North Dakota®
DEPARTMENT OF COMMERCE

AGRICULTURAL PRODUCTS UTILIZATION COMMISSION

GRANT REPORT 2010-2012

SUPPORTING THE DAWN OF A NEW AGE IN AGRICULTURE

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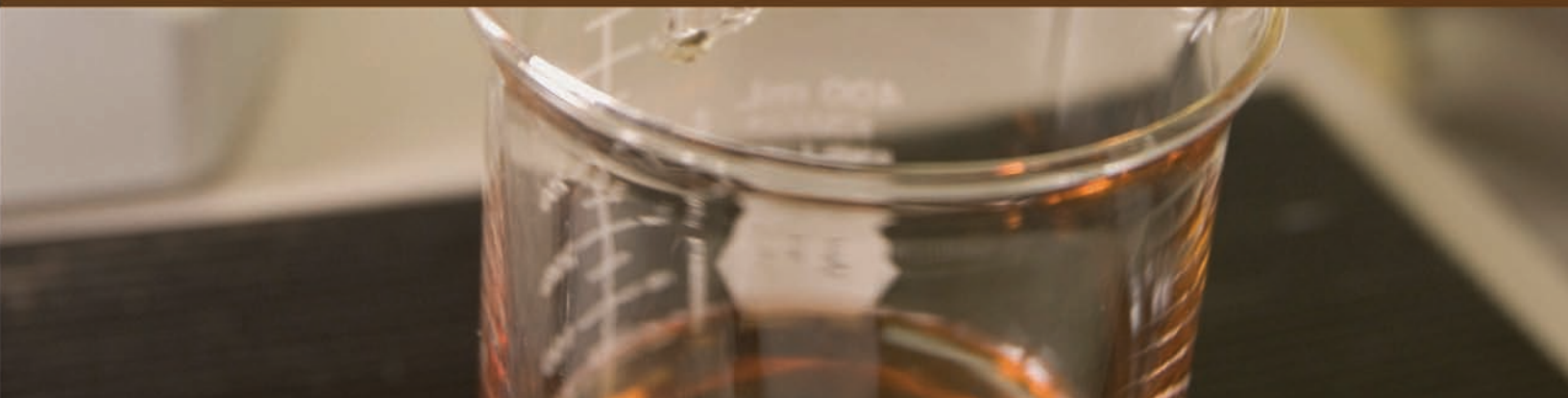
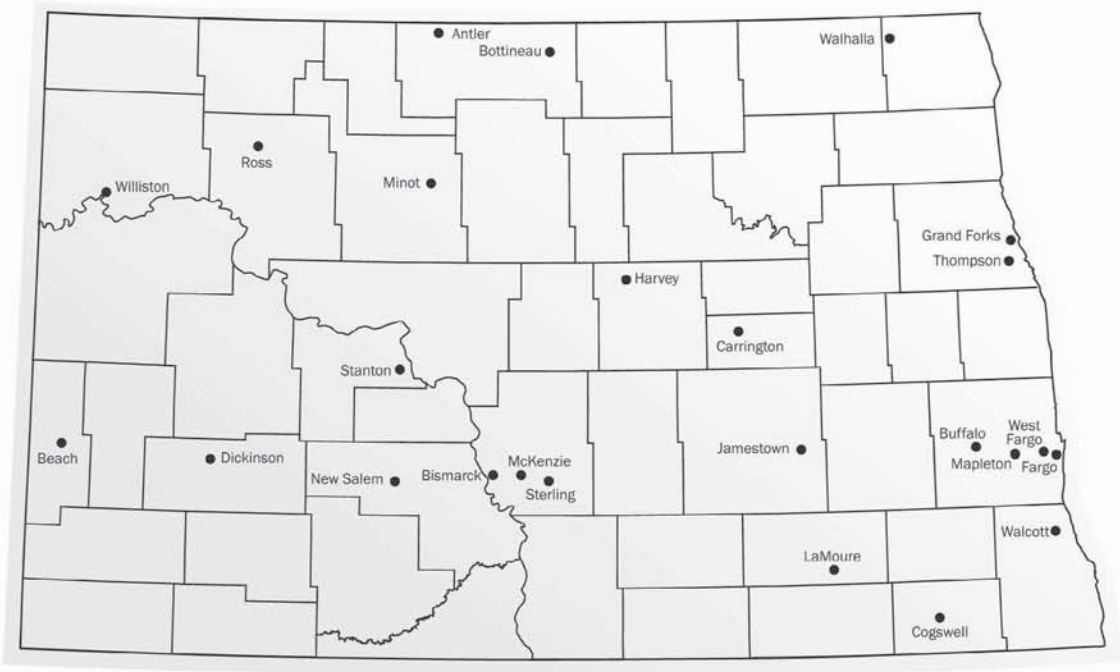
MISSION

