman and members of the Committee. We would appreciate you taking the time to read our testimony in opposition of SB 2327.

This Bill is vital to our state's family farms, creameries, and other small ag businesses that add value to our ag industry. We are in favor of helping these businesses.

However, **no** North Dakota taxpayers money should given to an out-of-state industrial ag business. Our state will not receive any tax revenue from them. Riverview Dairy **will not** add value to our state or our community. All products are shipped to Minnesota. They would pay **minimal** taxes to our county and township (not even enough to repair road damages incurred by them). Not to mention the water, soil, and air pollution! They will provide **minimal job opportunities**. Besides, our area still has a shortage of laborers to fill current jobs. These CAFO's do not need our tax dollars!

We find it very interesting that there are a number of bills introduced this session that would allow these industrial farms (CAFO's) to reap the benefits!

If North Dakota has excess money to give away to out-of-state CAFO's; maybe they should instead help the townships properly maintain their roads & bridges instead of closing them for lack of funds. Schools also need funds.

Why do we need to keep up with our neighboring states? Polluting North Dakota's natural resources and forcing residents and small businesses out is not the North Dakota we have lived and worked in for over 60 years. This is not the North Dakota we want to leave our children and grandchildren....do you?

Please let us all continue to enjoy the outdoor life in North Dakota.

Thank you,

Mike and Cindy Zick
17795 69 St. SE
Wahpeton, ND 58075
701-640-1987, Richland County

Chairman and Members of the House Agriculture Committee,

My name is Erik Olson and I am a resident from Abercrombie, ND. Thank you for the opportunity to submit a testimony regarding bill 2327. I am here as a Neutral position to this bill. I fully support agriculture development for existing, expanding, and new “value-added” agriculture production. This bill can be very supportive to businesses within our State. What I am here and wanting to ask for today, is there to be careful wording included into this bill that would ensure out of state factory farms or CAFOs would not be eligible for such funds.

I have learned a lot about the CAFO, that most of you already know my community is being threatened with. I have learned that these facilities are only taxed to the amount of what it would be as if it were crop land. No matter the amount of resources they use or destroy. I have also learned that the maximum amount of money that a township can collect is a \$500 licensing fee. I have learned the enormous negative effects that this CAFO is going to bring to my community that will effectively fall on the resident’s tax dollars. I have also found evidence of frequent overuse and contamination of water. I have also learned that the product produced, specifically by the proposed Abercrombie Dairy, will be going out of state. With the scope of damage that will be happening to the environmental resources, future considerations will need to be focused on the millions of dollars that will eventually need to be allocated when these resources are compromised. I feel that the negative impacts these mega farms will bring to our state, need to be known and carefully considered.

We should not provide more funding to these CAFOs or factory farms from out of state businesses that will basically be using our state as a dumping ground and leaving it to the residents to deal with.

Again, I am here as a neutral because I firmly believe in building agriculture within our State for our future generations and can see what this bill can do for everyone. Agriculture is so important, and I’ve read some really good testimonies in favor to this bill because of the funding that our state was able to provide to their business. Let’s continue to ensure our state has protections in place and provide the needed funding for value-added agriculture businesses and not businesses that will affectively hurt our State.

Thank you again for allowing me to speak with you today and I am happy to answer any questions you may have.

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
Room 327E
March 13, 2025

Chairman Beltz, and members of the House Agriculture Committee, I am Agriculture Commissioner Doug Goehring and I'm here today in support of Senate Bill 2327.

The agriculture diversification and development program provide interest buydowns and reimbursable grants to projects in value added processing or animal agriculture. To date, ADD has provided funding to 33 projects totaling \$6.9 million in grants and \$8.6 million in interest buydown. From that funding over \$126 million dollars in agriculture-based project developments have occurred. Additional funding as specified in this bill is vital to continue to provide support to agriculture development. In addition to this funding \$10 million is available for infrastructure cost share program for political subdivisions road and bridge improvements, in addition to utilities upgrades for projects in value added processing or animal agriculture.

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

25.1215.01002
Title.

Prepared by the Legislative Council
staff for Senator Dwyer
February 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

- 1 | A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
- 2 | North Dakota Century Code, relating to uses of the agriculture diversification and development
- 3 | fund and committee; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
- 16 | 4.1-01-27. The agriculture diversification and development committee shall designate
- 17 | the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 | 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
- 19 | from the fund to support new or expanding value-added agriculture businesses that
- 20 | demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. ~~The agriculture diversification and development committee may use up to five percent~~
24 ~~of the funding available in the agriculture diversification and development fund on July~~
25 ~~first of each odd-numbered year for administrative expenses related to travel, per diem,~~
26 ~~and related costs of the agriculture infrastructure grant program each biennium. The~~
27 ~~agriculture commissioner may reimburse agriculture diversification and development~~
28 ~~committee members for travel, per diem, and related costs incurred associated with~~
29 ~~the program as authorized under subsection 2 of section 4.1-01.1-08.~~

30 **SECTION 2. AMENDMENT.** Section 4.1-01.1-08 of the North Dakota Century Code is
31 amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.
 - a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.
 - b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.
 - c. The member appointed by the governor must be actively engaged in business in this state.
 - d. The remaining committee members must consist of:
 - (1) One representative from the independent community banks of North Dakota;
 - (2) One representative from the North Dakota bankers association;
 - (3) The commissioner of commerce or the commissioner's designee;
 - (4) The president of North Dakota state university or the president's designee; and
 - (5) The agriculture commissioner or the commissioner's designee.
 - e. The committee shall elect one of its members as chairman.
2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North Dakota, members of the committee are entitled to receive per diem compensation of

one hundred thirty-five dollars for each day of attending meetings and performing
other duties relating to official business of the committee.

SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION

AND DEVELOPMENT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$25,000,000, which the office of management and budget shall transfer to the agriculture diversification and development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$25,000,000, up to \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under section 4.1-01-27.

AGRICULTURE DIVERSIFICATION AND DEVELOPMENT FUND

GRANT REPORT 2023-2024



Agriculture Commissioner
Doug Goehring



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ABOUT ADD

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

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

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

ELIGIBILITY

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

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

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

USE OF PROCEEDS

Proceeds may be used to:

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

Proceeds may not be used to:

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

ADMINISTRATION

ADD COMMISSIONERS

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

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



RACHEL RETTERATH, CHAIR
Commissioner's Appointee



MATTHEW GLESSNER, VICE CHAIR
Commissioner's Appointee



DAN KALIL
Commissioner's Appointee



KEITH PELTIER
Commissioner's Appointee



BILL ONGSTAD
Commissioner's Appointee



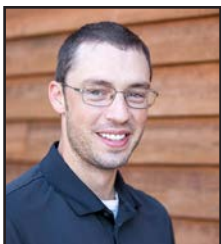
WADE BOESHANS
Governor's Appointee



DENNIS WALSH
Independent Community
Banks of North Dakota



DIANNE PIERCE
North Dakota
Bankers Association



KEVIN SONSALLA
Commerce Designee



DOUG GOEHRING
Agriculture Commissioner



DAVID COOK
NDSU President

ADD STAFF



JOHN F. SCHNEIDER
Business, Marketing
& Information Division
Director



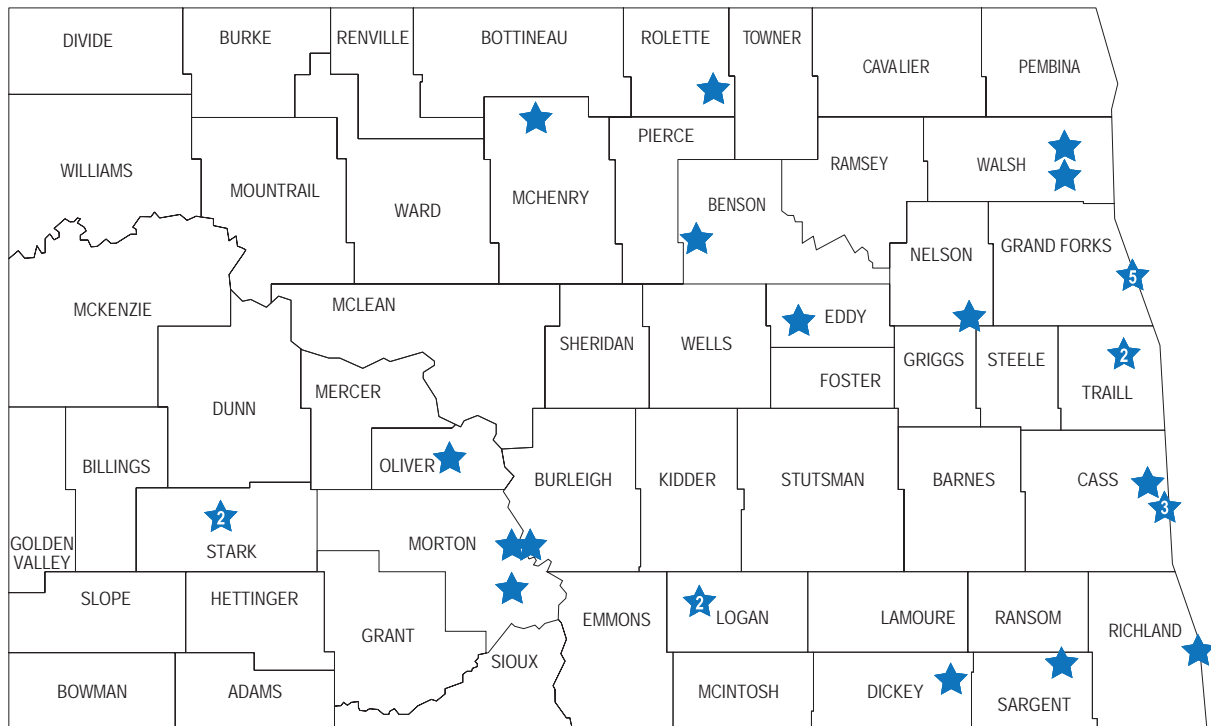
HEATHER LANG
Ag Business Development
Coordinator



