

AGRICULTURAL PRODUCTS UTILIZATION COMMISSION - 1999-2001 BIENNIUM FUNDING

The 1999 Legislative Assembly approved House Bill No. 1019 (a copy of which is attached as Appendix A) which appropriated \$4,385,911, \$983,865 of which is from the general fund, to the Agricultural Products Utilization Commission for the 1999-2001 biennium. Within the bill, the commission is appropriated \$3,985,911 in a separate line item. In Section 2 of the bill, \$100,000 is appropriated to the commission from the agricultural fuel tax fund for obtaining assistance in resolving beef industry trade issues. In addition, Section 15 of the bill provides a contingent appropriation of up to \$300,000 from the highway tax distribution fund to provide ethanol production incentives to any ethanol plant that becomes operational after July 1, 1999.

The schedule below presents the detail of the 1999-2001 biennium appropriation for the Agricultural Products Utilization Commission by funding source:

Salaries and wages	\$118,410 ¹
Operating expenses	60,319 ¹
Equipment	3,350 ¹
Grants, excluding ethanol subsidies	2,296,832 ²
Beef trade issues grant	100,000 ³
Ethanol subsidies	1,500,000 ⁴
Ethanol program audit	7,000 ⁴
Contingent ethanol subsidy	300,000 ⁴
Total	\$4,385,911
General fund	\$983,865
Agricultural fuel tax fund	1,095,046
Highway tax distribution fund	1,807,000
Federal funds	500,000
Total	\$4,385,911

¹ Funding is from the general fund and the agricultural fuel tax fund.

² Funding for these grants is from the general fund, the agricultural fuel tax fund, and federal funds.

³ Funding for obtaining assistance for resolving beef trade issues is from the agricultural fuel tax fund.

⁴ Funding for the ethanol subsidy program is from the highway tax distribution fund.

Appendix B is a copy of North Dakota Century Code Chapter 4-14.1 providing the statutory provisions for the Agricultural Products Utilization Commission.

Appendix C is a listing of the 1999-2001 biennium grants awarded through April 2000 by grant category.

Appendix D is a listing of the 1999-2001 biennium grants awarded through April 2000, including a brief description of each grant's purpose.

Appendix E is a listing presented during the 1999 legislative session of 1997-99 biennium grants awarded by category. The listing is not for the entire 1997-99 biennium.

ATTACH:5

CHAPTER 19**HOUSE BILL NO. 1019**

(Appropriations Committee)
(At the request of the Governor)

ECONOMIC DEVELOPMENT AND FINANCE

AN ACT to provide an appropriation for defraying the expenses of the department of economic development and finance and to the agricultural products utilization commission for grants; to provide for transfers of funds; to authorize a mutual fund capital pool; to create and enact a new subsection to section 54-44.3-20 of the North Dakota Century Code, relating to excepting officers and employees of the department of economic development and finance from the state classified service; to amend and reenact sections 4-14.1-03.1, 4-14.1-07, and 57-43.1-03.1 of the North Dakota Century Code, relating to grant repayments and ethanol plant production incentives for fuel used for agricultural purposes; to provide for a legislative council study; to provide legislative intent; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of economic development and finance for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$2,548,086
Operating expenses	2,158,447
Equipment	96,358
Grants	1,968,061
North Dakota development fund	750,000
Agricultural products utilization	<u>3,985,911</u>
Total all funds	\$11,506,863
Less estimated income	<u>3,693,075</u>
Total general fund appropriation	\$7,813,788

SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the agricultural fuel tax fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agricultural products utilization commission for the purpose of obtaining assistance in resolving beef industry trade issues, for the biennium beginning July 1, 1999, and ending June 30, 2001. Notwithstanding any other provisions of law, the agricultural products utilization commission may use these funds to obtain the assistance of the ranchers and cattlemen action legal foundation.

SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. All income received in excess of the amounts appropriated in section 1 of this Act relating to agricultural products utilization commission activities is hereby appropriated to the agricultural products utilization commission for research, marketing, and utilization grants for the biennium beginning July 1, 1999,

and ending June 30, 2001. Any funds received require the approval of the emergency commission before they may be expended.