The Agricultural Products Utilization Commission creates new wealth and jobs through the development of new and expanded uses of North Dakota agricultural products.



Between November 2010 and November 2012, APUC funded 42 projects in 25 North Dakota communities, totaling over $1.6 million in grants and sponsorships.



APUC is an office within Economic Development and Finance, a divisin of the North Dakota Department of Commerce.

APUC projects by community:

- Antler – Thompson Farm
- Beach – Beach Pulses, LLC
- Bismarck – Carbontec Energy Corporation
- Bismarck – Common Enterprise Development Corporation
- Bismarck – The Dakota Manufacturing Extension Partnership
- Bismarck – North Dakota FFA Foundation
- Bottineau – Dakota College at Bottineau
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- Carrington – Dakota Sun Gardens
- Cogswell – Heimbuch Potatoes, LLC
- Dickinson – Trojan Hoist Company
- Fargo – NDSU EPA Advanced Biofuel
- Fargo – NDSU Low Density Fiber Board
- Fargo – NDSU Nitrogen Fertilizer
- Fargo – NDSU Vegetables by LEP
- Fargo – North Dakota 4-H Foundation
- Fargo – North Dakota Trade Office
- Fargo – Northern Corn Development Corporation
- Fargo – Progressive Nutrient Systems
- Fargo – Red River Commodities, Inc.
- Fargo – Ron Iverson, LLC
- Fargo – VFM, LLC
- Grand Forks – Grand Forks Region Economic Development Corp.
- Harvey – Amberland Foods, Inc – Phase I
- Harvey – Amberland Foods, Inc – Phase II
- Jamestown – Endless Harvest
- Jamestown – Jamestown/Stutsman County Jobs Development Corp.
- LaMoure – Northern Plains Sustainable Agriculture Society – Phase I
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- McKenzie – Black Leg Ranch
- Minot – Crunchfuls North Dakota, LLC
- Minot – Cutbank Creek Farm
- New Salem – StopSensor
- Ross – West Dakota Feed & Seed
- Stanton – Destiny Dairy
- Sterling – Bessy's Best
- Thompson – Sun Valley Container
- Walcott – c2renew, LLC
- Walhalla – Food First, LLC
- West Fargo – Warp Speed Torque Drive
- Williston – Williston Area Development Corp.

APUC COMMISSIONERS

Dan Kalil, Chairman
Governor's Appointee

Bill Ongstad
Commissioner's Appointee

Bill Kingsbury
Governor's Appointee

Paul Lucy
Economic Development and Finance Division Representative

Rachel Retterath
Governor's Appointee

Myron Thompson
Governor's Appointee

Dean Bresciani
NDSU President

Doug Goehring
Agriculture Commissioner

Keith Peltier
Governor's Appointee

ADMINISTRATION

The North Dakota Agricultural Products Utilization Commission (APUC) consists of nine members. The governor appoints five members to two-year terms. Three of these appointees must be actively engaged in farming and two must be actively engaged in business. The Commissioner of Agriculture appoints one member to a two-year term. This member must also be actively involved in farming. All terms begin July 1.

The board also includes three statutory members or their designees:

- Paul Lucy, Director, ND Department of Commerce, Economic Development and Finance Division
- Dean Bresciani, President, North Dakota State University
- Doug Goehring, Commissioner, ND Department of Agriculture

APUC STAFF

Kerri Kraft
Program Assistant

John F. Schneider
Executive Director

BASIC & APPLIED RESEARCH GRANTS

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

Dakota College at Bottineau

Holly Mawby, Bottineau

Grant Amount:	$	11,200
Total Budget:	$	12,200

Funds will be used to purchase a compost tea system, compost tumblers and injection system which will then be used to research the effectiveness of compost tea for nutrient management in high tunnel vegetable production.