TALEY DAVIS
Ag Development Specialist

PROJECT MAP

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



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

PROJECTS



Pinto beans

VOLM PACKAGING MACHINE AND PALLETIZER

Associated Potato Growers, Inc.
Mike Torgerson, Grand Forks

Grant Amount: \$250,000

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

FEEDMILL EXPANSION

Badlands Feeds LLC
Heather Buckman, Dickinson

Grant Amount: \$100,000


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

BILLIE'S SOAP GRAND FORKS EXPANSION

Billie's Soap
Billie & Dale Kellar, Grand Forks

Grant Amount: \$500,000

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



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

CAMPBELL INC WASH PLANT RENOVATION

Campbell, Inc.
Greg Campbell, Grafton

Grant Amount: \$50,000

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

EDIBLE BEAN WAREHOUSE MODERNIZATION AND EXPANSION

Central Valley Bean Cooperative
Daniel Fuglesten, Buxton

Grant Amount: \$250,000

Central Valley Bean Cooperative (CVBC) is

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

DAKOTA HURD CO

Dakota Hurd Co LLC
Justin Berg, Fargo

Grant Amount: \$125,000

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

EPITOME ENERGY LLC

Epitome Energy LLC
Dennis Egan, Grand Forks

Grant Amount: \$500,000

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

ONION PACKAGING AUTOMATION

Four Star Ag
Barry Vculek, Oakes

Grant Amount: \$200,000

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

GIANTS PALLETIZING PROJECT

Giant Snacks Inc
Robert Schuler, Wahpeton

Grant Amount: \$500,000

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

BEEF CONFINEMENT BARN

Gross Cattle Company LLC
Donovan Gross, Napoleon

Grant Amount: \$50,000

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



Sunflower seeds

TRUCKING OPERATION

Holle Farms Trucking LLC
Andrew Holle, Mandan

Grant Amount: \$175,000

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

OFFSITE BUILDING COMPANY, HOMELAND HEMPCRETE, EXPANDING OPERATIONS

Homeland Hempcrete
Matt Marino, Bismarck

Grant Amount: \$148,250

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

KEY-LIX OF NORTH DAKOTA, LLC FACILITY

Key-Lix of ND, LLC
Jed Archibald, Dickinson

Grant Amount: \$150,000

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

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

LARSGAARD WOOL MILL

Larsgaard Wool Mill LLC
Judy Larsgaard, Aneta

Grant Amount: \$50,000

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



Bison

practices in the wool industry.

IMPLEMENTING NEW TECHNOLOGY TO OPTIMIZE QUALITY FOR BUSINESS LONGEVITY

Lone Wolf Farms
Christopher Bjorneby, Minto

Grant Amount: \$50,000

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

NOKOTA PACKERS

NoKota Packers, Inc.
Carissa Olsen, Buxton

Grant Amount: \$250,000

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

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

NORTH AMERICAN BISON, LLC - ANIMAL WELFARE AND PRODUCTION FACILITY

North American Bison LLC
Jim Wells, Fargo

Grant Amount: \$500,000

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

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

PINGREE TRANSLOAD

Pingree Transload LLC
Carl & Julie Peterson, Harwood

Grant Amount: \$175,000

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

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

Proof Artisan Distillers LLC
Joel Kath, Fargo

Grant Amount: \$100,000

Proof Artisan Distillers grant funds will be

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

RED RIVER POTATOES PRODUCTION EXPANSION

Red River Potatoes, LLC
Jack Wiegand, Grand Forks

Grant Amount: \$200,000

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

ADDITION/STATE INSPECTION

Rhino Meat Processing LLC
Ryno Conradie, Esmond

Grant Amount: \$100,000

This project aims to enhance facilities by adding

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

BISON FEEDING OPERATION

Rock Valley Feeders LLP
Cole Johnson, Napoleon

Grant Amount: \$500,000

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

SQUARE BUTTE FARM BEEF

Square Butte Farm
Joshua Albers, Center

Grant Amount: \$110,000

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

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

ROBOTIC MILKING BARN

The Dairy Dozen-Milnor, LLP
Richard Millner, Milnor

Grant Amount: \$150,000

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

THREE FARM DAUGHTERS

Three Farm Daughters LLC
Mollie Ficocello, Grand Forks

Grant Amount: \$51,581

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



Robotic dairy

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

1481 MEATS ADDITIONAL EQUIPMENT

1481 Meats Inc.
Tyler & Kelani Welstad, Upham

Grant Amount: \$70,881

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



Meat processing

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

LEWEY'S MEAT SHOP

Lewey's Meat Shop
Steve Lewis, Mylo

Grant Amount: \$133,209

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

ST. ANTHONY MEATS CUSTOM PROCESSING

St. Anthony Meats
Steve Gotta, St. Anthony

Grant Amount: \$250,000

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

NORTH AMERICAN BISON - OUT-BARN PROCESSING AND HANDLING

North American Bison LLC
Jim Wells, New Rockford

Grant Amount: \$200,000

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

FUNDING

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

NORTH DAKOTA DEPARTMENT OF AGRICULTURE

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Bismarck, ND 58505-0020

701-328-2231

800-242-7535

FAX 701-328-4567

www.ndda.nd.gov/add

BANK OF NORTH DAKOTA

1200 Memorial Hwy.

Bismarck, ND 58504

701-328-5600

800-472-2166



SIS 232-1
3-13-25
Goehring

Agriculture Development & Diversification

Has a continuing appropriation. There are three components to the program \$10 million is available to political subdivisions for infrastructure projects that will upgrade roads and bridges, as well as utilities for projects in counties and townships, where a lack of funds are available to support projects. \$7.5 million is available for interest buy down, \$7.5 million is available for grants.

Most ag related projects are classified as agricultural property so there is a limited amount of resources to support infrastructure in their respective communities. It's primarily why most counties and townships vote against siting a project because it has an impact on infrastructure but does not generate extra tax revenue.