SECTION 4. AGRICULTURAL FUEL TAX FUND. The estimated income line item in section 1 of this Act includes \$995,046 from the agricultural fuel tax fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. HIGHWAY TAX DISTRIBUTION FUND - ETHANOL PRODUCTION INCENTIVES - INFORMATION FILED WITH BUDGET SECTION - CONTINGENT TRANSFER. The estimated income line item in section 1 of this Act includes \$1,507,000, or so much of the amount as may be necessary, from the highway tax distribution fund for the ethanol production incentive program. Of this amount, \$1,500,000 is for the purpose of providing production incentives and \$7,000 is for audits of the use of these funds for the biennium beginning July 1, 1999, and ending June 30, 2001. Distribution from the appropriation in section 1 of this Act to the producers of agriculturally-derived fuel must be at the rate of forty cents for each gallon of agriculturally-derived fuel produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota. For purposes of this section, "gallon of agriculturally-derived fuel" means a gallon [3.79 liters] of fuel that qualifies for the alcohol credit under 26 U.S.C. 40, specifically including fuel to which a denaturant has been added. Payment to the producing plant must be approved by the agricultural products utilization commission upon presentation by the plant of an affidavit to the effect that the ethanol sold from the plant and for which the producer's credit is being sought is to be sold at retail to consumers in North Dakota. The affidavit of the producer of the ethanol must be accompanied by an affidavit from the wholesaler or retailer to the same effect. Within ninety days after the end of each fiscal year of the ethanol plant beginning after December 31, 1992, any North Dakota ethanol plant receiving production incentives from the state shall file with the budget section of the legislative council a statement, certified by a certified public accountant, as to whether the plant produced a profit from its operation in the preceding fiscal year, after deducting the payments received from this incentive program. If, at the end of each fiscal year, funding appropriated for the ethanol incentive payments is not spent, the director of the office of management and budget shall transfer from the highway tax distribution fund the amount of unspent funds deposited into the fund pursuant to provisions of section 57-43.1-03.1 to the agricultural fuel tax fund for the agricultural products utilization commission for the purpose of providing grants as provided by law.

SECTION 6. EXEMPTION. The funds appropriated in the agricultural products utilization line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item relating to grants awarded may be available for continued payment of grant awarded but not paid during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. LEGISLATIVE INTENT - ETHANOL INCENTIVE PAYMENTS. It is the intent of the legislative assembly that of the appropriation of \$1,500,000 contained in section 1 of this Act for ethanol incentives, a maximum of \$750,000 may be paid annually to the producers of agriculturally-derived fuel during the 1999-2001 biennium. For purposes of this section "agriculturally-derived fuel" means fuel that qualifies for the alcohol credit under 26 U.S.C. 40, specifically including fuel to which a denaturant has been added.

SECTION 8. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS. The \$750,000 transferred to the North Dakota development fund must be dedicated for projects as follows: forty percent businesses in rural areas,

forty percent businesses in urban areas, and twenty percent North Dakota American Indian businesses. Any unused funds in any category may be transferred to another category during the second year of the biennium under rules adopted by the director of the department of economic development and finance. The director of the department of economic development and finance may reallocate up to twenty percent of any region's available remaining balance of regional rural development revolving loan funds to another region or regions for the biennium beginning July 1, 1999, and ending June 30, 2001. Of the amount available in the North Dakota development fund, \$4,000,000 or the unobligated balance on July 1, 1999, relating to the transfer of regional rural development revolving loan fund moneys, must continue to be dedicated for the purpose of providing financial assistance, research and development assistance, and loans or equity or debt financing on a matching basis to new or expanded primary sector businesses in areas of the state that are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. These funds must be allocated for the benefit of each of the areas delineated as regions by executive order of the governor pursuant to section 54-40.1-02.

SECTION 9. ECONOMIC DEVELOPMENT FUNDS - WAGE REQUIREMENTS. Any political subdivision or economic development authority may adopt a minimum wage requirement for any new business or business expansion in which a majority of the capital is provided by the North Dakota development fund and its own local development funds. These wage requirements may be imposed on all or any portion of the employees and may exceed federal minimum wage requirements.

SECTION 10. AMENDMENT. Section 4-14.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded.

³ **SECTION 11. AMENDMENT.** Section 4-14.1-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-07. Duration and limitation of ethanol plant production incentives. Notwithstanding any other provision of law, an ethanol plant may not receive production incentives except as permitted under this section.

1. An ethanol plant that was in operation before July 1, 1995, may not receive production incentives in the form of direct payments from the

³ Section 4-14.1-07 was also amended by section 23 of Senate Bill No. 2015, chapter 37.

state for more than ~~five~~ twelve fiscal years of operation after June 30, 1995. An ethanol plant that begins operation after June 30, 1995, may not receive production incentives in the form of direct payments from the state for more than ~~ten~~ twelve fiscal years of operation. After December 31, ~~2007~~ 2009, the state may not provide production incentives in the form of direct payments to any ethanol plant.

2. An ethanol plant that was in operation before July 1, 1995, and which produced fewer than fifteen million gallons [56781000 liters] of ethanol in the previous fiscal year may receive up to ~~one million~~ seven hundred fifty thousand dollars in production incentives from the state for production in a fiscal year. ~~An ethanol plant that was in operation before July 1, 1995, and which produced fifteen million gallons [56781000 liters] or more of ethanol in the previous fiscal year and an ethanol plant that begins operation after June 30, 1995, are each eligible to receive an equal share in up to five hundred thousand dollars in production incentives from the state for production in a fiscal year.~~

⁴ **SECTION 12.** A new subsection to section 54-44.3-20 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Officers and employees of the department of economic development and finance.

SECTION 13. AMENDMENT. Section 57-43.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.1. (Effective until December 31, ~~1999~~ 2001) Refund of tax for fuel used for agricultural purposes - Reductions. Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund under this section must be reduced by seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund, one cent per gallon [3.79 liters] withheld from the refund must be retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.

(Effective January 1, ~~2000~~ 2002) Refund of tax for fuel used for agricultural purposes - Reductions. Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund under this section must be reduced by six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.