Food First, LLC

Robert Thornberg, Walhalla

Grant Amount:	$	36,000
Total Budget:	$	45,000

Funds will be used to quantify the impact arabinoxylans and other prebiotics from wheat, oats, barley and flax have on stimulating growth of beneficial bifidobacterium to improve digestive health. Prebiotic benefits are being assessed for ProBiotein as a nutritional supplement to boost beneficial (probiotic) bacteria in human digestive tracts.

Grand Forks Region Economic Development Corp.

Keith Lund, Grand Forks

Grant Amount:	$	54,350
Total Budget:	$	63,350

Funding defrayed the costs associated with the development and completion of a regional agri-business asset and resource map, strategic plan, and identification of diversification opportunities. It includes an assessment of needed resources with required related performance metrics or milestones for the launch of a successful new business.

NDSU EPA Advanced Biofuel

Dr. Cole Gustafson, Fargo
Dept. of Agriculture & Biosystems Engineering

Grant Amount:	$	61,317
Total Budget:	$	73,317

Funding defrayed the cost of hiring a research scientist to conduct a life cycle analysis of greenhouse emissions from energy beet biofuel. The goal is to document the energy beet pathway to secure EPA approval an "advanced" biofuel. This study will conduct life cycle analysis to identify optimal feedstock locations and to minimize feedstock transport and handling costs related to the process of energy beet biofuel.

NDSU Low Density Fiber Board

Dr. Dilpreet Bajwa, Fargo
Dept. of Mechanical Engineering & Applied Mechanics

Grant Amount:	$	24,465
Total Budget:	$	40,000

Masonite PrimeBoard, Inc. of Wahpeton currently uses wheat straw for making fiber boards. Uncertainty of raw material supply and increased demand for wheat straw has forced them to explore alternative agriculture fibers. This project will support identifying the feasibility of using soy and corn agriculture fibers for manufacturing existing products without compromising the quality and durability characteristics of low density fiber boards. The new product will be green, eco-friendly and qualify for sustainable material credit.

NDSU Nitrogen Fertilizer

Dr. Cole Gustafson, Fargo
Dept. of Agriculture & Biosystems Engineering

Grant Amount:	$	59,960
Total Budget:	$	99,460

Funding supported the hiring of a research scientist to conduct a feasibility analysis of the use of flared gas as a feedstock to produce a low-cost, reliable and green supply of nitrogen fertilizer for North Dakota farmers. Commercialization of flared gas-based nitrogen fertilizer will spur rural development, increase farm-level productivity and profitability, and provide added value to agricultural crops.

NDSU Vegetables by LEP

Dr. Chiwon Lee, Fargo
Dept. of Plant Sciences

Grant Amount:	$	25,360
Total Budget:	$	72,490

Funds will be used for graduate and undergraduate student wages (70%) plus equipment and lab supplies (30%) to investigate the feasibility of growing selected vegetables using LEP (light emitting plasma) light with reduced energy input. If successful, a new agricultural business may well be established in the state by producing highly nutritious vegetables year round for regional and national markets.

Economics of Collecting Flared Gas to Produce Nitrogen Fertilizer

NDSU Department of Agribusiness and Applied Economics

Flames flickering across western North Dakota's landscape are the result of natural gas being burned off to normalize pressure at well sites, but they also represent untapped opportunity. Since natural gas is one component to manufacturing fertilizer, the North Dakota State University (NDSU) Department of Agribusiness and Applied Economics conducted a feasibility analysis to determine how to make the most of the state's natural gas.

"The thinking is that we have this tremendous amount of natural gas in western North Dakota, and we haven't had the opportunity to put it all to use yet," said NDSU Associate Professor Dr. David Saxowsky.

"A lot of fertilizer manufacturing is occurring outside the United States and being imported, so the question is, if we have all this natural gas, can't we do the manufacturing ourselves?"

The key to the study was determining the economy of scale for a possible fertilizer plant. In this case, bigger is better.

