

**2015 SENATE APPROPRIATIONS**

**SB 2009**

# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2009  
1/15/2015  
Job # 22001

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Kate Oliver for Alice Delzer*

### Explanation or reason for introduction of bill/resolution:

A BILL for an ACT to defray the expenses of the Agriculture Commissioner

### Minutes:

Testimony # 1- 4

**V.Chairman Bowman** called the committee to order on Thursday, January 15, 2015 at 8:30 am in reference to SB 2009. All committee members were present except Chairman Holmberg who was ill. Chris Kadrmas, Legislative Council and Becky Deichert, OMB were also present.

**Doug Goehring, Agriculture Commissioner** testified in favor of SB 2009 and provided written Testimony Attached # 1, the Budget Presentation for the 2015-17 Biennium. He began his testimony on page 4. (started recording then) on

V.Chairman Bowman: On the noxious weed program, how are we getting a handle on this? In my area they have done a tremendous job addressing this and a lot of it has to do with the GPS locators and making of the areas so that they know where the weeds are. Is that a statewide approach and is it working?

Doug Goehring: Yes, we are doing really well in some counties and in other counties we have a lack of activity, not getting a handle on the situation, for the most part it's working very well, the LAP program (Landowner Assistance Program) and the tag program, help those weed boards.

Senator Wanzek: State Water Bank Program, what is that?

Doug Goehring: I've used the programs interchangeably. It is same the program. We can get into some of the details, we do offer a buyout if they want and depending on how they receiving payment. Continued on page 6 - Livestock Development Division - continuing on to Marketing & Information Division (9.43)

Senator Heckaman: When I look at your proposed budget, I see grants have increased and federal funding has increased what they are for.



Doug Goehring: What has happened there is a shift in the last farm bill. What is happening is North Dakota was only receiving about \$500,000 annually for the block grants which provided research, promotion and marketing for all the different commodities we grow in the state but it went up substantially, in fact we received. We foresee, based on what is in the farm bill that it will continue to go up over the next 5 years and could get close to \$4,000,000 for specialty crops.

Senator Heckaman: Does most of that go out to the extension research stations or is it divided between NDSU and the stations?

Doug Goehring: They have the ability to write a research proposal, done by any entity out there that wishes to look at research, marketing, promotion.

Senator Heckaman: As a private producer and I wanted to market something to Chile would I be able to come and get a grant from you for that?

Doug Goehring: Let's talk.

Senator Heckaman: But it could be used by private parties?

Doug Goehring: We do have private individuals doing research on their farms; it's actually for the benefit of all.

Senator Erbele: Utilization of agriculture in the classroom, how are the schools tapped into that?

Doug Goehring: There are a great deal of them that do, we have volunteers, along with FFA and get them a curriculum that is available. We can provide that information concerning ag in the classroom. (16.01) moving on to page 8 Animal Health Division

V.Chairman Bowman: Zony disease was around a long time. Is that something that is worse or better, or under control?

Doug Goehring: We have funds going into test and monitor what's out there. We've been doing a fairly good job of staying on top of it but really trying to identify where we have a problem and try work with the producer, the funds that have been provided by the ag and have been used for that.

Senator Erbele: What is BOAH?

Doug Goehring: the issue there we had troubles in the past (board of animal health) BOAH, it's just easier, to put it back in, leaving a line item there. Page 9 - Pesticide & Fertilizer Division

Senator Heckaman: On the green sheet that we get, we always get significant audit findings and it mentioned that you were not inspecting anhydrous facilities at a consistent rate, what have you done to change that?

Doug Goehring: I am not aware of that. Our inspections have continued to go up, after we had a lull a few years ago.

Senator Heckaman so that wasn't this year audit.

Jim Gray, Director of Pesticide & Fertilizer Division, as a result we had a handful, we went out and that will not? (24.54)

Doug Goehring: There was a request to provide other information - Optional Adjustment Request - Pride of Dakota Holiday Showcase venues there is a \$50,000 request in increase there based on the fact that in Grand Forks and Fargo we do not have facilities to accommodate us, we have to find a different venue, we need to find a large facility to host those holiday showcases. The website design we have 5 or 6 that we monitor - we need to redesign those and make them user friendlier. On the next page, 11 - is the requested changes to the Executive Recommendation. Water bank Program - working with Game and Fish and the National Genomics Center - is a national genomics lab that was sought after by the corn growers and then others in the Ag community, trying to get that lab here in North Dakota, we did win that bid, it is coming to North Dakota, there are some gaps that exist that support that building, working with some areas in operating rent and utilities, we met with the ag committee, get their feet on the ground. This facility it's provides rapid test methods, also doing work on food safety, this will be one of the challenges we will be facing, animal research.

Senator Robinson: (31.36) In that area, should we fund the \$800,000 do you foresee a high likelihood that this would be an on-going line item.

Doug Goehring: We had these discussions because we knew it probably would not get a lot of support, at that point the way their budget they would start to become self-sufficient in a few years down the road, possible this biennium and the next. I should state, at one point in time, it looked at this was in the NDSU budget and we realized that it wasn't so that is why we are backing in this request. The other is to study to assess the economic contribution of the ag industry. We've done some economic analysis by groups, but that is very specific and it doesn't include the entire ag community across the state of North Dakota. We have talked about this for 3 or 4 years and just feel it is time there are things that are unclear, where is the entire ag industry, what's the impact what is the analysis that is needed to understand agriculture's role and status in North Dakota's economy. Continued on with he submitted Testimony Attached # 2.  
Anyone have any questions on mediation.

V.Chairman Bowman: What do we need to know if mediation in the oil field?

Doug Goehring: The legislature expanded the scope of the program and we have been doing that, 46 cases, surface damages, well site locations, we have contractors that provide that support, it doesn't matter who it is, even an electrical line, you gave us the ability to help with that.

Senator Wanzek: The Water Bank Program budget authority, is that for money you are anticipating a grant from the Outdoor Heritage Fund or have we gotten that already?

Doug Goehring: We applied for this, it was reviewed and approved by committee, approved by the industrial commission so the money would be there, we would need authority from the legislature to use those funds. The water bank program itself would not go into operation or work as a program until late summer/early fall.

Senator Wanzek: I've got some land with number of wet lands, might there be a program where I can enter these acres into this program; receive some sort of compensation for that.

Doug Goehring: That is exactly how it works, to relieve some pressure from some of those inundated lands, this would give you the ability to square up a piece and plat grass in between or, if you so choose, you could plant food plots, not only grass, you do have to allow access for public hunting.

Senator Wanzek: Can you graze it, would it be totally off limits to production?

Doug Goehring: No it cannot be grazed, there are stipulations, unless there is an emergency, a few years ago I did allow some utilization of water bank acres grazing or haying.

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Senator Wanzek: The study to access the economic contributions of agriculture, I'm supportive of that. I would doubt very few of us would not agree that there is a huge economic impact, why do we need a more detailed account? (40.22)

Doug Goehring: Not as much an impact, as an analysis, we do produce over 50 different commodities commercially, 9 different species of animals, all though over times, the sugar beet industry, the corn industry has done some, it gives you a snapshot but not a look as a whole would give us a better idea where we are at, every economic sector in the state are doing a pretty good job, this has been so many years, been number 1 in the North Dakota, the ag community is asking for this, it will take 20 months just to do this.

Senator Wanzek: I appreciate that. The grave river energy, if it wasn't for Ag, it goes way beyond the?

Doug Goehring: ag has been noted as supporting at least 25% of employees in the state, jobs, services on main street and supporting services and the money that goes back into the economy,

Senator Heckaman: when you talked about this study take 20 months, who would do this?

Doug Goehring: This would be NDSU.

Senator Robinson: We will know we have a crises in the dairy issue in the state, what efforts are underway, maybe not possible to turn that around given the circumstances involved in the dairy business, do we have anything in the state that's looking at the dairy industry, losing a processing plant, what can we be doing, it seems to me given the rapid decline we have the responsibility to respond.