⁴ Section 54-44.3-20 was also amended by section 45 of House Bill No. 1188, chapter 162, and section 1 of Senate Bill No. 2291, chapter 473.

SECTION 14. MUTUAL FUND CAPITAL POOL - AUTHORIZATION.

The department of economic development and finance, in conjunction with the agricultural products utilization commission, may establish a mutual fund capital pool to attract farm and nonfarm investments in value-added processing projects.

SECTION 15. APPROPRIATION - CONTINGENT ETHANOL INCENTIVE PAYMENTS. In addition to the ethanol incentive payments provided in section 1 of this Act and notwithstanding any other sections of law, there is hereby appropriated \$300,000, or so much of the sum as may be necessary, from the highway tax distribution fund for the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing production incentives to any ethanol plant that becomes operational after July 1, 1999. An eligible plant shall receive ten cents for each gallon of agriculturally derived fuel as defined in this Act produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota.

SECTION 16. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT AND FINANCE EFFORTS. The legislative council shall consider studying during the 1999-2000 interim the economic development efforts in the state, including the provision of economic development services statewide and the related effectiveness, the potential for the privatization of the department of economic development and finance, and the appropriate location of the North Dakota development fund, including the potential transfer of the fund to the Bank of North Dakota.

SECTION 17. LEGISLATIVE INTENT - GRANT ALLOCATION - UNITED STATES DEPARTMENT OF AGRICULTURE DESIGNATED CHAMPION COMMUNITIES. It is the intent of the legislative assembly that \$50,000 of the grants line item in section 1 of this Act be allocated to provide matching funds on a dollar-for-dollar basis to United States department of agriculture designated champion communities for the funding of an economic development coordinator employed by the champion communities to assist in economic development. Local matching funds may be in cash or in-kind contributions.

SECTION 18. LEGISLATIVE INTENT - GRANTS LINE ITEM. It is the intent of the legislative assembly that \$150,000 of the grants line item in section 1 of this Act be available for the manufacturing technology partnership.

SECTION 19. EFFECTIVE DATE. Section 13 of this Act is effective for refund claims for motor vehicle fuel taxes paid after December 31, 1998.

Approved April 22, 1999
Filed April 22, 1999

4-14.1-01. Legislative policy and purpose. It is hereby declared to be the public policy of the state of North Dakota to protect and foster the prosperity and general welfare of its people by improving the agricultural economy of the state. In furtherance of this policy, it is the purpose of this chapter to provide necessary assistance to the research and marketing needs of the state by developing new uses for agricultural products, byproducts, and by seeking more efficient systems for processing and marketing agricultural products and byproducts, and to promote efforts to increase productivity and provide added value to agricultural products and stimulate and foster agricultural diversification and encourage processing innovations.

4-14.1-02. Agricultural fuel tax fund - Purposes. There is hereby created in the state treasury, a fund, to be known as the agricultural fuel tax fund, which must be used to fund programs for the enhancement of agricultural research, development, processing, and marketing. The fund must be used to defray the expenses of the North Dakota agricultural products utilization commission necessary to implement the purposes of this chapter.

4-14.1-03. Agricultural products utilization commission - Composition - Appointment. The agricultural fuel tax fund must be administered by the agricultural products utilization commission. The commission consists of nine members, five of whom must be appointed by the governor for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years. Three members appointed by the governor must be actively engaged in farming in this state and two members appointed by the governor must be actively engaged in business in this state. The commissioner of agriculture shall appoint one member for a term of two years which expires in odd-numbered years. The member appointed by the commissioner must be actively engaged in farming in this state. Commission members may be reappointed to the commission. Terms of commissioners shall run from the first day of July. The director of the department of economic development and finance, the president of North Dakota state university, and the commissioner of agriculture, or their designees, are members of the commission. The commission shall elect one of its members as chairman.

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded.

4-14.1-04. Agricultural products utilization commission - Meetings - Personnel - Reports. The agricultural products utilization commission, which is a division of the department of economic development and finance, shall meet as necessary and shall report to each session of the legislative assembly. The commission may secure office space, employ needed personnel for the performance of its duties, hire consultants, spend any funds appropriated to the commission, and contract with public entities or private parties for services.

4-14.1-05. Agricultural products utilization commission - Reimbursement - Compensation. All members of the agricultural products utilization commission must be reimbursed for their actual and necessary 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, and if not otherwise employed by the state of North Dakota, may receive up to fifty dollars for each regular meeting attended. The commission chairman, if not otherwise employed by the state of North Dakota, may receive an additional one hundred dollars for each regular meeting attended as payment for reviewing and evaluating grant proposals.

4-14.1-06. Agricultural products utilization commission - Administrative expenses. Administrative expenses of the agricultural products utilization commission, including expenses of members of the commission, employment of needed personnel, hiring of consultants, and contracting with public or private entities for services may not exceed ten percent of the funds provided to the commission each biennium excluding federal funds.

4-14.1-07. Duration and limitation of ethanol plant production incentives. Notwithstanding any other provision of law, an ethanol plant may not receive production incentives except as permitted under this section.