To date no political subdivision has been approved, but the program has only been operating a little over 18 months. We are aware that there are likely 3 projects in the near future that will be eligible. It stands to reason that it takes time to permit facilities and no infrastructure improvements will be made until there are secured projects. Once a project is permitted then the county or Township is eligible to apply to the program and the agriculture commissioner and the department of transportation Director will review the application to determine its eligibility and funding.

Attached are several examples of companies/entities that received funding and outlines the return or value back to the community and industry.

Projects are required to submit expenses for reimbursement and a final report before all funds are dispersed. Approximately 60% of the projects in this biennium have been completed and a few examples are what you can review in the following document. The attached booklet outlines the types of projects approved.

Agriculture Infrastructure

\$10 million – Cash on Hand – No viable projects to date

Grants awarded under this section may not exceed: a. The lesser of one million two hundred fifty thousand dollars per project or eighty percent of the infrastructure project cost for grants awarded under subsection 2. b. The lesser of three hundred fifty thousand dollars per project or eighty percent of the capital improvement project costs for grants awarded under subsection 3.

Eligible Uses of Grant Funding:

1. Roadway and Bridge Improvements:

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

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

Loans and Interest Buydowns

21-23 Biennium

\$7,500,000.00 was allocated for interest buydowns

23-25 biennium

\$7,500,000.00 was allocated for interest buydowns

Total Appropriated from 2021-2025: \$15million

\$8,653,188 has been committed

\$6,346,812 is remaining

Value of Loans: \$125 million

Grants

21-23 Biennium

\$2,500,000 was funded

\$2,250,000 was awarded

\$250,000 was carried over (extension)

12 total projects – all closed

23-25 Biennium

\$7,500,000 Unappropriated

\$6,996,351.00 Obligated

\$503,649.00 Remaining – Upcoming Meeting (May 28)

\$132,347 Interest

33 Total Projects – 14 closed, 19 open

Granting Process

Submit online Application

At the Meeting:

1. Each applicant presents their proposal followed by questions from the ADD board members.
2. After presentations, the board discusses the merits of each proposal.
3. Projects are scored and ranked. Decisions are funded or denied.

After the Meeting:

1. Applicants are called within one to two business days after the meeting.
2. Throughout the grant period, grantees submit financial documentation for reimbursement.
 - a. All financial documentation must include the purpose, date, and amount of the expense.
 - b. Eligibility of the expenses is determined by cross-referencing the NOGA and approved grant application.
3. Upon the completion of the project, a final report is required and final payment is made.

Pingree Transload LLC

\$1 million in premiums of sales to growers in the area

Conversations and partnerships with growers would not have happened without the expansion of the facility.

Dairy Dozen Milnor

Economic Impact ROI Study alone costs \$13,000

1. Efficient Use of Grant Funds

- The 1,600 head robotic milking dairy farm project supports 65 total jobs during construction, with a one-time economic impact of \$4.6 million in labor income, \$6.4 million in value-added, and nearly \$13.2 million in total sales.

2. Tax Revenue Generation

- Estimated \$1.4 million in total tax revenue from construction, including \$545,000 at the federal level and \$133,000 at state and local levels.

3. Operational Impact

- The dairy's operations will employ 10 workers with \$1.2 million in labor income annually and generate \$1.1 million in value-added.
- Total operational impact is projected at \$14.3 million in output, \$4.8 million in value-added, and 36 jobs when accounting for indirect effects.

4. Tax Revenue from Operations

- Annual tax revenue from operations estimated at \$763,000, including \$599,000 at the federal level and \$164,000 at state and local levels.

North American Bison

Total Expansion Cost = \$6 million

* \$500,000 in revenue / \$250,000 in benefits and labor in ND/yr *

Only plant in the U.S. that only processes Bison

Phase 1

1. Efficient Use of Grant Funds

- North American Bison LLC utilized ADD funding to expand its New Rockford plant, increasing processing capacity from ~11,000 to ~17,000 head annually.

2.. Support for Independent Ranchers

- Increased processing capacity supports more animal purchases from independent ranchers, fostering agricultural growth.

3.Sustainable Growth

- Supports bison herd regeneration, sustainable ranching, and local economic development through expanded production and employment.

Phase 2

1. Efficient Use of Grant Funds

- North American Bison LLC utilized ADD funding to reconfigure its plant barn, enhancing bison processing and distribution operations in New Rockford, ND.

2. \$38 million to \$60 million

Four Star Ag

1. Efficient Use of Grant Funds

- ADD funding enabled the purchase of weighing, bagging, and palletizing equipment, increasing capacity from 500-900 50-pound bags per hour with minimal labor.

Square Butte Farms

1. Efficient Use of Grant Funds
 - Square Butte Farm utilized ADD funding to construct two cattle feeding barns, enhancing their livestock operation despite weather-related construction delays.
2. Economic Contribution
 - Supports North Dakota's agriculture sector by enhancing cattle performance, ensuring steady growth rates, and maintaining optimal feed intake through weather protection.
3. Improved Livestock Management
 - Cattle maintained expected weight gain even during harsh winter conditions, demonstrating improved operational performance.
4. Enhanced Feed Efficiency
 - The barn awnings kept feed bunks free of snow, ensuring consistent feed intake and reducing waste.
5. Scalability & Long-Term Operations
 - The new barns allow for expanded herd management, supporting future growth and operational stability.
6. Support for Local Agriculture
 - Contributes to North Dakota's agricultural economy by supporting cattle production, feed suppliers, and related industries.
7. Sustainable Growth
 - Enhances farm resilience, ensuring better animal welfare, operational efficiency, and economic stability.