Doug Goehring: This has been an issue. A declining livestock industry has a dramatic effect on North Dakota agriculture because diversity adds stability and other markets, the grain markets for example. We've seen a decline in our dairy livestock numbers from 49,000 to 16,000 dairy from the year 2000 until now go from 350 to 91 operations. Our two largest dairy counties are Morton and Emmons County. We have a 600 cow a day deficient for milk just in central North Dakota, if they shut their doors it will start a domino effect and it will collapse on itself. Some are going to cheese factory, less value, almost have to pay someone to take it. We've looked at a lot of different efforts; I have two people addressing this issue. What's happened because we've been approached by different entities out there that would like to come to North Dakota, biosecurity is a great thing in North Dakota; we don't have crowding of animal ag operations. They like the basis on our grain, wide basis, we are now producers of corn, but given those reasons and the ability to move in and be part of the community, we have 120 feed plants in the state, they would also have an opportunity to dispose of their manure, so when the livestock industry approached, those in beef, swine and dairy there is a sense of emergency, if we don't do something soon, we will be in trouble, looking at the states around us, South Dakota in many respects is like the North Dakota law, they made some exceptions that. I gave a presentation to the Ag community about a week ago and gave them the information; it's also an opportunity to legislators to think about how do you want to work with the ag industry, especially dairy industry. South Dakota is successful, we need to do something.

Senator Robinson: I grew up on a dairy farm in the 1960s, no school bus, we got up early and milk the cows, sophomores and juniors, earlier, every last stop on the school bus route had a dairy operation.

Doug Goehring: that is all I had. Submitted Testimony Attached # 2 North Dakota Mediation Service.

V. Chairman Krebsbach: In your optional request, you had \$90,000 for North Dakota's Centennial Farms, what would that be for.

Doug Goehring: That particular request was to help them update their kiosk, data information, information technology; there's been some software that has been needed. Since there were requests in different areas that it was perceived as double dipping

V. Chairman Krebsbach I signed every certificate that went out to every Centennial Farm which is why I was curious.

Tom Lilja, Executive Director of North Dakota Corn Growers Association (56.30) Testimony Attached # 3 - and Testimony Attached # 4, letter from Commissioner Goehring on page 27. We showed the truly quality of research. The site selection committee was very impressed to make this siting possible.

Senator Wanzek: Could fill us in on the time table breaking ground.

Tom Lilja: When we put this package together we chose to focus on the collaborative nature of research that is going on. Fargo has one of the 4 regional wheat geonomasists,

we are not going to build new buildings, we will have a collaborative nature, they are doing some lab build-out, up by March or April, there has to be a flow to the lab, you can enter one way, there is a certain flow in this technology. It's been good we are off.

Gary Knduson: North Dakota Ag Association. We do quite a bit of work with the ag department. Anhydrous safety, we'll have about 8 meetings around the state. We also we invite the first responders, the sheriffs and fire marshals, how to handle an emergency, the current environment, homeland security, the work they educate come with compliance, we have the highest state of compliance in the nation, due to the ag dept.

Scott Rising: Soybean Growers Association. Testified in favor of SB 2009, we need a concrete foundation where we are at. 1.04.

V.Chairman Bowman any other testimony. Seeing none. Closed the hearing on SB 2009.



# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2009  
1/29/2015  
Job # 22841

☒ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Emmery Goehring for Alice Delgen*

### Explanation or reason for introduction of bill/resolution:

A Subcommittee hearing for the Department of Agriculture.

### Minutes:

Attachments: n/a

**Chairman Bowman** called the committee to order on Thursday, January 29, 2015, at 3:00 pm in the Senate Conference Room in regards to SB 2009. All subcommittee members were present: Senators: Bowman, Erbele, O'Connell. Alex Cronquist, Legislative Council and Nick Creamer, OMB were also present.

**Chairman Bowman** asked if there was anything within the budget that needed reviewal.

**Doug Goehring, Agriculture Commissioner:** I don't believe so concerning the budget. If we go to the other items we were asked to present for consideration: (1) the authority on the water bank program, (2) the \$800,000 for the national genomic center and then (3) the economic analysis of agriculture in the state of ND of \$242,000.

**Chairman Bowman:** What will the \$800,000?

**Comm. Goehring:** The Corn Grower's Association looked at inviting a national committee that was proposing building another facility of having a national genomics lab, somewhere in the US. There were several states in the running: ND and Illinois. The work that is being done there is for pathogens, plant diseases, food borne issues, and food safety itself. There is a rapid test method that has been created by Los Alamos and the Danforth Center, that is the foundation and the lab itself is that entity. The work that would be carried on there would be along those lines of providing rapid test methods along with the potential and ability for testing for animal agriculture and more animal research. This is going to be all inclusive to covering many aspects and many areas in agriculture for ND and the US. There were discussions previous to this and one was including a request for an appropriation for the state legislature which I said I would submit through my budget to help them with these transitional costs that we are going to incur. Operating costs along the lines of: rent, supplies, travel, getting them on their feet these first 2 years--it would be approximately \$400,000 each year. I would suspect that that goes down once they're

established. If I were asked if this is going to be a continuing thing, I don't believe so. There are some upfront needs to enable them to get them operational in ND.

**Chairman Bowman:** With our agriculture research and extension budget, we do a lot of research already, is there anything we are doing with this that will overlap?

**Comm. Goehring:** There is the ability to complement a lot of that work, there's the ability to have some of the consultation and conversation happening at NDSU. ND has a nationally renowned research facility and there would be the opportunity to utilize all resources to help propel us forward and complement the work here and facilitate more research.

**Senator Erbele:** Research would happen in the greenhouse and the beef center we already have established there, we're not working with the state of the art building we have.

**Comm. Goehring:** That is true. We're not talking about facility, what has been proposed is they would utilize space at the ARS (agricultural research service) station in Fargo and work from there but they would be close enough to work with people on campus. They are more of a private that has to work for a profit; we have some things at NDSU that attract them.

**Chairman Bowman:** Give me one outcome that could possible happen if this was funded that we could see a benefit for ND agriculture.

**Comm. Goehring:** Rapid testing of pathogens on corn. Also working with the wheat and soybean industry, we don't have as many issues with soybeans but we certainly could see some opportunities to work with our researches to look at some ways to develop some rapid test methods for pathogens on wheat.

**Senator O'Connell:** How many jobs are affected by this?

**Comm. Goehring:** We are talking about employing 20 to 50 people by the time they are done, but I think we are looking at 20 plus people just to get the facility up and operating. This is not as much about saving jobs as creating jobs in the research field.

**Senator Erbele:** I am looking at the various entities that have contributed, if the state gives \$800,000, what responsibility do they have back to ND and the agriculture department?

**Comm. Goehring:** The fact that this is a grant mean we would play a minor role in their work, but we would certainly stay in touch with them and have oversight on what they are doing with those funds.

**Senator Erbele:** Some of that may flow back through your department.

**Comm. Goehring:** We would play a role in conveying information on what they are working on and help them make connections in the agriculture community. We would certainly do the education and outreach component.

**Chairman Bowman:** Of the three items on this list, would this be your #1 request if you had to make a choice out of the three? The report we received this morning wasn't very

positive so this is going to be a tough sell; but if we can prioritize them and we can find the money, we are going to try to do everything we can.

**Comm. Goehring:** I understand the position the legislature is in. If I had to remove one of those from the conversation, the Water Bank Program we are just requesting the authority to spend those dollars--we already have them. I see a great deal of value in the economic analysis, if I have to make a decision I need a bit more time.

**Chairman Bowman:** We have time. If I have to justify this to the floor, I have to have good reasons to do it and when you can tell the state of ND that this will benefit the agriculture community.

**Senator O'Connell:** The Water Bank Program--has the \$1.2M already been committed or is it for keeping in compliance? What is the reason for the \$1.2?

**Comm. Goehring:** The \$1.2M was a request, it was an application submitted to the Outdoor Heritage Fund, along with the Game & Fish who is going to be in partnership with is, they are looking at \$400,000. So \$1.2M was the request from the Outdoor Heritage Fund to run our Water Bank Program. That program was going to look at inundated lands in ND, and provide them with flexibility to help relieve some of the tension and pressure that exist in rural ND. That money has already been granted, we are just seeking the authority to use the money to continue with the program.

**Ken Junkert, Agriculture Department:** The total application into the Outdoor Heritage Fun is \$1.6M, with so the balance coming from the Game & Fish Department total, some match dollars there.