"We learned that small scale manufacturing of fertilizer appears to be quite expensive. In order to pull down the cost and be competitive, you have to do it large scale, likely manufacturing 750,000 tons per year," Saxowsky said.

Based on these findings, Saxowsky hopes a business plan will follow. It's why he appreciates the APUC funding.

"It's so rewarding for the university and the researchers to be working with business people who are looking for these types of opportunities and are ready to take the next step when the results are positive," Saxowsky said.

FARM DIVERSIFICATION GRANT

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

Thompson Farm

Tracie Thompson, Antler

Grant Amount:	$	5,250
Total Budget:	$	25,646

Funds allowed the construction of a hoophouse, a commercial vegetable processing/storage building and the development of a commercial vegetable operation. The Thompson Farm is already looking at expansion opportunities and the Dakota College Entrepreneurial Center for Horticulture wishes to promote its success story as an Extension site for their ongoing teaching and research.

BUILDING A HOOPHOUSE

Thompson Farm

Tracie Thompson used to spend her days behind a desk, eight to five, working for someone else. One day she traded in her skirts and heels for work jeans and boots to join her husband on the farm near Antler. Now while he's corralling cows, she's corralling vegetables in a high tunnel.

"I had to research everything, and when I decided it was something I was going to do, I just jumped in head first," Thompson said.

A high tunnel resembles a greenhouse, but is built out of special grade plastic that traps 85 percent of the sun's UVA rays to create an extended growing environment. Thompson is able to start planting vegetables in the ground early in the spring and can then extend the growing season into winter.

With the help of APUC funds, Thompson was able to revise the design of the high tunnel and build an additional building to house a kitchen and storage rooms. She has grown her customer base from small local grocery stores to include Marketplace Foods and Cash Wise Foods.

In addition, the Dakota College Entrepreneurial Center for Horticulture uses her garden as an extension site for their ongoing teaching and research.

"It's amazing how many people want to give their families better food; they just don't know how to go about it," Thompson said. "To me, teaching somebody to do that is worth everything that I've already done."

MARKETING & UTILIZATION GRANTS

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

Amberland Foods, Inc. – Phase I

Tami Fiest, Harvey

Grant Amount: $ 31,000
Total Budget: $ 21,450

Funds assisted in advertising, travel and sample products. Amberland Foods, Inc. will also develop marketing materials.

Amberland Foods, Inc. – Phase II

Tami Feist, Harvey

Grant Amount: $ 47,000
Total Budget: $ 82,000

Funds supported a website redesign including programming, SEO, placement, order pages, landing pages and outbound mail costs for the web. The site provides customers greater info about the company and stimulates cross-selling/marketing with successful out-of-state businesses.

Beach Pulses, LLC

Mat Chaudhry, Beach

Grant Amount: $ 75,000
Total Budget: $ 2,500,000

Funds will be used to develop and implement a marketing plan to promote North Dakota pulse crops in multi-regional markets. They will also assist in potentially acquiring a prominent presence in the domestic market that is concentrated in imported value-added pulses.

Bessy's Best

Blaine Goetz, Sterling

Grant Amount: $ 103,282
Total Budget: $ 110,709

The grant funds will be used to pay for newspaper, radio and billboard advertising; a permanent sign near the business location; website development; and a mobile trailer for marketing products. Additional funding was awarded to hire a consultant to help develop a marketing and advertising plan.

c2renew, LLC

Corey Kratcha, Walcott

Grant Amount: $ 26,000
Total Budget: $ 51,000

Funds were used to launch production of the first customer orders for biocomposites and to defray costs for meetings with potential customers and marketing material development.

Carbontec Energy Corporation

Mary Fletcher, Bismarck

Grant Amount: $ 63,000
Total Budget: $ 160,000

The funds will be used to conduct a feasibility study on a possible production location in Jamestown. This biobased project would provide another use for North Dakota agricultural biomass products and/or biomass by-products.

Common Enterprise Development Corporation

Heidi Demars, Bismarck

Grant Amount:	$	10,500
Total Budget:	$	130,000

The grant funds will be used to conduct a feasibility study and explore the potential demand for a consumer-driven local foods cooperative in Bismarck-Mandan. The feasibility study will provide the data needed in order to move forward with the fundraising and membership efforts of the steering committee and subcommittees.