Red River Potatoes

1. Efficient Use of Grant Funds
 - Red River Potatoes utilized ADD funding to commission two state-of-the-art Norris Thermal Technologies dehydrators, more than doubling production capacity from 15,000 lbs. to over 35,000 lbs. per hour.
2. Enhanced Production Capacity
 - Increased intake of raw materials and extended procurement efforts, allowing for higher throughput and efficiency.

Rock Valley Feeders LLP

1. Efficient Use of Grant Funds
 - Rock Valley Feeders utilized ADD funding to expand its bison feeding and finishing operation, exceeding the original plan with a larger facility and lagoon/holding pond for runoff management.
2. Increased Bison Production Capacity
 - Expanded feeding capacity beyond 500 head, boosting bison production and supporting the local bison processing facility in New Rockford.
 - Flexible pen designs allow handling of various herd sizes for current and future growth.
3. Employment Opportunities
 - Created and sustained jobs for local employees, contractors, and related industries during and after construction.
4. Scalable Operations
 - Infrastructure enhancements position Rock Valley Feeders for future growth and increased production, supporting North Dakota's bison industry.
5. Support for Agricultural Industries
 - Increased bison production bolsters North Dakota's agriculture and processing sectors, supporting farmers, feed producers, and processing facilities.

Three Farm Daughters

1. Efficient Use of Grant Funds

- 3 Farm Daughters utilized \$51,581 from the ADD program to acquire a scale, bag sealer, and box taper, significantly improving their bulk pasta packing operations.

2. Cost Savings & Increased Efficiency

- The new equipment increased packing efficiency by over 500%, from 4 cases per hour manually to 25 cases per hour.

3. Revenue Growth

- Achieved over a 6-digit increase in bulk and foodservice sales within a year.
- Expanded distribution to 7 new states, boosting revenue and market presence.

Dakota Hurd

1. Cost Savings & Local Economic Support

- Chose local service providers such as Scott's Electric for electrical setup and local scale operators for product weighing, injecting funds back into the North Dakota economy.

2. Collaborative Partnerships

- Collaborated with North Dakota-based Pure Advantage and Bismarck's Homeland Hempcrete, fostering regional economic growth and strengthening the hemp industry ecosystem.

3. Enhanced Production Efficiency

- Installed a compression bagging machine that improved bagging speed by 5-6 times, enabling high-volume supply to retail markets.

Tharaldson Ethanol

1. Total Project Cost & Funding
 - The project had a total cost of \$5.6 million, with \$250,000 awarded from the program.
2. Tax Revenue Contribution
 - The project will generate additional tax revenue for the state, contributing to North Dakota's economy.
3. Ethanol Yield and Corn Oil Production
 - The SMT™ System increases ethanol yield, starch extraction, and corn oil production.
 - The system has the potential to reduce enzyme costs, which can further improve efficiency and cost savings.
4. Sustainability and Industry Growth
 - The new technology increases efficiency in ethanol production, supporting North Dakota's renewable energy sector.
 - The system can be replicated at other ethanol plants, encouraging further industry expansion.
 - By enhancing production efficiency, the project strengthens North Dakota's position in the renewable energy market.
5. Commercialization Potential
 - The project is moving into its commercial phase, indicating potential for long-term economic and technological impact beyond just the Casselton facility.
 - This technology could attract further investment and new business opportunities in the ethanol and renewable energy industries.

GP Turnkey Tharaldson LLC

1. Total Project Cost & Funding

- The total project cost is \$89 million, with \$250,000 in funding from the ADD program.
- To date, \$38 million has been spent on construction, procurement, and engineering.

2. High-Value Protein & Corn Oil Production

- The MSCTM system will produce high-value protein at 52%, increasing to 60% or greater.
- It will generate a 20% increase in corn oil yield.
- A new DDGS (dried distillers' grains) stream will have a pro-fat content close to 28%.

3. Increased Efficiency & Output

- The MSCTM system aims for a 10% plant throughput gain.
- Expected production capacity: 105,000 tons annually.
- The facility will operate 355 days per year.

4. Agricultural & Renewable Energy Sector Growth

- The system increases demand for local corn feedstock, benefiting North Dakota farmers.
- 54 million bushels of corn annually will be required for target DDGS production.
- Farmers will have increased access to dried distillers' grains and corn oil for livestock feed.

5. Sustainability & Industry Development

- The MSCTM system enhances ethanol plant efficiency and sustainability.
- North Dakota's ethanol industry will gain a competitive edge in high-protein feed markets.
- The project sets the stage for future renewable energy innovations and investments.

Agriculture Diversification and Development (ADD) Grant Program

2023-2025 Biennium Fact Sheet

Last Updated 3/12/2025

The Agriculture Diversification and Development Fund (ADD) was established to support new or expanding value-added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs and grow North Dakota's economy through a grant program.

Authority \$7,500,000.00

Obligated \$6,996,351.00

Available \$503,649.00

2023-2025 Applications through 2/28/2025 52 \$20,429,591.65

2023-2025 Grantees through 2/28/2025 33 \$6,996,351.00

*There is one meeting left in the biennium.