**Senator Erbele:** This is money you have, you just want the authority.

**Chairman Bowman:** The study in success of economic contributions of agricultural industry to the state of ND's economy, most of us already know. We know there is a huge part of our economy based on agriculture.

**Comm. Goehring:** We have struggled over a period of time, with some in the public recognizing the true value of agriculture in ND, some states do this periodically. We found out that it's probably been a couple of decades since we've had a complete analysis of ND agriculture. We have had studies that have been done by The Sugar Beet Growers, the corn industry, the soybean industry, and they are comprehensive studies of one aspect of agriculture but it's never really encompassed all of agriculture and it hasn't addressed the multiple things that agriculture affects in our rural communities. Some of the numbers we use are numbers that were derived 12-16 years ago and they have a basis but they may not affect where we are now. Some have felt that energy has gotten a great deal of attention so we are making this request. I worked with Dr. Gange at NDSU to the bottom dollar to get a comprehensive study done. It would probably take 20 to 22 months to complete.

**Senator Erbele:** The benefit of the data that we collect, how do you use that?



**Comm. Goehring:** It is not so much for our benefit but to provide a true picture of agriculture in ND for the public. If we can state the position that agriculture is number one economic driver in ND. Secondly, deriving information for grain production in certain areas, it's not just our local market and economy that we are trying to get information to convey to the public, it's also regionally, and nationally. It's also for our buyers on the domestic and international. We do try to work with what NASS (National Agricultural Statistics Service) collects, but those are gross values and they are at a 30,000 ft level versus a 2 foot or 10 foot level. This gets us closer to where the data is at that we can support and show the defensible position that agriculture is in its contribution.

**Senator Erbele:** We lead the nation in 11 crops, where do those numbers come from?

**Comm. Goehring:** You're right--we're talking about data that virtually looks at just the acres but it doesn't look at the value, inputs, or marketing costs. Your statement earlier about how many people agriculture employs: based on some recent data in the last 36 months, we've come to the conclusion about 24% of the state's work force is employed by agriculture. It is hard to define all of that, whereas this type of economic analysis would break that down. On the other side, it's a great opportunity to showcase what agriculture does in our state and in our nation.

**Chairman Bowman:** I received a request to audit the beef commission. I got the audit, and I read it, I can't find any reason to do that. I'm not going to support it doesn't indicate there is anything serious in there.

**Comm. Goehring:** I don't run the Beef Commission, I only do what I am asked to do by the legislature.

**Chairman Bowman:** We are going to have to make difficult decisions.

**Comm. Goehring:** If I could vote, I would take Senator O'Connell suggestions and not have to go through all this trouble.

**Chairman Bowman:** Everything is on the table, we don't know yet where we'll be but the numbers are way down so we have to decide where we are going to invest money. Are there any other issues we need to discuss before we finalize this?

**Comm. Goehring:** Concerning noxious weeds, we can bring more information for you next time. Concerning apiary and the bee business, we have some bills out there right now that are looking to address some of those issues. We are one of the largest honey producers in the country, out of 2.6 million hives, ND has 520,000-540,000 of those hives. We know we have some concerns and issues in northern ND around the canola fields. We did develop the first pollinator plan in the nation and it is a plan that enhances communications and the plan it puts in place best management practices in ways in which we should be working together. This was done in part to thwart the efforts of the EPA and USDA having federal rules and laws that would supersede us at the state level, and it did just that. That plan is now being adopted across the nation. Several states--Florida, Louisiana, Colorado, Michigan--have adopted it. It is a working document, it needs to be looked at from time to time and things need to reflect the current state of affairs. We have identified a couple of

other things that we want to address. (1) When we have an abundance of flowering crops, and as flowering becomes less, beekeepers need to have an optional plan to move those bees as they run out of forage they will not cause problems. (2) Bees need water and when a drought happens, bees start moving beyond their territory and wind up in residential areas and people get frustrated and concerned. We are making recommendation that they have a plan to move their bees when forage is no longer available, and also we have discussed some ways in which they need to care for their bees so that we can eliminate some other headaches without causing other problems. We will continue to stay on top of that and continue to provide information. We hope by the time we are done, we can get every issue addressed, communication between beekeepers, applicators, and landowners.

**Chairman Bowman:** Anything with the livestock industry?

**Comm. Goehring:** We do a good job supplying staff, personnel, or our animal health division which supports the board of animal health's work. The state vet and I talk and we are working on issues. The livestock industry in ND is something we have a lot of our efforts on to see what we can do. Everybody recognizes that the more diverse agriculture economy adds more stability, but it also supports our efforts to have a more well-rounded agriculture community when you have animal agriculture.

**Senator Erbele:** You have 77 FTEs; do you have any unfilled positions?

**Comm. Goehring:** I believe we are almost completely filled; we can get back to you with that information. We might have a couple positions we are still filling because of some recent retirements. In the last 14 months we've only had 3 open positions.

**Senator Erbele:** When you do have an empty position, you are seeking to fill it? It isn't a position we could eliminate?

**Comm. Goehring:** I actually need more staff; but I have been hesitant to ever come to you with that request. I've tried to do more with the staff that I have. I have a full plate; we do our best not to come here and request staff.

**Senator Erbele:** Are your staff all general funded staff or are there some that are funded through a special fund?

**Comm. Goehring:** I have 50% that are general fund; 20% are special fund; another 20% are federal funded.

**Chairman Bowman** closed the hearing on SB 2009.

# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2009  
2/5/2015  
Job # 23318

☒ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Emmery Brothberg for Rose Laning*

### Explanation or reason for introduction of bill/resolution:

This is a sub-committee hearing on the Department of Agriculture budget bill.

### Minutes:

Attachment: #1

Legislative Council - Chris Kadrmas  
OMB - Becky Deichert

**Senator Bowman** called the sub-committee to order on SB 2009. **Senator Erbele** and **Senator O'Connell** were in attendance.

**Senator Bowman** turned the meeting over to **Senator Erbele** as he had to go testify for a hearing.

(Speaking from Optional Adjustment Requests - Attachment 1)

**Senator Erbele:** The change will be in the salary wage line item--that will be easier to put it back in towards the end of the session rather than take it out.

The water bank program--we want that to go forward and want House to look at it also.

**Doug Goehring, Agriculture Commissioner:** Good area to start working on and see what we can do.

Regarding the rest of the budget - I do like the thought process that we would potentially look at special funds to do something with an economic analysis of agriculture for ND.

Everything that we have turned in has no fluff to it, these are things that we've only built in for operations and updates. I know the question had been raised last time that this would be an opportunity to discuss any of that; but given the conversations that have taken place so far I think any attempt to move forward and do something with respect to the economic analysis.

**Senator Bowman:** The water bank program - you need authority to spend money, is that what I understood? That's not new money?

**Doug Goehring:** No, that is through an application that was submitted to the Outdoor Heritage Fund which was approved and recommended from the Heritage Fund committee

and did go to Industrial Commission. The industrial commission approved the recommendation. Then we don't have problem writing the right amendment so that that's included in the request.

**Senator Bowman:** The second one is probably the one of the most concern: the \$800,000 Genomics Center.

**Doug Goehring:** Yes, we talked about that. I know last time we conveyed information concerning the value and the purpose that would be fulfilled by having the genomics center here and I walked through a timeline on where the agriculture community was very involved and engaged in that process along with Senator Hoeven and the governor to invite them here. There's already been money committed from the agriculture community for this. I couldn't tell you the total dollar value but it's probably somewhere in the area of \$1.3M - \$1.6M that's coming from the agriculture community in ND to help with the transition and the establishment of this facility in ND which would be housed in the ARS center and would be used for developing rapid tests methods to work on pathogens and diseases for plants and animals.

**Senator Erbele:** I understand that, but the reason we got chosen is that we were leader in so many different crops that they were so close to and we have so many crops that they could have impact and do research on.

**Doug Goehring:** That is absolutely correct, we have lot of diversity in our state, a lot of resources to support that and we have a great deal of support from the agriculture community to lend their work and ability to adapt and provide some of this research.

**Senator O'Connell:** Centennial Farms - do you have anything in the \$90,000 to increase centennial farms to 125-150 years?