Crunchfuls North Dakota, LLC

Deepa Senoy, Minot

Grant Amount:	$	65,000
Total Budget:	$	240,000

The grant will defray the costs of travel expenses and bar development using North Dakota grown dry beans, peas, lentils and chickpeas (DPLC). The DPLC bar would focus on bringing new and nutritious foods, like healthy recovery snack bars, in compliance with the Soldier Fueling Initiative Program for military subsistence.

Destiny Dairy

Ole Johnson, Stanton

Grant Amount:	$	45,000
Total Budget:	$	12,965

The grant will defray the costs of market testing nutrient-rich compost for home, retail and commercial uses, as well as industrial and field applications. Funds will also be used for advertising, promotions and attendance at trade shows.

Endless Harvest

Steve Froehlich, Jamestown

Grant Amount:	$	68,000
Total Budget:	$	133,000

Funds will be used for hiring a controlled environment agriculture (CAE) consulting firm which will explore funding sources, provide representable lettuce types and educational tours, and finalize specific design components of a proposed facility. Lettuce grown will be used for developing market presentation and consumer preferences.

Heimbuch Potatoes, LLC

Chad Heimbuch, Cogswell

Grant Amount:	$	46,400
Total Budget:	$	225,000

Funds will be used for advanced promotion due to the company's increased potato and onion production, as well as promote other product lines including additional colors of potatoes and red and yellow onions.

Jamestown/Stutsman County Jobs Development Corp.

Connie Ova, Jamestown

Grant Amount:	$	76,000
Total Budget:	$	150,000

Funds helped to defray the costs of hiring a consultant to conduct a feasibility study of two 10-acre controlled environment agriculture (CAE) leaf lettuce production facilities in the Jamestown area. This study showed that a CEA facility is feasible and that Jamestown is ideally positioned on major transportation routes. Opportunities could include manufacturing, education, food processing and a CEA knowledge center.

North Dakota Trade Office

Dean Gorder, Fargo

Grant Amount:	$	42,500
Total Budget:	$	122,500

The grant will assist in the expansion of trade mission programs by defraying the costs of additional databases for market research. Funds will also be used to purchase headsets for multilingual translation when attending trade missions to bring buyers of agricultural products to North Dakota.

Northern Corn Development Corporation

Tom Lilja, Fargo

Grant Amount:	$	100,000
Total Budget:	$	500,000

Funds were used to acquire professional accounting, marketing and legal services to complete the business plan and acquire the necessary equity to launch the enterprise.

Northern Plains Sustainable Agriculture Society – Phase I

Karri Stroh, LaMoure

Grant Amount:	$	15,566
Total Budget:	$	75,642

Funding supported outreach and relationship building with end-users to better understand customer needs and develop a marketing plan to meet those needs. The grant provided NPSAS with first-hand knowledge on where the organic industry is headed and what the role is within the industry. NPSAS had the opportunity to highlight North Dakota organic products and build awareness of the products available. The experience provided up-to-date information on new trends and innovative ideas and boosted their presence in the industry.

Progressive Nutrient Systems

Dan Olson, Fargo

Grant Amount:	$	76,000
Total Budget:	$	222,500

Funds from this grant will be used to demonstrate the technical feasibility and the business/economic opportunity for a modular distributed ammonia-based system. Analysis will also address the system's impact on improving the economic and environmental sustainability of North Dakota's corn/ethanol production.

Red River Commodities, Inc.

Daniel Hofland, Fargo

Grant Amount:	$	126,000
Total Budget:	$	321,000

Funds were used for SunButter advertising in three major food magazines, as well as development and distribution of two press releases, two direct customer mail pieces and a SunButter ingredient marketing brochure. Funds will also help defray the costs for attendance in upcoming food expos.

Ron Iverson, LLC

Ron Iverson, Fargo

Grant Amount:	$	48,500
Total Budget:	$	100,000

Funds will be used to conduct a feasibility study for a cereal plant that will manufacture regular, gluten free and organic cereal for human consumption. Regular cereal will be manufactured during Phase One, while the gluten free and organic lines will be introduced during Phase Two. Products will use North Dakota grown ingredients as much as possible. If ingredients cannot be sourced locally, the company will work with producers to grow them in the area.