1. An ethanol plant that was in operation before July 1, 1995, may not receive production incentives in the form of direct payments from the state for more than twelve fiscal years of operation after June 30, 1995. An ethanol plant that begins operation after June 30, 1995, may not receive production incentives in the form of direct payments from the state for more than twelve fiscal years of operation. After December 31, 2009, the state may not provide production incentives in the form of direct payments to any ethanol plant.
2. An ethanol plant that was in operation before July 1, 1995, and which has a production capacity of fewer than fifteen million gallons [56781000 liters] of ethanol may receive up to seven hundred fifty thousand dollars in production incentives from the state for production in a fiscal year. An ethanol plant that was in operation before July 1, 1995, and which has a production capacity of fifteen million gallons [56781000 liters] or more of ethanol per year is not eligible for production incentives from the state.

Project #	Project Title	Basic Research	Market & Util.	Co-op Marketing	Farm Diversification	Prototype Development
07700-01	Cloverdale Growers Alliance			\$ 76,325.00		
07700-02	Mercer/Oliver Irrigation	\$ 52,500.00				
07700-03	Barley Production for Forage	\$ 7,063.00				
07700-04	ND Lamb Growers		\$ 58,500.00			
07700-05	Bandy Technology II					\$ 25,000.00
07700-06	Enock Schultz Creamery II		\$ 160,000.00			
07700-07	Dennis & Connie Ova Elk Ranch				\$ 5,000.00	
07700-08	Douglas Ova Elk Ranch				\$ 5,000.00	
07700-09	R-Calf	\$ 100,000.00				
07700-10	Hamilton Green House				\$ 5,000.00	
07700-11	Master Potatoes, Inc.		\$ 39,000.00			
07700-12	ND Barley Feeders		\$ 12,500.00			
07700-13	ND Biennial Strategic Freight Transportation		\$ 27,000.00			
07700-14	Central Dakota Cattle Association		\$ 20,000.00			
07700-15	McJecka Cattery				\$ 5,000.00	
07700-16	Feland Organic Garden				\$ 5,000.00	
07700-17	Hamilton Mechanic Shop				\$ 5,000.00	
07700-18	Randy Uglem Mint				\$ 5,000.00	
07700-19	Troy Uglem Mint				\$ 5,000.00	
07700-20	Donald Uglem Mint				\$ 5,000.00	
07700-21	Walton Bean Growers (Food)		\$ 68,500.00			
07700-22	Walton Bean Growers Marketing			\$ 40,200.00		
07700-23	ND Irrigation Caucus		\$ 20,000.00			
07700-24	NuSun Research National Sunflower	\$ 24,000.00				
07700-25	ND Beef Quality Assurance		\$ 25,500.00			
07700-26	West Dakota Feed & Seed		\$ 4,000.00			
07700-27	PDM International		\$ 20,000.00			
07700-28	Great River Dairy Alliance			\$ 40,000.00		
07700-29	Goldboard Development		\$ 88,000.00			
07700-30	Lawler Elk				\$ 5,000.00	
07700-31	Scheresky Crop Sprayer				\$ 5,000.00	
07700-32	Turtle Mt. Dairy				\$ 10,000.00	
07700-33	Ray Fuglestad Family LLP				\$ 5,000.00	

Project #	Project Title	Basic Research	Market & Util.	Co-op Marketing	Farm Diversification	Prototype Development
07700-34	Dakota Heritage Beef		\$ 19,939.00			
07700-35	Flax-Durum Pasta	\$ 21,200.00				
07700-36	Ag Information Tech. Co-op			\$ 32,000.00		
07700-37	MAP-Ag. Dept.		\$ 10,000.00			
07700-38	American Loala Mgt. LLC		\$ 9,600.00			
07700-39	Central Dakota Shippers Assoc.		\$ 10,000.00			
07700-40	Equidistant Planter					\$ 25,000.00
07700-41	www.shopnd.com		\$ 25,000.00			
07700-42	Russet Burbank Potato Irrigation	\$ 20,000.00				
07700-43	Dakota Lakes Products		\$ 10,000.00			
07700-44	Yellow Perch Feed	\$ 10,000.00				
07700-45	Rural Energy Resources		\$ 15,000.00			
07700-46	ND Elk Growers		\$ 15,000.00			
07700-47	Heart of the Valley Co-op		\$ 35,000.00			
07700-48	Semolina Spec.			\$ 50,000.00		
07700-49	Nesson Valley Gardens				\$5,000.00	
		\$ 234,763.00	\$ 692,539.00	\$ 238,525.00	\$ 75,000.00	\$ 50,000.00

FOR IMMEDIATE RELEASE
May 1, 2000

For more information, contact:
Lance Gaebe
(701) 328-5350

APUC Approves More Than \$300,000 in Grants

BISMARCK, ND – The North Dakota Agricultural Products Utilization Commission (APUC) approved more than \$300,000 in research, market development and technical assistance grants at its quarterly board meeting last week in Carrington. The board reviewed 21 funding requests totaling more than \$819,000.