**Doug Goehring:** It's a good program and there is quite a bit of pride in that program, especially with a lot of the farms that exist in ND. This particular request was not forwarded to you after our discussions with the Lewis and Clark foundation and our partnership with them. They felt because of numerous other bills out there are doing a lot of the Centennial Farms research. It could have had an appearance of double dipping, but it wasn't because this was directly for data and some of the software programs. At some point in time, we may need to look at infusing some money into the program to support their work because they do a lot of the research work for us and then we go through and verify and then provide the farm and families with those certificates concerning centennial farm. I think it's a great opportunity also to extend that and look at 125 years and eventually develop the program into 150 years for those farms that would be eligible.

**Senator Erbele:** So then not having these dollars will not keep someone from applying for their farm and ranch certificate?

**Doug Goehring:** That is correct; all tools just won't be available at the Lewis and Clark Center or on electronic form.

**Senator Erbele:** Moving back to the topic of the optional adjustment of \$82,000, for the bee industry, those dollars are in there for a study of hive collapse.

**Doug Goehring:** These dollars would not directly go there, these dollars would be for a part time bee inspector to help us survey and issuing health certificates and some bee research.

**Ken Junkert, Administrative Services Director:** The bee research is in their base budget.

**Senator Erbele:** Pride of Dakota Holiday Showcase, you typically spend all \$50,000?

**Doug Goehring:** Because we had a change in venues, primarily because we've grown out of Grand Forks. Our greatest challenges exist in Fargo, we had been using the Fargo Civic Center but they decided to demolish the Civic Center. We have to find a new venue for the showcase and I believe it will be the Scheels sports center which will have the ability to accommodate more vendors so these dollars will be used for that.

**Senator Erbele:** Do you ever have any cases of turn back?

**Doug Goehring:** Yes, we have problems with the availability of booth space.

**Senator Erbele:** didn't we have similar numbers for IT staff last biennium? Is this new or ongoing work?

**Doug Goehring:** It was for desktop support and contracted services with ITD; we've had to go back and work with them to establish a full service contract. Based on what they charge, we have shortfall of \$352,000. We also have experienced some issues concerning how our programs interface and how we collect data so it's also been suggested that they do an analysis of our systems. The other request pertains to website design; we have not re-designed our website for many years we have tried to do shifting with dollars we've had in the past, but we do need to overhaul that. We have so much information that exists in our site now: department's website, turkey federation, honey, Pride of Dakota, organic program, and agriculture in the classroom. The department's website and it's different divisions and sub-classes: mapping systems, apiary, all of our organic programs. There are over 100 functions in our website.

**Senator Erbele:** Of these three IT columns, are we ever going to catch up to where those numbers won't be here?

**Doug Goehring:** With the website design, that's something I wouldn't see to come back for quite a few years. Desktop support, because of how we've been asked to submit that and work in that area with respect to state government, we were one of the first tested to try it out. I wouldn't suspect that we would unless there would be a change in services or products that would be required from ITD; then we'd probably have to come back and ask for more.

**Senator O'Connell:** Can you tell me about the Environmental and Range Land fund?



**Ken Junkert:** Run through the Crop Harmonization Board.

**Doug Goehring:** The registration fees are collected from companies that sell pesticides, tonnage fees and fertilizer registration fees.

**Senator Erbele:** What we will be looking for in terms of the additional requests that weren't funded in the Governor's recommendation.

\$1.2M - You need the spending authority in agriculture department on the grant line to receive and expend the dollars

\$800,000 - Genomic Center

\$242,000 - Study to assess the economic contributions of the agriculture industry to the ND economy (find a way to special fund it).

**Doug Goehring:** How do you envision funding it?

**Senator Erbele:** I want to keep the number alive going forward to the House, if we work with the agriculture foundation through the commodity groups and see if we can get something to come forward by the time March 17<sup>th</sup> comes.

The Centennial Farms should be in the Heritage Center's budget.

**Senator Erbele** adjourned the meeting.

## 2015 SENATE STANDING COMMITTEE MINUTES

### Appropriations Committee Harvest Room, State Capitol

SB 2009  
2/12/2015  
Job # 23712

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Rose Lanning*

#### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to provide an appropriation for defraying the expenses of the agriculture commissioner

#### Minutes:

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**Senator Bowman** handed out Amendment 15.8142.01002 and said it gives the department the special fund authority. Also \$800,000 for the Genomics Center.

**Senator Wanzek** said that the National Corn Growers Association, along with the Los Alamo Research Center researches the genetic make-up of all our different crops. Fargo was chosen as a site for the center. The Ag groups committed money and the Corn Growers committed \$1M. They need help raising \$800,000. It will create bio-science jobs for North Dakota.

**Senator Mathern** asked about Page 3 - organic certification grant reduction ?

**Alex Cronquist, Legislative Council** - It was in their budget and relates to a reduction in federal funds.

**Senator Bowman** moved Do Pass on amendment 15.8142.01002

**Senator Erbele** seconded.

Voice vote carried.

**Senator Bowman** Do Pass as Amended.

**Senator O'Connell** seconded.

A Roll Call vote was taken. Yea: 13 Nay: 0 Absent: 0

**Senator Erbele** will carry the bill on the floor.

2/12/15  
Jue  
1/3

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$10,861,195	\$1,962,467	\$12,823,662
Operating expenses	5,885,262	1,041,807	6,927,069
Capital assets	12,000	(4,000)	8,000
Grants	4,675,828	5,964,946	10,640,774
State board of animal health	2,109,828	(1,296,163)	813,665
Wildlife services	1,417,400	0	1,417,400
Crop harmonization board	75,000	0	75,000
Accrued leave payments	237,295	(237,295)	0
Total all funds	\$25,273,808	\$7,431,762	\$32,705,570
Less estimated income	15,754,591	5,282,679	21,037,270
Total general fund	\$9,519,217	\$2,149,083	\$11,668,300"

Page 2, replace lines 5 through 7 with:

"National genomics center	\$0	\$800,000
Information technology analysis	0	150,222
Department web redesign	0	150,000
Total general fund	\$0	\$1,100,222"

Page 2, line 17, replace "\$6,464,295" with "\$6,414,476"

Page 3, line 4, replace "six thousand five hundred fifteen" with "five thousand four hundred ninety-one"

Page 3, line 5, replace "ten thousand seven hundred seventy-five" with "eight thousand six hundred fifty-six"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - Senate Action**

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$10,861,195	\$1,962,467	\$12,823,662
Operating expenses	5,885,262	1,041,807	6,927,069
Capital assets	12,000	(4,000)	8,000
Grants	4,675,828	5,964,946	10,640,774
State board of animal health	2,109,828	(1,296,163)	813,665
Wildlife services	1,417,400		1,417,400
Crop harmonization board	75,000		75,000
Accrued leave payments	237,295	(237,295)	
Total all funds	\$25,273,808	\$7,431,762	\$32,705,570
Less estimated income	15,754,591	5,282,679	21,037,270
General fund	\$9,519,217	\$2,149,083	\$11,668,300
FTE	77.00	0.00	77.00

**Department No. 602 - Department of Agriculture - Detail of Senate Changes**



2/3

	Adjusts Base Payroll <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adds Funding for Japanese Beetle, Emerald Ash Borer, and Other Issues <sup>3</sup>	Increases Funding for Information Technology Expenses <sup>4</sup>	Increases Funding for Pride of Dakota <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$1,155,647	\$764,923	\$41,897			298,092
Operating expenses			40,400	353,093	50,000	(4,000)
Capital assets						
Grants					30,000	3,692,946
State board of animal health	(1,296,163)			(21,699)		21,699
Wildlife services						
Crop harmonization board						
Accrued leave payments	(237,295)					
Total all funds	(\$377,811)	\$764,923	\$82,297	\$331,394	\$80,000	\$4,008,737
Less estimated income	(416,531)	311,200	0	181	30,000	3,915,829
General fund	\$38,720	\$453,723	\$82,297	\$331,213	\$50,000	\$92,908
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Waterbank Program <sup>7</sup>	Adds Funding for Agriculture Industry Economic Impact Study <sup>8</sup>	Adds One-Time Funding for an Information Technology Department Analysis <sup>9</sup>	Adds One-Time Funding for a Website Redesign <sup>10</sup>	Adds One-Time Funding for the National Genomics Center <sup>11</sup>	Total Senate Changes
Salaries and wages						\$1,962,467
Operating expenses			150,222	150,000		1,041,807
Capital assets						(4,000)
Grants	1,200,000	242,000			800,000	5,964,946
State board of animal health						(1,296,163)
Wildlife services						
Crop harmonization board						
Accrued leave payments						(237,295)
Total all funds	\$1,200,000	\$242,000	\$150,222	\$150,000	\$800,000	\$7,431,762
Less estimated income	1,200,000	242,000	0	0	0	5,282,679
General fund	\$0	\$0	\$150,222	\$150,000	\$800,000	\$2,149,083
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$263,043	\$178,047	\$441,090
Health insurance increase	190,680	133,153	323,833
Total	\$453,723	\$311,200	\$764,923

<sup>3</sup> Funding of \$82,297 from the general fund is provided for monitoring, surveying, and inspecting for Japanese beetle and emerald ash borer and for the workload increase relating to potential changes in apiary law.