West Dakota Feed & Seed

Kevin Kvamme, Ross

Grant Amount:	$	40,000
Total Budget:	$	91,000

Funds will be used for attending national specialty crop conventions to develop relationships with potential canary seed buyers and exploring the potential canary seed tea market.

SUNBUTTER INGREDIENT MARKET LAUNCH

Red River Commodities

Created to become a new source of demand for North Dakota's sunflowers, SunButter has evolved into a way to keep schools safe for allergy sufferers and enrich other food products. Red River Commodities joined the United States Department of Agriculture over a decade ago to research the process of making SunButter, and now the nut-free product is found on grocery shelves in all major chains across the country, as well as school cafeterias.

"When a time came to decide whether we should continue with SunButter or drop it as a good idea at a bad time, the school lunch demand came along and really kept us going," said Dan Hofland, vice president of marketing. "It was a key factor, and APUC played an important part in keeping that demand going."

APUC funds allowed SunButter to market itself through brochures, print ads, webinars, and by defraying costs for food expo attendance. The product had humble beginnings, though. Hofland remembers filling the back of his pickup with the product and taking it to the grocery store's customer service counter asking, "Where do you want this?" when they didn't have distribution in place yet.

"That's how we got started, and once we proved demand, then we were able to look into distribution," Hofland said.

Now Red River Commodities is working to get SunButter into industrial markets, and APUC funds are again being used to market the product. Hofland said they are beginning to see results from those efforts and have high hopes for the future of SunButter.

NATURE BASED AGRITOURISM GRANTS

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

Black Leg Ranch

Jeremy Doan, McKenzie

Grant Amount:	$	11,000
Total Budget:	$	24,300

This grant assisted in the renovation of a ranch guesthouse. Funds were used to buy windows, doors, staircase materials, loft railing, and other improvements to the inside and outside of the building to attract more guests. A sewer and drain field were also put in place. This renovation allows Black Leg Ranch to house additional people for hunting and other activities.

Cutbank Creek Farm

Peggy Walter, Minot

Grant Amount:	$	10,500
Total Budget:	$	37,433

Funding supported the expansion of Cutbank Creek Farm, located near Upham, to a U-Pick and larger commercial produce garden operation. The grant will be used for marketing, supplies and equipment for direct and wholesale produce along with the on-farm U-Pick.

Dakota Sun Gardens

Bruce and Merleen Gussiaas, Carrington

Grant Amount:	$	10,500
Total Budget:	$	20,000

The grant helped defray the costs of marketing the gardens and winery. Funds also assisted in the building of another yard attraction, supporting various plant materials and the purchase of a berry variety for a unique wine production.

Red Trail Vineyard

Rodney Hogen, Buffalo

Grant Amount:	$	4,725
Total Budget:	$	6,692

Funds were used to advance promotion of the vineyard through the use of social media. This project helps inform new and existing customers of special events, new products and in-house specials throughout the year.

RENOVATION ON THE RANCH

Black Leg Ranch

Homesteaded in 1882, the Black Leg Ranch boasts a true cowboy experience for tourists and history buffs alike. Located near Sterling, the ranch provides hunting, fishing and horseback riding activities along with a newly renovated lodge. An APUC grant helped defray the costs of improvements, including a bar and commercial kitchen.

"This was a big, major project," said owner Jeremy Doan. "There is so much craftsmanship in this lodge, inside and out. There's a huge deck that wraps around it, a grand entrance, and private rooms, and even a honeymoon suite with a Jacuzzi."

As a fifth generation ranch, guests often ask to view pictures, talk to the family, and dive into the farmstead's history. Doan said since the ranch preceded North Dakota statehood, and contains the remains of the ghost town of Brittin, it has gained international appeal.

"We recently started the agritourism aspect, and it's finally taking effect. It's been a slow process, growing that side," Doan said.