- **Dakota Heritage Beef** received \$19,939 to market high-quality beef products that are ranch sourced and process verified with a satisfaction guarantee through meat markets or direct to consumers. Contact: Donald Nordby, (701) 879-6376.
- The **Equidistant Planter Group** in Oakes received \$25,000 to build a prototype of a planter that utilizes state-of-the-art technology developed and patented by the group to increase yields with no additional inputs. Contact: Tom Heimbuch, (701) 724-3785.
- The **Carrington Research Extension Center** received \$10,000 to develop a commercial fish feed that contains soybean meal and field pea meal as a substitute for more expensive fishmeal protein sources. Contact: Paul Jarvis, (701) 652-2951.
- The **Department of Cereal Science** at NDSU received \$21,200 to develop a functional food, such as pasta, using durum wheat and flaxseed, and to research the feasibility of using flaxseed components in pasta. Contact: Clifford Hall III, (701) 231-6359.
- The **North Dakota Elk Growers** received \$15,000 to hire a consultant to determine the marketability of elk velvet, meat and trophy hunts in partnership with elk growers in South Dakota. Contact: Kim Wagenman, (701) 968-4575.
- **Dakota Lakes Products** in Kensal received \$10,000 to fund a marketing campaign and new package development to expand its sales through private labeling and entry into the East Coast kosher market. Contact: Darold Walls, (701) 435-2558.

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- **American Loala Management** in Bismarck received \$9,600 to develop and market Loala beef products, a trademarked brand of miniature cattle that provides high-quality beef in moderate portions. Contact: Neil Effertz, (701) 223-5202.
- The **Ag Information Technology Cooperative** received \$32,000 to determine the feasibility of providing interactive, state-of-the-art agricultural information and management tools via the Internet to help producers improve their economic viability. Contact: Jim Harmon, (701) 652-2775.
- The **Central Dakota Shippers Association** received \$10,000 to market to end-users and develop a list of viable customers based on particular crop specifications that will be provided to North Dakota growers. Contact: Robin Weisz, (701) 962-3799.
- The **North Dakota Department of Agriculture** received \$10,000 to provide financial assistance to North Dakota companies attending national and international trade shows. Contact: Shannen Bornsen, (701) 328-2231.
- The **Heart of the Valley Cooperative** in Mayville received \$35,000 to produce and market natural bean pastas for distribution through national health food companies and natural food distributors. Contact: Steve Fugleberg, (701) 786-4164.
- **Rural Energy Resources** in Mayville received \$15,000 to conduct a feasibility study for a waste management system for large, confinement livestock operations utilizing technology new to North Dakota. Contact: Keith Finney, (701) 786-3843.
- **Semolina Specialties** in Crosby received \$50,000 to conduct a study to determine the feasibility of forming a growers cooperative and building a pasta plant that produces organic and value-added products, including specialty shapes and flavors. Contact: Keith Olson, (701) 965-6006.
- The **NDSU Williston Research Extension Center** received \$20,000 to demonstrate successful irrigated Russet Burbank potato production in northwest North Dakota to promote irrigation development and potentially locate a processing plant in the region. Contact: Jerald Bergman, (701) 774-4315.
- The **North Dakota Department of Agriculture** received \$25,000 to promote its Pride of Dakota Internet shopping mall and to offer the service to its members at a lower rate. Contact: Shannen Bornsen, (701) 328-2231.

APUC is a division of the state Economic Development and Finance Department and administers five grant programs for researching and developing new and expanded uses for North Dakota agricultural products: basic and applied research, marketing and utilization, cooperative marketing, farm diversification, and agricultural prototype. APUC's funding sources include the state's General Fund and a portion of farmers' gasoline tax refunds.

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FOR IMMEDIATE RELEASE
Feb. 10, 2000

For more information, contact:
Inez Ryberg
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APUC Approves More Than \$240,000 in Grants

BISMARCK, ND – The North Dakota Agricultural Products Utilization Commission (APUC) approved more than \$240,000 in research, market development and technical assistance grants at its quarterly board meeting Feb. 9 in Bismarck.

- The **Walton Bean Growers Cooperative** received \$68,500 to form a multi-state consortium of small grower groups and cooperatives to collaboratively and strategically market their products. Contact: Kevin Pifer, (701) 683-5246.
- The **North Dakota Irrigation Caucus** received \$20,000 to hire a coordinator and implement the caucus' strategic plan, created to capitalize on the state's potential for irrigation development and agricultural processing. Contact: Herbert Grenz, (701) 223-4615.
- The **National Sunflower Association** received \$24,000 to conduct a feeding trial to determine the long-term health benefits of NuSun sunflower oil. The results will be used to build awareness and create market opportunities for the product. Contact: Ruth Isaak, (701) 328-5105.
- **Walton Foods** received \$40,120 to further develop value-added dry edible bean products, implement a comprehensive marketing strategy and secure a partnership with a major food service company. Contact: Kevin Pifer, (701) 476-1979.
- **West Dakota Feed & Seed** in Ross received \$4,000 to develop and market a branded birdseed produced from North Dakota-grown sunflowers. Contact: Curt Trulson, (701) 755-3333.
- The **Great River Dairy Alliance** received \$40,000 to develop a business plan and hire a coordinator to operate this partnership of four large dairies in North Dakota. Contact: Kenton Onstad, (701) 862-3445.
- The **North Dakota State University Extension Service** received \$25,500 to identify and develop strategic marketing channels for North Dakota beef products certified through the Beef Quality Assurance (BQA) program. Contact: Greg Lardy, (701) 231-7660.