<sup>4</sup> Ongoing funding of \$352,912 from the general fund is provided for Information Technology Department desktop support services and funding information technology operating costs is reduced by \$21,518.

<sup>5</sup> Funding of \$50,000 from the general fund is provided for the costs of the changes in venues in Grand Forks and Fargo for Pride of Dakota showcases. Also an increase of \$30,000 from other funds is provided to assist Pride of Dakota members market and promote North Dakota-made products.

<sup>6</sup> Base level funding is adjusted as follows:

General Fund	Other Funds	Total
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3/3

Base budget capital adjustment	\$0	(\$4,000)	(\$4,000)
Increase operating expenses relating to contracted mediation services and the specialty crop block grant	92,908	226,883	319,791
Agriculture in the classroom grant increase	0	5,000	5,000
Specialty crop block grant increase	0	3,827,946	3,827,946
Organic certification grant reduction	0	(150,000)	(150,000)
Local foods grant increase	<u>0</u>	<u>10,000</u>	<u>10,000</u>
Total	\$92,908	\$3,915,829	\$4,008,737

<sup>7</sup> Funding of \$1,200,000 in grant funding from the outdoor heritage fund is added for the waterbank program.

<sup>8</sup> Funding of \$242,000 of other funds is added for a study of the impact of the agriculture industry on the North Dakota economy.

<sup>9</sup> One-time funding of \$150,222 from the general fund is added for an Information Technology Department analysis of the department's information technology data and application structure.

<sup>10</sup> One-time funding of \$150,000 from the general fund is provided to redesign the department website.

<sup>11</sup> One-time funding of \$800,000 from the general fund is added to assist with operating costs of the National Genomics Center.

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This amendment also:

- Changes the statutory salary for the Agriculture Commissioner to provide for a 3 percent annual increase.
- Changes estimated income from the environment and rangeland protection fund relating to the salary increase adjustment.

Date: 2-12-15  
Roll Call Vote #: 1

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2009

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 15. 8142. 01002

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Bowman Seconded By O'Connell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg			Senator Heckaman		
Senator Bowman			Senator Mathern		
Senator Krebsbach			Senator O'Connell		
Senator Carlisle			Senator Robinson		
Senator Sorvaag					
Senator G. Lee					
Senator Kilzer					
Senator Erbele					
Senator Wanzek					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Voice Carried

Date: 2-12-15  
Roll Call Vote #: 2

2015 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 2009

Senate Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: 15.8142. 01002

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐

Motion Made By Bowman Seconded By OConnell

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Heckaman	✓	
Senator Bowman	✓		Senator Mathern	✓	
Senator Krebsbach	✓		Senator O'Connell	✓	
Senator Carlisle	✓		Senator Robinson	✓	
Senator Sorvaag	✓				
Senator G. Lee	✓				
Senator Kilzer	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 13 No 0

Absent \_\_\_\_\_

Floor Assignment Erbele

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2009: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2009 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$10,861,195	\$1,962,467	\$12,823,662
Operating expenses	5,885,262	1,041,807	6,927,069
Capital assets	12,000	(4,000)	8,000
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Wildlife services	1,417,400	0	1,417,400
Crop harmonization board	75,000	0	75,000
Accrued leave payments	<u>237,295</u>	<u>(237,295)</u>	<u>0</u>
Total all funds	\$25,273,808	\$7,431,762	\$32,705,570
Less estimated income	<u>15,754,591</u>	<u>5,282,679</u>	<u>21,037,270</u>
Total general fund	\$9,519,217	\$2,149,083	\$11,668,300"

Page 2, replace lines 5 through 7 with:

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Page 3, line 5, replace "ten thousand seven hundred seventy-five" with "eight thousand six hundred fifty-six"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - Senate Action**

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General fund	\$9,519,217	\$2,149,083	\$11,668,300
FTE	77.00	0.00	77.00

**Department No. 602 - Department of Agriculture - Detail of Senate Changes**

Adjusts Base Payroll <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adds Funding for Japanese Beetle, Emerald Ash Borer, and Other Issues <sup>3</sup>	Increases Funding for Information Technology Expenses <sup>4</sup>	Increases Funding for Pride of Dakota <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
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Salaries and wages	\$1,155,647	\$764,923	\$41,897			
Operating expenses			40,400	353,093	50,000	298,092
Capital assets						(4,000)
Grants					30,000	3,692,946
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This amendment also:

- Changes the statutory salary for the Agriculture Commissioner to provide for a 3 percent annual increase.
- Changes estimated income from the environment and rangeland protection fund relating to the salary increase adjustment.

**2015 HOUSE APPROPRIATIONS**

**SB 2009**



# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

SB 2009  
3/6/2015  
# 24451

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Gail Hedricka*

### Explanation or reason for introduction of bill/resolution:

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

### Minutes:

Attachment #1-4

**Chairman Monson:** Called the meeting to order.

**Doug Goehring, Commissioner of ND Department of Agriculture:** Attachment #1

**Chairman Monson:** Your depredation looks like you haven't had too many of those lately?

**Goehring:** We have only had 1 case and it did get resolved. Both parties were ultimately happy in the end.

**Goehring:** Attachment #2, page 5

**Chairman Monson:** Your negotiators aren't FTEs. Do you just contract with them as needed?

**Goehring:** The negotiators that I have in place within my department are not full time. They are considered part-time. We have contractors we contract with especially on energy related disputes. Anything under financial or other conflict resolutions we can do that in the department, but when it comes to energy disputes because of the legalities there and all the different issues concerning royalties, surface damages, we actually work with a couple of different contractors.

**Chairman Monson:** Your part-time staff, do they get health insurance?

**Goehring:** They don't get enough hours in so they aren't provided health insurance or benefits.

**Goehring:** Cont. attachment #2, page 6

**Chairman Monson:** We are Karnal Bunt free in the state?

**Goehring:** I don't believe any Karnal Bunt has been found for quite a long time if any. We have to continue to monitor that because other countries do have issues and we would be required to at least stay on top of that should a question come up.

**Goehring:** Cont. attachment #2, page 6.

**Chairman Monson:** I get more complaints on apiaries not registered or considered not registered.

**Goehring:** On the Apiary law there were some changes and tweaks some of things that we need to continue to address and work with the bee industry.

**Chairman Monson:** How many FTEs do you have working in that Apiary?

**Goehring:** We did make a request in our budget for half time FTE to help out in the area. I do have one person full time on this and then I have others that work part-time in this during the summer to help with inspections and health certificates.

**Chairman Monson:** In the winter time you probably don't have enough work in the apiary program unless there is a lot of behind the scenes that need to get geared up and applications.

**Goehring:** We do have people cross-trained to work in different areas within the department. We have well over 100 different programs so we have people that are on top of other programs, but during the summer we even put more people on board to work and help with this area.

:18:02

**Rep. Sanford:** What would be involved in the inspection of a nursery or grower? Are there standards that you go by, what would an inspection entail?