PROTOTYPE DEVELOPMENT & TECHNOLOGY GRANTS

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

InvenTus, LLC

Norm Miller, Mapleton

Grant Amount: $ 26,000
Total Budget: $ 122,000

Funds will be used to complete the electronics and supply portion of the prototype Hydro-Pack for a fuel economy cell to be mounted with gas or diesel engines to conserve 30 percent in fuel usage. Along with fuel conservation, the emissions are reduced accordingly. Commercialization will be done through a dealer network.

StopSensor

Larry Mosbrucker, New Salem

Grant Amount: $ 25,000
Total Budget: $ 53,300

Funds will help bring StopSensor to market with the production of 15 prototype devices and related accessories to be used in field tests and product demonstrations. These units will be tested in a variety of agricultural applications from small farm operations to agronomy centers. Funds will also be used to obtain a patent and to implement refinements to StopSensor's design based on field test results.

Sun Valley Container

Dan Hanson, Thompson

Grant Amount: $ 25,000
Total Budget: $ 78,359

Funds will be used for product design and prototype testing. They will also be used for attorney and patent fees necessary to obtain a patent state-of-the-art plastic sugar container.

Trojan Hoist Company

Scott Thompson, Dickinson

Grant Amount: $ 25,000
Total Budget: $ 60,000

The grant will assist in the development of a portable crane system suited for agriculture uses. The project will include presentations to prospective customers, development of mounting adapters, crane test samples and other refinements based on customer feedback.

VFM, LLC

Ryan Raguse, Fargo

Grant Amount: $ 28,500
Total Budget: $ 200,000

Funds will assist with prototype development, such as parts, wages for software development, alpha/beta testing, patent/trademark research and patent applications for a mobile application for autosteer technology.

Warp Speed Torque Drive

Ernie Brookins, West Fargo

Grant Amount: $ 26,000
Total Budget: $ 71,000

Funds will help finalize a production model of a hybrid drive system retrofit kit for an Allison transmission and advance it from the prototype phase to the production model.

PROTOTYPES FOR PRODUCT DEMONSTRATION

StopSensor

StopSensor is a device to help machinery or truck drivers properly align their equipment in order to avoid missing the mark when dumping grain, oil, cement or sand. As a farmer, StopSensor inventor Larry Mosbrucker understood the hassles and safety issues of repeatedly checking positioning or needing a spotter.

"I knew there had to be a better way so a person doesn't have to jump in and out of the truck all the time to check your positioning," Mosbrucker said. "I had this problem my whole life in farming, and then it just clicked. But I knew the product had to be something simple, not complicated."

StopSensor was warmly welcomed in agriculture circles, and is now finding success within the oil industry. Mosbrucker was able to produce 15 prototype devices with APUC funds, and he feels the product has potential to make a huge impact.

"It's a big safety thing," Mosbrucker said. "To talk to the safety guys for the oil companies really was powerful. They really thought this could be something."

Rail representatives have also encouraged Mosbrucker to design StopSensor for trains to load oil or other cargo more efficiently.

"They have to stop and start 300 times per train," Mosbrucker said. "If I could build something to put them into the right spot all the time, that would be incredible. That market is gigantic, and what about all the other commodities with trains? I mean, the sky's the limit."

SPONSORSHIPS

North Dakota 4-H Foundation

Mylie Lavold, Fargo

$1,000 Sponsorship

APUC sponsored the 4-H Judging Contests program, which helps educate kids in effectively judging factors ranging from traditional crops and land, beef and dairy to new initiatives in science.

North Dakota FFA Foundation

Beth Bakke Stenhjem, Bismarck

$1,000 Sponsorship

APUC has been a 20-plus year sponsor to the National FFA Organization (formerly Future Farmers of America) Proficiency Award for Value-Added Food Processing.

North Dakota FFA Foundation

Beth Bakke Stenhjem, Bismarck

$1,000 Sponsorship

APUC sponsored the Ag Processing Proficiency awards and travel stipends for the proficiency finalists to attend the National FFA Convention held in Indianapolis, IN.

Williston Area Development Corp.

Ann Kvande, Williston

$1,000 Sponsorship

APUC helped sponsor a showcase event that focuses on improving the economic and environmental performance of agriculture in the Mon-Dak region.