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**APUC Approves More Than
\$240,000 in Grants
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- **Northwood Bean Company** received \$20,000 to determine the feasibility of enhancing the value of bean by-products for sale to food-aid markets worldwide. Contact: Tim Mutchler, (701) 587-5206.

APUC is a division of the state Economic Development and Finance Department and administers five grant programs for researching and developing new and expanded uses for North Dakota agricultural products: basic and applied research, marketing and utilization, cooperative marketing, farm diversification, and agricultural prototype.

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FOR IMMEDIATE RELEASE
October 29, 1999

Contact: Russ Hanson
(701) 328-5350

APUC Approves More Than \$98,000 in Agricultural Grants

BISMARCK, ND – The North Dakota Agricultural Products Utilization Commission (APUC) approved more than \$98,000 in research, market development and technical assistance grants at its quarterly meeting this past week in Fargo.

- **The Central Dakota Cattle Association** received \$20,000 to expand its operations to include fresh and processed meats for hallal markets by buying into Dakota Hallal Processing Company located in New Rockford. Contact: Paul Kallenbach, (701) 438-2753.
- **North Dakota Barley Feeders** received \$12,500 to establish a member organization and develop a business plan with the mission of adding value to North Dakota-produced feedstuffs by custom feeding cattle at existing or newly constructed feed yards. Contact: Jim Broten, (701) 733-2210.
- **Master Potatoes. Inc.** in Hatton received \$39,000 to pursue new markets for its fresh potato products by targeting food service distributors, brokers and consumers. Contact: Terry Fladeland, (701) 543-4166.
- **The Upper Great Plains Transportation Institute** received \$27,000 to conduct a strategic freight transportation study analyzing the role transportation plays in producing and marketing North Dakota agricultural commodities and processed products. Contact: Denver Tolliver, (701) 231-7190.

APUC is a division of the state Economic Development and Finance Department and administers five grant programs for researching and developing new and expanded uses for North Dakota agricultural products: basic and applied research, marketing and utilization, cooperative marketing, farm diversification, and agricultural prototype.

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FOR IMMEDIATE RELEASE
August 4, 1999

Contact: Russ Hanson
(701) 328-5350

Agricultural Products Utilization Commission Approves More Than \$370,000 in Grants

BISMARCK, ND – The North Dakota Agricultural Products Utilization Commission (APUC) approved more than \$370,000 in research, market development and technical assistance grants at its quarterly meeting yesterday at the Seven Seas in Mandan.

- The **Dakota Lamb Growers Cooperative** received a \$58,500 grant to develop business and marketing plans for selling North Dakota-grown and processed lamb to niche markets nationwide including upscale, ethnic restaurants in high population areas. Contact: Jim Ostlie, (701) 587-5778.
- The **Dickinson Research Extension Center** received a \$7,063 grant to determine if barley hay is nutritionally superior to oat and grass hays, resulting in higher-quality forage and expanded marketing opportunities for producers. Contact: Dr. Patrick Carr, (701) 483-2581.
- The **Cloverdale Growers Alliance** received a \$76,325 grant to expand its current producer/packer contractual agreement with Cloverdale Foods and develop an integrated pork processing entity that will provide alliance members with greater access to profits from value added processing. Contact: Daryl Dukart, (701) 663-1116.
- The **Mercer County Water Resource Board** received a \$52,500 grant to study the feasibility of irrigating up to 80,000 acres in Mercer and Oliver counties for growing high-value, alternative crops with the potential of locating food processing plants in the area. Contact: John Klein, (701) 748-2535.
- **Enoch Schultz Creamery** in Bismarck received a \$160,000 grant to fund marketing activities necessary to change the image of the creamery's products and compete with the company's larger counterparts already established in the industry. Contact: James Odney, (701) 223-6340.
- **Bandy Technology Systems** in Walhalla received a \$25,000 grant to modify its Sample Preparation Unit (SPU) to include the analysis of DON (deoxynivalenol) in wheat and barley, allowing grain handlers to test incoming and outgoing shipments more accurately and efficiently. Contact: Mark Bandy, (701) 235-2630.

October 1 is the next deadline for submitting project applications to the board for review. For more information or to receive an application, please contact Russ Hanson at (701) 328-5350.

APUC is a division of the state Economic Development and Finance Department and administers five grant programs for researching and developing new and expanded uses for North Dakota agricultural products: basic and applied research, marketing and utilization, cooperative marketing, farm diversification, and agricultural prototype.

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Farm Diversification Grant

07700-07 D & C Ova Elk Ranch

Dennis & Connie Ova
2854 65th Ave SE
Cleveland ND 58424

Grant Amount \$5,000.00

The strategy is to raise elk calves and to sell enough breeding stock to cover costs and eventually maintain a velvet herd. The potential exists to eventually expand to a limited hunting area.