**Goehring:** For a nursery grower specifically, I could provide you with what would take place in an inspection, but when they show up, they are going to make sure that first of all their licensed and registered. Secondly, check what type of products they are actually producing. What is being grown? They are going to look for disease, noxious weed species within that nursery; check for pests and diseases and make sure that is being managed. In some cases, if we suspect something we put up traps to see if we can catch anything along the lines of a Japanese beetle.

We will work with those nursery growers to make sure that things are being labeled properly and look for the point of origin where it is being produced and where it is going to be sold and marketed. There would be other state requirements if it crosses the state line as to its heartiness for that environment also what other stipulations they have in their state. Is it going to meet the other state's criteria?

**Chairman Monson:** One of the things that particularly bother me is making sure labeling of trees and various nursery stocks that is not hearty here.

**Goehring:** In most cases it is our bigger box stores where management in a different state has indicated or has told them that they will be selling this type nursery stock and best to get their attention is when that stock shows up our inspectors are out there. When they find them they will sit down the manager, they will quarantine it and they will tell them it is not for sale in the state of North Dakota. That gets the attention of the head office and they generally listen to their local managers and we seem to have a better situation the next year.

**Chairman Monson:** It's more than a label that says not hearty? You can actually tell them they can't sell it?

**Goehring:** We've done stop sales.

**Goehring:** Cont. attachment #2

**Goehring:** Cont. Attachment #2 page 8

**Chairman Monson:** Question on your community orchard grants program. What is that?

**Goehring:** That is dollars that come through a grant from USDA and used to help communities, whether it is schools, civic groups, various organizations out there that would want to start an orchard and could be various things such as growing plums, cherries, apricots, apples, etc. For learning and development, mostly that is what these are designed to do and we provide the funds to help them prepare the ground; purchased the types of trees and shrubs that they are looking at putting in their orchards.

**Chairman Monson:** How much money is in this program?

**Goehring:** The most recent allocation for proposals was right around \$26,000. In a biennium it's been about \$50,000 that has been available.

**Chairman Monson:** Is it a match or how do you do it?

**Goehring:** its USDA dollars that come. We review the applications and the proposals and then there are decisions that are made based on if they meet the criteria and they do have some match that they have to put into it.

**Rep. Sanford:** Conducting and participating in international trade events. Could you discuss the financing, the selection process, how you decide you are going to participate in?

**Goehring:** We are now exporting to 80 different countries which are great. In North Dakota we produce far more than we can consume. With all the requests to going to different countries, taking delegations into different countries it opens doors. I am reluctant to just go off anytime I am asked. I want to know the market, the companies, who we are

meeting with, and what impact can be made. WE work with the trade office, my staff, and marketing. We do a lot of leg work before I decide to go. I try to keep it as condensed as possible. I try to not go as often as people would like me to and I generally don't. Last year I passed up 7 of them.

**Rep. Dosch:** What about Cuba any plans in the near future?

**Goehring:** Yes there has been awful lot of pressure from companies. They want me to take them there this spring. You need to have permission from the State Department so they would use my name to get us there. I pushed back on that issue because there needs to be some things in place. First we need some type of assurance from Congress on how they intend to move forward with credit and financing options. Secondly where is Cuba at with respect to the need or the want to do business with the United States again?

**Chairman Monson:** You brought up sugar obviously trade means we send them something and they send us something or we send them something and they send us money. Commodities that I can see coming back this direction might be sugar. I see some downside opening up with Cuba because they don't have any money.

**Goehring:** A few things about Cuba, I'm not sure they have a lot of anything. With respect to trade it is generally a two way street. I'm not sure if under our sugar policy that exists right now in the North American Free Trade Agreement if they would actually be able to participate in that manner.

:48:55

**Chairman Monson:** You are talking trade offices and that's through the Commerce Dept. budget. Do we have a trade office in Taiwan yet? I see a huge opportunity there. Kansas was looking for partners that we could share the costs in this building and they had it stocked almost like the pride of Dakota store. Have you pursued anything there?

**Goehring:** There are two different ways to look at your markets. You have your established markets which are there for a period of time sometimes we forgot about those that were our friends and neighbors we've continued to do business with. Sometimes it's not important to have an office in those countries it is just that you stop in to say hi every so often and making sure their needs are being met.

**Chairman Monson:** Do you do anything with federal crop insurance? As far as getting crops coverage that aren't on their list right now.

**Goehring:** I do work with RME more specifically either Billings but when it comes to offering new products or asking and working with them to get new product approval. We will work primarily with Kansas City. Kansas City would be the powerhouse so to speak. But we still follow the channels and the chain of command so you would start in Washington, but then you would direct your attention towards Kansas City.

**Chairman Monson:** I have tried raising Fava Beans before and there is not a big enough market to make it worthwhile in North Dakota. That is a crop I wish you would pursue or your department.

**Goehring:** Mr. Chairman we would like to visit with you about that because we are going to need more information, we are going to need more growers and more acres if we are going to establish a market and a great deal of history and data to support that.

**Chairman Monson:** Administer specialty crop block grants, what is that one?

**Goehring:** This was actually enacted by congress almost 6 years ago. Congress directed that funds would be set aside; they were pass-through dollars from USDA to the states to support specialty crop development whether it is marketing. Proposals are put together and sent to my office, I put a committee together annually and it is a cross section of the Ag community that reviews these proposals. They then make recommendations to me and then I will have to make a decision as to what proposals will be funded, and then sent back to Washington. They have the final check on it, but generally speaking they don't interfere too much.

**Chairman Monson:** So this is for individuals?

**Goehring:** Groups and individuals. We have funded a lot of research and supported research for various flax, pea and lentil production, dry bean production marketing, sunflower research, (inaudible) mildew and various other diseases out there.

**Rep. Schmidt:** Go to the bill itself line 15 on grants the base level is \$4.6 million and you have adjusted for enhancements of \$5.9 million to a grand total \$10.6 million and if I read my green sheet correctly a specialty crop block grant is \$3.8 million and if I understand what you discussion with the chairman was is that your were at \$3.1 million, but I'm confused in the dollars numbers and trying to track specialty grants the large increase of almost \$6 million how much of that is special funds from the Federal government versus General Funds.

**Goehring:** One thing I do need to clarify there are no state dollars in here. There is no General Fund dollars for a specialty crop block grant. They are all pure Federal dollars.

**Rep. Schmidt:** If they are on section 1, line 7 and from special funds derived from the Federal funds. Is the dollar figure that we have for line 15 because of what it says in section 1 line 7 is line 15 the base level that would all be General Funds and under the enhancements the \$5.9 million is \$3.8 of the \$5.9 million federal funds?

**Goehring:** First of all that base line on the grants almost 2/3rds of our budget is special funds or other funds. So just a little over 40% is General Funds, that grant line would be all other special funds.

1:02:12

**Chairman Monson:** I think something that would be very important to get to us a list of all those grants and the source of them that is just about \$10 million. We are going to have to explain what these different line items are and especially when we're looking at a \$5.9 million dollar enhancement we are going to have questions on that so we need to be able to explain it to the full committee and then on the floor.



**Goehring:** We can get you a follow up on that information.

**Ken Junkert:** The increase in the bill of the \$5,964,946 the majority of that increase will be for the federal fund authority for the specialty crop program of \$3,827,946, there will be a \$1.2 million increase of special fund authority for the water bank program and there will be \$800,000 of General Fund dollars for the Geonomics Laboratory.

**Rep. Schmidt:** I think as we proceed with this bill at least on the floor discussion we need to have that breakdown. Because that is going to draw attention and if you go back to the bill again it says special funds and general funds.

**Chairman Monson:** The source of those funds and the use of those funds.

**Rep. Schmidt:** Going back to another grant I noticed that we are reducing grant fund for organic certification by \$150,000. But it doesn't state that there is a balance so from what I can see we are down to \$0 on organic certification does that mean we are not going to do any organic certification or is there a balance more than \$150,000 that we are reducing it?

**Goehring:** There used to be \$350,000 there for organic certification there is \$200,000 that is still left so this is a reduction.

**Rep. Schmidt:** It doesn't indicate a balance on there.

**Goehring:** We have \$200,000 left.

**Goehring:** cont. attachment #2, page 9

1:11:02

**Rep. Schmidt:** Back to the bill on page 1, line 16 state board of animal health base level \$2.1 million and we are reducing it \$1.3 million. Again I don't know how much is federal or general funds because again we don't separate it out.