BUILDING TOMORROW'S LEADERS

North Dakota 4-H Foundation

Last year, the North Dakota 4-H Foundation budgeted over $100,000 in direct program support for 4-H programs in North Dakota, ranging from traditional crops and land judging to new initiatives in science, such as robotics. The organization relies on donors and sponsors to fund the programs, and while many designate their gift to a particular curriculum, unrestricted funds like those APUC provides helps fill the gaps to meet the budget.

4-H enrolls over 5,000 members in traditional clubs and reaches around 20,000 kids with short term programs like camps or Science Day projects. North Dakota 4-H was included in a recent study conducted by Tufts University that evaluated the impact of community-based programs on positive youth development. The study showed kids involved in a program such as 4-H are more likely to avoid risky behaviors such as drugs, drinking, smoking and bullying and are more likely to graduate, attend college and give back to their communities.

"The study showed kids in these programs have a heightened sense of community awareness and citizenship, so within the programs the life skills are happening, but there's all this other positive youth development that's happening," Mylie Lavold, development director of the North Dakota 4-H Foundation, said. "So every gift that we get helps us deliver those things and impacts the kids, and that in turn comes back and impacts our communities."

TECHNICAL ASSISTANCE GRANT

Technical Assistance Grants are designed to maintain and expand North Dakota's existing value-added businesses. The grants are intended to help businesses become more competitive, productive and profitable. An eligible candidate for this grant is an existing company located, operating and registered in North Dakota that adds value to agricultural products, including food manufacturers and beverage manufacturers.

The Dakota Manufacturing Extension Partnership

Randy Schwartz, Bismarck

Grant Total:	$	35,529
Total Budget:	$	52,835

Funds will be used for consultant and expert fees, travel, materials, facilities, Merwyn concept testing for the companies, and fiscal agent fees. The pilot project, Innovation Engineering Management System, assists three APUC qualified companies (<50 employees) to accelerate existing ideas and projects to implementation and commercialization. It also works to create meaningful, unique ideas to grow the business with new and current customers.

INNOVATING FOR AGRICULTURAL PRODUCT GROWTH

The Dakota Manufacturing Extension Partnership

The Dakota Manufacturing Extension Partnership (MEP) has joined a national network to pilot the Innovative Engineering Management System. It allows established companies, including three APUC-qualified companies, to get beyond traditional barriers and allow their creative juices to flow again.

"With the support of APUC, we can get companies exposed to how to create and implement ideas that are meaningful and unique to the marketplace," said MEP director Randy Schwartz. "Most companies don't have a system or process in place to do this."

Schwartz said 40 percent of companies are reactive, while only 15 percent are proactive. The goal of Dakota MEP is to reverse that trend.

"Ideally we're trying to tell companies to become proactive and less reactive in terms of how they create ideas and how they engage and empower people to move ideas forward," Schwartz said. "It takes about two years to fully implement this. This is designed for companies that are going to continue to grow, invest and develop their people."

Dakota MEP has a successful track record, generating companies an average of $1.4 million in benefits and impacts. In the second quarter of 2012, Dakota MEP teamed with eight companies in which benefits and impacts averaged almost $2 million per project.

"That's what makes us a lot different than other programs in that the size of the companies we're working with can generate those kinds of benefits and impacts," Schwartz said. "It's quite a bit different than what a startup or relatively small company could do."

FUNDING SOURCES

APUC's appropriation for the 2011-2013 biennium totaled $4,258,626 and was provided from the following sources:

- Up to $738,284 was authorized to be collected from the Agricultural Fuel Tax Fund, funded by a $.02 "check-off" of farmers' off-road gas tax refunds.
- $1,701,483 was appropriated directly from the state general fund.
- At the beginning of the biennium an additional $1,518,859 was authorized as carry-over authority from the previous biennium.

Financials as of September 30, 2012

	Expenditures	Budgeted
Salaries & Benefits	$ 183,964	$ 290,989
Operating Expenses	$ 40,518	$ 96,790
Grant Commitments *	$ 812,620	$ 3,870,847
Total Expenditures	**$1,037,102**	**$4,258,626**

Remaining Appropriation: $3,221,524

** Includes Carry-Over Commitment*

North Dakota®
DEPARTMENT OF COMMERCE

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