The grant funds will be used to purchase fencing materials to adequately enclose pasture for housing elk.

07700-08 Douglas Ova Elk Ranch

Douglas Ova
RR 1 Box 67
Cleveland ND 58424

Grant Amount \$5,000.00

The Strategy is to raise elk calves and to sell enough breeding stock to cover costs and eventually maintain a velvet herd. The plan is to do this in cooperation with Dennis & Connie Ova, income and expenses for this operation will remain separate.

The grant funds will be used to purchase breeding stock.

07700-10 Hamilton Green House

Judy Hamilton
159 114th Ave SW
Killdeer ND 58640

Applicant Advisor: Josh Dohrmann, Dunn County Extension
Box 420, Killdeer ND 58640

Grant Amount: \$5,000.00

The need for this project is to provide a new revenue source for our existing farm operation. In addition this farm diversification project will help answer the questions of demand, costs and the potential to create additional on-farm income through the production of organically grown farm fresh vegetables year round in SW North Dakota. The grant funds will be used to help purchase only the green house. Labor, building expenses and other supplies are not included in grant funding.

07700-15 McJecka Cattery

Karen Nordlie
2648 26th Ave NE
Martin, ND 58758
Applicant Advisor: Lisa Haugen, AMS Negotiator
2263 55th Ave NW Roseglen, ND 58775

Grant Amount: \$5,000.00

This project will add income to a farm that has seen losses due to the flooding and poor farm economy. Profits will supply money for family living expenses and allow us to remain on the farm. The animals that are produced are unique and their appeal is to animal lovers looking for something different. It is important to reach outside of North Dakota in looking for customers. A huge market is intended to be reached on the World Wide Web.

Grant funds will be used to expand the Cattery and purchase equipment that will allow the development and maintenances of an internet web page.

07700-16 Feland's Organic Garden

Jamane Feland
PO Box 68
Almont ND 58520

Grant Amount: \$5,000.00

This project will create needed income while allowing the mother to be at home to care for the small children.

Grant funds will be used to purchase a greenhouse, fruit and nut trees and perennial plants. To get a Organic Certification Fee and to purchase a drip irrigation system.

Status: contract was sent 1-12-00 not signed as of yet. Talked to her on the phone and she was unsure if she would go ahead. Talked on phone and she is going to sign contract. We have received the contract.

07700-17 Hamilton's Mechanic Shop

Eric Hamilton
159 114th Ave SW
Killdeer, ND 58640

Grant Amount: \$5,000.00

Our major need is to provide additional revenue for family living expenses. Our goal is to find additional work during the winter months when our farm operation requires less intensity.

Grant funds will be used to help purchase insulation and building supplies.

07700-18 Randy Uglem Mint Farm

Randy Uglem
148 45th St NE
Northwood ND 58267

Grant Amount: \$5,000.00

The objective for the mint diversification is to spread the operations risks and to diversify into a crop that has a more profitable outlook than our current cropping practices.

Grant money will be used to purchase a mint planter.

07700-19 Troy Uglem Mint Farm

Troy Uglem
PO Box 60
Northwood ND 58267

Grant Amount: \$5,000.00

The objective for the mint diversification is to spread the operations risks and to diversify into a crop that has a more profitable outlook than our current cropping practices.

Grant money will be used to purchase a mint planter.

07700-20 Donald Uglem Mint Farm

Donald Uglem
148 45th St NE
Northwood ND 58267

Grant Amount: \$5,000.00

The objective for the mint diversification is to spread the operations risks and to diversify into a crop that has a more profitable outlook than our current cropping practices.

Grant money will be used to purchase a mint planter.

07700-30 Lawler Elk Ranch

Brian Lawler
Box 201,
Hansboro ND 58339

Grant Amount \$5,000.00

To supplement current operation the plan is to raise elk for the velvet antlers, shooter bulls, breeding stock and possibly meat.

The funds will be used to purchase an hydraulic squeeze chute, as elk require specialized equipment to handle them.

07700-32 Turtle Mountain Dairy

Larry Neubauer
2097 Hwy 5 NE, Bottineau ND 58318
Applicant Advisor- Security State Bank
PO Box 719, Dunseith ND 58329

Grant Amount: \$10,000.00

Ten farmers from the Rolette County area have banded together to form an entity called the Turtle Mountain Dairy. Work is currently underway to incorporate as a limited liability limited partnership. This project represents an effort to build a large-scale dairy to foster new wealth and jobs creation in the area. The plan is to build a 1,600 head facility creating about 30 new jobs in the area. In addition to the jobs, spin off business in the areas of raising heifer replacements; pasturing dry cows, raising feeds, manure applications and transportation would be created.

The funds will be used for pre-construction development costs, including accounting, legal, engineering work and equity drive costs.

07700-31 Scheresky Custom Spraying

Galen & Bonnie Scheresky
PO BOX 112
Max ND 58759

Grant Amount: \$5,000.00

The sprayer will supplement the farm in a time of low farm commodity prices. The sprayer will give the benefit of having off-farm income while still allowing time to plant and harvest their own crops. It will eliminate the need for hiring custom spraying for row crops.