ADD Grantee Name	Amount Requested	Grant Amount	Meeting
Dakota Hurd Co. LLC	\$ 245,000.00	\$ 125,000.00	Jul-23
Larsgaard Wool Mill, LLC	\$ 200,000.00	\$ 50,000.00	Jul-23
Stateline Grain Cleaning	\$ 40,000.00	\$ -	Jul-23
Badlands Hemp	\$ 250,000.00	\$ -	Jul-23
Bobby John & Jennifer Byfuglien	\$ 221,000.00	\$ -	Jul-23
Giant Snacks, Inc	\$ 500,000.00	\$ 500,000.00	Nov-23
North American Bison, LLC	\$ 500,000.00	\$ 500,000.00	Nov-23
Billie's Soap	\$ 500,000.00	\$ 500,000.00	Nov-23
Rock Valley Feeders, LLP	\$ 500,000.00	\$ 500,000.00	Nov-23
Northern Lights Dairy	\$ 500,000.00	\$ 350,000.00	Nov-23
Epitome Energy, LLC	\$ 500,000.00	\$ 500,000.00	Nov-23
Homeland Hempcrete	\$ 343,250.00	\$ 148,250.00	Nov-23
ND Malting & Hops Inc	\$ 500,000.00	\$ -	Nov-23
Equine Steps, LLC	\$ 500,000.00	\$ -	Nov-23
Country Sunshine, Inc.	\$ 109,606.00	\$ -	Nov-23
NoKota Packers, Inc.	\$ 500,000.00	\$ 250,000.00	Feb-24
Two Track Malting, LLC	\$ 500,000.00	\$ 100,000.00	Feb-24
Rhino Meats	\$ 191,932.00	\$ 100,000.00	Feb-24
Square Butte Farm	\$ 500,000.00	\$ 110,000.00	Feb-24
Associated Potato Growers, Inc.	\$ 500,000.00	\$ 250,000.00	Feb-24
Three Farm Daughters LLC	\$ 500,000.00	\$ 51,581.00	Feb-24
Real Good Cookies	\$ 500,000.00	\$ -	Feb-24
Dakota Draff	\$ 500,000.00	\$ -	Feb-24
Badlands Hemp	\$ 496,333.00	\$ -	Feb-24
Country Sunshine	\$ 184,545.00	\$ -	Feb-24
Central Valley Bean Cooperative	\$ 500,000.00	\$ 250,000.00	May-24
Gross Cattle Company, LLC	\$ 500,000.00	\$ 50,000.00	May-24
Four Star Ag	\$ 416,733.00	\$ 200,000.00	May-24
Campbell, Inc.	\$ 500,000.00	\$ 50,000.00	May-24
Proof Artisan Distillers, LLC	\$ 358,825.00	\$ 100,000.00	May-24
Key-Lix of ND, LLC	\$ 500,000.00	\$ 150,000.00	May-24
Lone Wolf Farms	\$ 479,366.00	\$ 50,000.00	May-24
Laughing Sun Brewing Company, LLC	\$ 94,322.00	\$ -	May-24
Flaxsun Holdings, Inc	\$ 226,551.00	\$ -	May-24
The Dairy Dozen-Milnor, LLP	\$ 500,000.00	\$ 150,000.00	Jul-24
Red River Potatoes, LLC	\$ 500,000.00	\$ 200,000.00	Jul-24
Pingree Transload, LLC	\$ 500,000.00	\$ 175,000.00	Jul-24
Badlands Feeds LLC,	\$ 350,000.00	\$ 100,000.00	Jul-24
O. C. Schulz & Sons, Inc	\$ 283,762.00	\$ -	Jul-24
North American Bison, LLC	\$ 250,000.00	\$ -	Jul-24
Farmented Foods Inc.	\$ 500,000.00	\$ -	Jul-24
1481 Meats	\$ 70,880.35	\$ 70,881.00	Nov-24
Lewey's Meat Shop	\$ 133,208.40	\$ 133,209.00	Nov-24
St. Anthony Meats	\$ 500,000.00	\$ 250,000.00	Nov-24
North American Bison, LLC	\$ 500,000.00	\$ 200,000.00	Nov-24
Vertical Malt	\$ 500,000.00	\$ -	Nov-24
VanBedaf Dairy	\$ 382,430.40	\$ 382,430.00	Feb-25
Cows and Co Creamery	\$ 340,627.50	\$ 200,000.00	Feb-25
KT Cattle Feeders	\$ 500,000.00	\$ 250,000.00	Feb-25
Campbell Farms	\$ 500,000.00	\$ -	Feb-25
Vertical Malt	\$ 500,000.00	\$ -	Feb-25
Gideons Brewing	\$ 261,220.00	\$ -	Feb-25

52	\$ 20,429,591.65	\$ 6,996,351.00	
			19 denied
			33 awarded

2025 HOUSE STANDING COMMITTEE MINUTES

Agriculture Committee
Room JW327C, State Capitol

SB 2327
3/14/2025

A BILL for an Act to amend and reenact section 4.1-01.1-07 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund; to provide an appropriation; and to provide for a transfer.

10:40 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

10:42 a.m. Representative S. Olson moved to amend by adding "in State" in front of "travel" each place it appears on page 2, lines 26 and 28.

10:42 a.m. Representative Henderson seconded the motion.

Voice vote

Motion passed

10:44 a.m. Representative Olson moved to further amend LC #25.1215.02001, #41578.

10:44 a.m. Representative Hauck seconded the motion.

Voice vote.