**Goehring:** The reason that got changed we used to have the entire line item with salaries and everything in there it got to be such a challenge. We pulled salaries out now and put salaries in our department budget leave the line item there to do the policy work and all the testing and other work that needs to be done. So salaries \$1.3 million for biennium is now over in a different part.

**Rep. Schmidt:** That would be line 12 under enhancements of the \$1.9 million, \$1.3 million comes from the State Board of Animal Health.

**Goehring:** Yes.

**Rep. Schmidt:** Is game and fish providing \$499,585.00 to the State Board of Animal Health and Wildlife Services Program for 2015-17, how much would go to each?

**Goehring:** It goes towards the salary of one of my employees with State Board of Animal Health and approximately \$115,000 is that part from the Game & Fish. The remainder goes to Wildlife Services.

**Rep. Schmidt:** In that case, line 17 Wildlife Services your base level is \$1.4 but you don't have anything for enhancements or is that included in your \$1.4 as base level?

**Goehring:** That is contracted. They get a flat price and that's it.

**Chairman Monson:** Most of that money is part of the enhancement in salaries and wages that may not be dollar for dollar. When you took \$1.3 million out of line 16 and line 12 has quite an increase almost \$2 million enhancement so a big chunk of that line 16 has been moved up to line 12, correct?

**Goehring:** Yes.

**Chairman Monson:** That will help us explain it.

**Goehring:** Because what was happening is in the past we'd end up with a shortfall when we got to the end of the budget. Then I had to scramble and take funds out of other areas in my budget to backfill salaries in that line item.

**Chairman Monson:** Since we are looking at this bill on line 13 you're operating expenses went up by over a million in enhancements. Why are you having a big operating expense increase?

**Goehring:** One is Federal funding continues to go down. Our pesticide program, fertilizer meat program and dairy program those costs have shifted over there.

**Chairman Monson:** Are you seeing more travel to western North Dakota where motel rooms are more expensive?

**Goehring:** We have had our share of troubles and trying to stay on top of that. We have inspectors in all those different areas that I mentioned.

**Chairman Monson:** Are you renting space outside the tower or is your whole office space in the tower?

**Goehring:** Yes we have floor space on floor 6 and 14; an office on west divide we call Ag West; satellite offices in Barry Hall at NDSU for a couple of my staff; and inspectors working out of their vehicles across the state.

**Chairman Monson:** I see your FTEs are still 77 so even though you might have more inspectors, their out in the field their not in an office up here, but you're paying expenses for them travel and so on. I suppose Inspectors are more expensive than somebody sitting in a desk on your 6<sup>th</sup> or 14<sup>th</sup> floor?

**Rep. Schmidt:** You mentioned earlier that you had asked for a ½ FTE, did I hear that correctly?

**Goehring:** I asked for salary to hire temporary work, not a full time employee.

**Chairman Monson:** On the bill line 21, estimated income that is like 30% increase that is a lot of extra money. You are going from \$15.75 million to \$21 million plus where is all that income coming from?

**Goehring:** That would be the specialty crop block grant increase. That would be the federal dollars that come in.

**Chairman Monson:** \$3 million of that is federal or more.

**Goehring:** In the biennium that is over \$6 million dollars. We already had forty? for part of this from previous years so that would be the request for the extra spending authority.

**Chairman Monson:** Can you give us a little breakdown?

**Goehring:** We will provide you with all that information concerning our grants dollars and how they are broken out.

1:24:52

Recess 9:55 am

Meeting reconvened 10:15 am

**Goehring:** Cont. Attachment #2 page 10

**Rep. Guggisberg:** I wonder if you can get me up to speed on these articles I have been reading about disagreements between EPA and your office and who is doing the federal inspections?

**Goehring:** Interesting report that came out from OIG, the Office of the Inspector General, it seemed to take a shot at two different entities; one being from Region 8 EPA; the other one was at the state of North Dakota in our pesticide program. It was implied that in 14 years we have not been doing any inspections on producer's establishments which are manufacturing facilities and repackaging facilities. The truth is we had done 983 inspections since 2005. Also cited in there is that they weren't done with federal credentials. The agreement does not require that we do them with federal credentials they just require that under our agreement with EPA that we do those inspections. They also indicated that the state of North Dakota was not inspecting product at the border. It is a federal border and it is a federal responsibility. We always said we would assist.

1:33:53



**Rep. Guggisberg:** Will this mean that there will be more federal regulators coming into state to do some inspections or will it affect our federal funding for our inspectors in the state?

**Goehring:** There have been some articles written on the East Coast where there has been an indication from OIG that EPA agreed to their recommendations. EPA has told me that they did not agree with all their recommendations. They made a statement about they will be sending more federal inspectors. We have privacy in many EPA programs there are some we don't. If they choose to send somebody in I guess that is their business. It will cause strife and disharmony and will cause more problems. If they try pushing us to do all of their inspections or doing inspections with federal credentials this is what happens; the face of North Dakota agriculture would walk into a facility and do an inspection with federal credentials they would also be using an EPA form that report would go back to EPA and we would have nothing to do with it. They would have all the enforcement actions. Guess who the regulated community would contact and say they are being slapped with a \$25,000 fine and I'm not quite sure why. What do I need to do different? It's out of my hands and now the federal government or the EPA that is tacking enforcement actions.

**Rep. Schmidt:** On page 2, line 14 & 15 of the bill refers to minor use pesticide fund will receive \$325,000 from the environment and range protection fund. But as I go through your presentation on page 10, I'm trying to locate where the \$325,000 dollar goes. Could you explain to me what the \$325,000 is and where it shows up in your budget?

**Goehring:** These funds do not flow through our bill. This is appropriated by the legislature to the minor use fund.

**Rep. Schmidt:** What is it used for?

**Goehring:** Earlier I talked about the crop harmonization board, they oversee this fund. One is for policy, education and outreach work the other one is for the minor use fund which does research work in support of the various other commodities that are grown in North Dakota.

**Rep. Schmidt:** When I looked at the harmonization board you got \$75,000 dollars I thought that is all they dealt with but they deal with this \$325,000 dollars?

**Goehring:** Yes, there are two funds there that that board deals with.

**Chairman Monson:** Project Safe Send, what amount of money are you using for that and is it slowing up at all?

**Goehring:** The Project Safe Send has actually been growing and in fact we had to request more dollars to go into that because we have had extra poundage that we are taking on every year. We will continue to grow at the same rate.

**Chairman Monson:** Who pays the money into the fund?

**Goehring:** Those companies that own the products, that want to sell them in North Dakota.

**Chairman Monson:** It's all from the chemical companies there is no money from commodity groups that are trying to push to get the chemical companies to get a section 18 on it?

**Goehring:** Correct. Those companies paid a registration fee for every one of those products their registering and sold in the state of North Dakota goes into that fund and that fund is utilized by the Ag community.

**Chairman Monson:** We got a book at one time that said how much money was in each fund, but do you happen to have how much money is in the ERP fund right now?

**Goehring:** We can provide you with that information.

**Alex Cronquist:** In our January Trust Fund analysis the estimated 13-15 ending balance was about \$2.4 million in the ERP fund.

**Goehring:** Cont. attachment #2, page 11

1:48:13

**Chairman Monson:** You are looking for how much, \$242,000 dollars?

**Goehring:** Yes.

**Chairman Monson:** It said it includes \$242,000 dollars special fund authority. So it is already in here?

**Goehring:** The authority is there, just the dollars are not.

**Rep. Schmidt:** On section 4 of the bill line 18, the estimated income line could some \$6.4 million from the Environmental and Rangeland Protection Fund for the purpose of deferring the expenses of various departments of agricultural programs. The \$242,000 dollars that you are looking for here is not included in the \$6.4 million, is that correct?

**Goehring:** That is correct.

**Rep. Schmidt:** So if we were to do anything, what we would have to do is add that to line 18 then?

**Goehring:** That would be correct.

**Goehring:** Cont. attachment #2 page 12

**Chairman Monson:** That's a big increase.

**Goehring:** A great deal of that would turn back to the specialty crop block grants.

**Rep. Schmidt:** On the bill page 2, line 5 National Genomics Center cost now \$800,000. What does that do and what benefit does it have to North Dakota?