The funds will be used to purchase a custom crop sprayer.

Status:

07700-33 Ray Fuglestad Family LLP

Lloyd L. Fuglestad
1186 10th St SE
Luverne ND 58056

Grant Amount: \$5,000.00

A pheasant hunting preserve is a natural fit for this land. 5000 pheasant chicks will be purchased this spring and 1000 breeder birds will be ready by August 1, 2000. The Fuglestad are researching the possibility of cooperating with the ND Wetlands Trust, Environmental Quality Incentives Program (EQIP) and US Fish and Wildlife Service to develop a plan to operate the pheasant hunting enterprise efficiently and at the same time to benefit the native grasslands and wildlife in the area.

Grant funds will pay for start up costs.

07700-49 Nesson Valley Gardens

Monica Hartsch
5627 111th Ave NW
Ray ND 58849

Grant Amount: \$5,000.00

There is no competition in the immediate area for local varieties of fresh produce at local grocery stores. There are local producers who do produce for roadside markets. Nesson Valley Gardens will be the only growers with a washing facility, packing shed, and a cooling facility.

Funds will be used to help with first year development costs for this pilot project including assistance with some input requirements and also to help us fund activities and equipment to assure good quality control.

APUC

Agriculture Production Utilization Commission

Project #	Project Title	Basic Research	Marketing	Coop Marketing	Farm Diversification	Prototype Development
06600-01	Pride of Dakota		20,000.00			
06600-02	MonDak Durum			26,600.00		
06600-03	Wheat Based Coating		10,200.00			
06600-04	Agri-Board			25,000.00		
06600-05	Dehydrated. Veggies.	10,000.00				
06600-06	Dried Florals		3,000.00			
06600-07	Supermale Tilapia	7,000.00				
06600-08	Red Claw Lobster	5,000.00				
06600-09	Heart of the Valley		13,375.00			
06600-10	Selenium Beef	21,000.00				
06600-11	Elk - Walls				5,000.00	
06600-12	7th Generation Bison				5,000.00	
06600-13	Golden Fields				4,800.00	
06600-14	Dakota Dairy, Lakota			29,500.00		
06600-15	RR Valley Carrot	20,000.00				
06600-16	Bison Products	18,000.00				
06600-17	Great Plains Grain III		12,000.00			
06600-18	Prairie Gold Foods				4,800.00	
06600-19	Brandy Technology					25,000.00
06600-20	Williston Irrigation	80,000.00				
06600-21	Soil Fertility/Carrots	10,000.00				
06600-22	MAP 1998		10,000.00			
06600-23	AgGrow Oils III		50,000.00			
06600-24	HVICTF VII		10,000.00			
06600-25	Dakota Dairy Specialties		46,462.50			
06600-26	Flax Erosion Mats	8,690.00				
06600-27	Consolidated Strawboard	Balance Transferred from 1995-97 budget				
06600-28	Pre-Cut Fresh Salad	27,300.00				
06600-29	Branded Meats Products		32,750.00			
06600-30	Scab Research	40,000.00				
06600-31	Carlisle Dairy		19,215.00			
06600-32	ND Dairy Industry		54,500.00			

AFUC

Agriculture Production Utilization Commission

Project #	Project Title	Basic Research	Marketing	Coop Marketing	Farm	Prototype
					Diversification	Development
06600-33	Farmers Union Feedlot			40,000.00		
06600-34	Coriander				5,000.00	
06600-35	Hoselton Reindeer				5,000.00	
06600-36	Nelson Fish Farm				5,000.00	
06600-37	7-Point Elk				5,000.00	
06600-38	Flax Straw Blanket II	30,000.00				
06600-39	Montola Growers			52,744.00		
06600-40	Spiritwood Dairy				10,000.00	
06600-41	Field Pea Inclusion	35,400.00				
06600-42	Prairie Pasta			120,000.00		
06600-43	Schultz Creamery		70,000.00			
06600-44	American Dairy		62,000.00			
06600-45	Beef Quality Assurance		19,500.00			
06600-46	Food Processing Feasibili	25,000.00				
06600-47	Market Development & Test		30,000.00			
06600-48	Branded Meat Initiative			48,485.00		
06600-49	Alfalfa New Products		20,000.00			
06600-50	Horse Head Irrigation	35,000.00				
06600-51	Nelson Elk Boarding				5,000.00	
06600-52	Bison/Pasta		152,285.00			
06600-53	Schepp's Dakota Deli		15,000.00			
06600-54	Western Star Dairy			10,000.00		
06600-55	Potato Pivot Irrigation	40,000.00				
06600-56	Golden Valley Elk Ranch		25,000.00			
06600-57	AIM System					50,000.00
06600-58	Utilizing Hull-Less Oats	14,550.00				
06600-59	Dakota Beef Development			20,000.00		
	TOTALS	\$ 426,940.00	\$ 675,287.50	\$ 372,329.00	\$ 54,600.00	\$ 75,000.00