Motion passed

10:44 a.m. Representative Olson moved Do Pass as amended and to Rerefer to Appropriations.

10:44 a.m. Representative Vollmer 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	N
Representative SuAnn Olson	Y
Representative Nico Rios	AB
Representative Cynthia Schreiber-Beck	Y
Representative Bill Tveit	Y
Representative Daniel R. Vollmer	Y

Motion passed 10-3-1.

10:48 a.m. Representative Beltz will carry the bill.

10:48 a.m. Chairman Beltz closed the meeting.

Diane Lillis, Committee Clerk

March 14, 2025

VC 3/14/25
1 of 4

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

ENGROSSED SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
2 North Dakota Century Code, relating to uses of the agriculture diversification and development
3 fund and committee; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. ~~The agriculture diversification and development committee may use up to five percent~~
24 ~~of the funding available in the agriculture diversification and development fund on July~~
25 ~~first of each odd-numbered year for administrative expenses related to the agriculture~~
26 ~~infrastructure grant program each biennium~~ in-state travel, per diem, and related costs
27 of administering grants under this section. The agriculture commissioner may
28 reimburse agriculture diversification and development committee members for in-state
29 travel, per diem, and related costs incurred associated with the program as authorized
30 under subsection 2 of section 4.1-01.1-08.

1 **SECTION 2. AMENDMENT.** Section 4.1-01.1-08 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **4.1-01.1-08. Agriculture diversification and development committee.**

- 4 1. The agriculture diversification and development committee consists of eleven
5 members, five of whom must be appointed by the commissioner for terms of two years
6 each, arranged so that two terms expire in odd-numbered years and three terms
7 expire in even-numbered years.
- 8 a. Four of the members appointed by the commissioner must be actively engaged
9 in farming in this state and the fifth member appointed by the commissioner must
10 be actively engaged in agribusiness in this state.
- 11 b. The governor shall appoint one member for a term of two years which expires in
12 odd-numbered years.
- 13 c. The member appointed by the governor must be actively engaged in business in
14 this state.
- 15 d. The remaining committee members must consist of:
- 16 (1) One representative from the independent community banks of North
17 Dakota;
- 18 (2) One representative from the North Dakota bankers association;
- 19 (3) The commissioner of commerce or the commissioner's designee;
- 20 (4) The president of North Dakota state university or the president's designee;
21 and
- 22 (5) The agriculture commissioner or the commissioner's designee.
- 23 e. The committee shall elect one of its members as chairman.
- 24 2. The agriculture diversification and development committee shall develop guidelines for
25 the grants, including eligibility criteria and reporting requirements. The guidelines must
26 include priority for businesses with a majority of the ownership comprised of North
27 Dakota residents. The agriculture diversification and development committee shall
28 review grant applications and make funding determinations. Members of the
29 committee are entitled to be reimbursed for expenses incurred in the performance of
30 their duties, in the same manner as other state officials are reimbursed, according to
31 sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North

Dakota, members of the committee are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee.

SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION

AND DEVELOPMENT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, which the office of management and budget shall transfer to the agriculture diversification and development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$15,000,000, up to \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under section 4.1-01-27.

**REPORT OF STANDING COMMITTEE
ENGROSSED SB 2327**

Agriculture Committee (Rep. Beltz, Chairman) recommends **AMENDMENTS** ([25.1215.02002](#)) and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 3 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2327 was placed on the Sixth order on the calendar.

25.1215.02001
Title.

Prepared by the Legislative Council
staff for Representative Beltz
March 14, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO FIRST ENGROSSMENT

ENGROSSED SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

1 A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
2 North Dakota Century Code, relating to uses of the agriculture diversification and development
3 fund and committee; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
- 18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that
20 demonstrate financial feasibility, enhance profitability for farmers and ranchers, create

1 jobs, and grow the state's economy. Grants under section 4.1-01-27 may be issued
2 from the fund for infrastructure improvements necessary for the development or
3 expansion of new or existing value-added agriculture businesses. Value-added
4 agriculture businesses include food production or processing facilities; feed or pet food
5 processing facilities; commodity processing facilities; agriculture product
6 manufacturers; and animal agriculture production facilities, including swine, poultry,
7 dairy, and feed lot production facilities.

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

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

23 5. The agriculture diversification and development committee may use up to five percent
24 of the funding available in the agriculture diversification and development fund on July
25 first of each odd-numbered year for administrative expenses related to the agriculture
26 infrastructure grant program each biennium travel, per diem, and related costs of
27 administering grants under this section. The agriculture commissioner may reimburse
28 agriculture diversification and development committee members for travel, per diem,
29 and related costs incurred associated with the program as authorized under
30 subsection 2 of section 4.1-01.1-08.

SECTION 2. AMENDMENT. Section 4.1-01.1-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.
 - a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.
 - b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.
 - c. The member appointed by the governor must be actively engaged in business in this state.
 - d. The remaining committee members must consist of:
 - (1) One representative from the independent community banks of North Dakota;
 - (2) One representative from the North Dakota bankers association;
 - (3) The commissioner of commerce or the commissioner's designee;
 - (4) The president of North Dakota state university or the president's designee; and
 - (5) The agriculture commissioner or the commissioner's designee.
 - e. The committee shall elect one of its members as chairman.
2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, according to sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North

Dakota, members of the committee are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee.

SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION

AND DEVELOPMENT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, which the office of management and budget shall transfer to the agriculture diversification and development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the \$15,000,000, up to \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under section 4.1-01-27.

2025 HOUSE APPROPRIATIONS

SB 2327

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2327
3/24/2025

A BILL for an Act to amend and reenact sections 4.1-01.1-07 and 4.1-01.1-08 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund and committee; to provide an appropriation; and to provide for a transfer.

10:11 a.m. Chairman Vigesaa opened the meeting.

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

Member absent: Mitskog

Discussion Topics:

- Agriculture Diversification
- Agriculture Committee Reimbursement

10:11 a.m. Representative Beltz introduced the bill and answered questions.

10:18 a.m. Chairman Vigesaa closed the meeting.

Krystal Eberle, Committee Clerk

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Roughrider Room, State Capitol

SB 2327
4/15/2025

A BILL for an Act to amend and reenact sections 4.1-01.1-07 and 4.1-01.1-08 of the North Dakota Century Code, relating to uses of the agriculture diversification and development fund and committee; to provide an appropriation; and to provide for a transfer.

8:41 a.m. Chairman Vigesaa called the meeting to order.

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

Representative absent: Representative Berg

Discussion Topics:

- Committee Action

8:45 a.m. Representative Brandenburg moved to remove verbiage from lines 8-10 in Section 3 beginning with 'Of the \$15,000,000.'

8:45 a.m. Representative Monson seconded the motion.

8:45 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y

Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:45 a.m. Motion passed 22-0-1.

8:46 a.m. Representative Brandenburg moved Do Pass as Amended.

8:46 a.m. Representative Monson seconded the motion.

8:48 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	AB
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	Y
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

8:48 Motion passed 22-0-1.

8:48 a.m. Representative Beltz will carry the bill.

8:49 a.m. Chairman Vigesaa closed the meeting

Krystal Eberle, Committee Clerk

April 15, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

**PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT**

VC 4/15/25
1-24

ENGROSSED SENATE BILL NO. 2327

Introduced by

Senators Wanzek, Erbele, Conley

Representatives Beltz, Brandenburg, Hagert

In place of the amendments (25.1215.02002) adopted by the House, Engrossed Senate Bill No. 2327 is amended by amendment (25.1215.02003) as follows:

- 1 A BILL for an Act to amend and reenact ~~section~~sections 4.1-01.1-07 and 4.1-01.1-08 of the
2 North Dakota Century Code, relating to uses of the agriculture diversification and development
3 fund and committee; to provide an appropriation; and to provide for a transfer.

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 pursuant to this section and section
16 4.1-01-27. The agriculture diversification and development committee shall designate
17 the amount available from the fund for loans, interest rate buydowns, and grants.
18 2. Loans, interest rate buydowns, or grants under subsections 3 and 4 may be issued
19 from the fund to support new or expanding value-added agriculture businesses that

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 agriculture diversification and development committee may use up to five percent
25 of the funding available in the agriculture diversification and development fund on July
26 first of each odd-numbered year for administrative expenses related to the agriculture
27 infrastructure grant program each biennium in-state travel, per diem, and related costs
28 of administering grants under this section. The agriculture commissioner may
29 reimburse agriculture diversification and development committee members for in-state
30 travel, per diem, and related costs incurred associated with the program as authorized
31 under subsection 2 of section 4.1-01.1-08.

SECTION 2. AMENDMENT. Section 4.1-01.1-08 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01.1-08. Agriculture diversification and development committee.

1. The agriculture diversification and development committee consists of eleven members, five of whom must be appointed by the commissioner for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years.
 - a. Four of the members appointed by the commissioner must be actively engaged in farming in this state and the fifth member appointed by the commissioner must be actively engaged in agribusiness in this state.
 - b. The governor shall appoint one member for a term of two years which expires in odd-numbered years.
 - c. The member appointed by the governor must be actively engaged in business in this state.
 - d. The remaining committee members must consist of:
 - (1) One representative from the independent community banks of North Dakota;
 - (2) One representative from the North Dakota bankers association;
 - (3) The commissioner of commerce or the commissioner's designee;
 - (4) The president of North Dakota state university or the president's designee; and
 - (5) The agriculture commissioner or the commissioner's designee.
 - e. The committee shall elect one of its members as chairman.
2. The agriculture diversification and development committee shall develop guidelines for the grants, including eligibility criteria and reporting requirements. The guidelines must include priority for businesses with a majority of the ownership comprised of North Dakota residents. The agriculture diversification and development committee shall review grant applications and make funding determinations. Members of the committee are entitled to be reimbursed for expenses incurred in the performance of their duties, in the same manner as other state officials are reimbursed, in accordance with sections 44-08-04 and 54-06-09. If not otherwise employed by the state of North

Dakota, members of the committee are entitled to receive per diem compensation of one hundred thirty-five dollars for each day of attending meetings and performing other duties relating to official business of the committee.

SECTION 3. APPROPRIATION - TRANSFER TO AGRICULTURE DIVERSIFICATION

AND DEVELOPMENT FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, which the office of management and budget shall transfer to the agriculture diversification and development fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. ~~Of the \$15,000,000, up to \$10,000,000 is available for agriculture infrastructure grants to political subdivisions under section 4.1-01-27.~~

**REPORT OF STANDING COMMITTEE
ENGROSSED AND AMENDED SB 2327**

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS** ([25.1215.02003](#)) and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2327, as amended, was placed on the Sixth order on the calendar.