**Goehring:** With a great deal of effort that was put forth by the corn growers who partnered with other partners in the Ag community they bid for the National Genomics Center who was looking at trying to place that some place in the country. Governor Darymple, Senator Hoeven, Congressman Cramer and I are all very supportive. We met with the group that came up here to North Dakota when they were hosted and to look at a site potentially (inaudible) North Dakota. One of the things that were asked for was \$800,000 dollars in the next biennium to help with transition costs are they get (inaudible) in and establish a Genomics Center here in North Dakota. The Genomics Center is affiliated with the Los Alamos labs. This facility is working in rapid test methods for detection of diseases. We would also be looking at research into corn, soybean and wheat but also the opportunity to advance and accelerate animal agriculture testing and research.

**Rep. Schmidt:** You got it listed under one time funding. It sounds like this is one time funding this year and one time funding next year; will you continue to have something in your budget to support this?

**Goehring:** We anticipate there may be a smaller request for the next biennium as they make that flow transition. They'll make this transition now and they get established. I won't say there won't be a request next time (inaudible).

**Chairman Monson:** Where is this building, this lab?

**Goehring:** There will be the Executive Director from Corn Growers will be answering a lot of those questions. The ARS facility is located at the north end of the NDSU campus.

**Rep. Sanford:** The Ag Department is essentially and administrative function when it comes to licensing to regulating to inspecting to supporting with marketing, and then when you look at the functions with NDSU that's primarily research and education. Am I close?

**Goehring:** We have approximately 107 major programs. WE advocate, educate and regulate the Ag community. 90% of our programs are regulatory in nature. The approach we take is education outreach.

2:05:34

**Tom Lilja, Executive Director of the North Dakota Corn Growers Association:** Attachment #3

**Cindy Solberg, Interim Administrator for the ND Ag Coalition:** Spoke on behalf of Fred Helbling, Chairman of the North Dakota Ag Coalition: Attachment #4

**Chairman Monson:** How much is the ag impact study?

**Solberg:** \$242,000 dollars.

**Scott Rising, with the Soybean Growers Association:** No written testimony. We are in support of the budget and we support all that the Ag Commission does.

**Merlin Leithold, ND Weed Control Association:** No written testimony. I encourage you and hope you see favorably to leave a line for noxious weeds alone, as far as funding. Noxious weeds as many of you know need to be controlled.

**Chairman Monson:** I didn't see in the budget a line item for the weed control, but what's the amount of money, was there an enhancement or any changes?

**Leithold:** I don't have the figures. Ken can give those to you.

2:31:55

Meeting was adjourned.

## 2015 HOUSE STANDING COMMITTEE MINUTES

### Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

SB 2009  
3/17/2015  
# 24951

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Gail Hrdlicka*

#### Explanation or reason for introduction of bill/resolution:

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

#### Minutes:

"Click to enter attachment information."

Chairman Monson: Called the meeting to order.

Chairman Monson: I had a note on page 2; we need to add \$242,000 dollars Page 11 of Doug Goehring's testimony.

Rep. Schmidt: This has to be added to line 18, page 2 of the bill. I thought that was private industry and why it is the government and I don't know why I wrote that.

Chairman Monson: Economic and Rangeland Protection Fund (ERP) is private industry paying into that pesticide fund and then when it is in the state coffers (sp?) in that form then it goes out as special funds.

Rep. Boe: It is licensure fees for labeling of chemicals. Every chemical in North Dakota whether it is a household chemical that goes on the shelf at WalMart or if it goes through the Ag industry has a licensure requirement and that money all ends up in the ERP Fund

Chairman Monson: Once it's in the ERP fund we appropriate that back out as needed to things like this.

Rep. Guggisberg: The department that does this they work on a "eat what you kill" model and so those employees only work when they get grants to work on projects like this.

Chairman Monson: If they don't get paid, they don't do it, you kind of contract with them. The ERP fund has 2.5 million dollars in reserve as of January.

Rep. Boe: You were saying on line 18 in the ERP Fund you were going to transfer \$240,000 out of the ERP Fund or into the ERP Fund?

Chairman Monson: It comes out of ERP to Goehring's budget so he can have a pass through to NDSU AG and go into his operating fund to provide grant to NDSU Department of Agri-business and Applied Economics to study the economic contribution of the Ag industry in greater detail.

Chairman Monson: Marketing and Information Division on page 8 of Doug's testimony he was naming off the things they do for marketing. There are some pretty good increases in this page. The Senate went from under \$5 million dollars in the last biennium to over \$9 almost \$10 million dollars. Looks like a place we could trim a little.

Chris, do you have any background on what some of those things are?

Chris Kadrmas: Could you clarify what items you are looking at?

Chairman Monson: I'm looking at the increase on page 8 of Doug Goehring's testimony. the Marketing and Information Division and it's a big increase just about \$5 million dollars. General Fund not so much but the Federal is way up.

On page 7 there's no increase there. Livestock Development division didn't see much change. Plant Industries Division there is quite an increase there; grants went up by \$2 million dollars; General Fund is up a \$1.0 million dollars.

Rep. Martinson: What do they have a problem with, are they too close to houses or too close to the road?

Chairman Monson: Our farms are pretty close together and not everybody raises canola; we have people who have horses or livestock and lot of people have a water trough and when it starts to get a little late in the season and the natural water ponds dry up the bees need water to make honey so they keep going into these yards and hanging around the water troughs and people are allergic to bees.

Rep. Boe: There are good operators and there are bad operators. If there is a good operator in your neighborhood you won't even know they are there. If you have a problem you file a complaint. They complain to the Ag Department where they are supposed to take care of these issues. There doesn't seem to be a lot of action coming out of the Ag Department to give anybody any relief. You got bees that are documented and sites and then you have the poachers that just dump bee hives off somewhere out of sight without going through all the hoops.

Chairman Monson: It is very cheap to register a hive.

Rep. Schmidt: With respect to bees and having been the interim Ag Committee Chairman and having a Bee Bill that we did have come out of committee the interesting part of the whole thing was throughout the first year and half of the interim when we discussed this in committee those folks never showed up. The bee folks that were have the issues, they never showed for a year and half and then all of a sudden in the last meeting these things become an issue.



Chairman Monson: How many constituents pay attention to the studies that are done? The average person on the street doesn't pay attention to those interim studies.

Chris Kadrmas: I have information on your questions for the Marketing and Information Division regarding some of the increases. The largest increase is to the specialty crop grant which is \$3.8 million dollars. That specialty crop grant receives about \$3.7 million dollars in federal funds. \$835,000 dollars in operating funds the largest portion of that is IT communications.

Chairman Monson: Rep. Schmidt in the Apiary field were they going to add some FTEs? Wasn't that the plan so the Ag Commissioner could do a better job or wasn't that funded in the interim.

Rep. Schmidt: We did not act on that.

Chairman Monson: So we are asking the Ag Commissioner with the same people to get a better handle on the bee problem?

Rep. Schmidt: I think there was some discussion on the \$150,000 for a web page.

Vice Chairman Streyle: That is excessive, yes.

Chairman Monson: What do you think is a fair number, Vice Chairman Streyle?

Vice Chairman Streyle: I think between \$10 and \$15 thousand dollars.

Rep. Boe: This would include some operating costs throughout the biennium for the 2 years.

Vice Chairman Streyle: Some hosting, etc.

Chairman Monson: I think we could trim a little out of there.

Rep. Schmidt: The other thing about that the \$150,000 dollars to redesign one that is already there so it's not like we are building it from scratch. If you already got one and it's to redesign it, I think \$150,000 dollars is a tad much.

Vice Chairman Streyle: I'd cut it to \$50,000 or \$75,000 dollars for sure.

Rep. Boe: For redesigning a web page and it's not operational don't you just get a new one.

Vice Chairman Streyle: The content is still there on the old page and it's not as much work the second time, but you are right I am looking at their website right now and it's not very good.

Chairman Monson: We can always go into conference.

Vice Chairman Streyle: Where do they get that number? If it is a bid from ITD or the private sector, where is it from?

Ken Junkert: The Department website does need to be overhauled. We have looked through the vendor pool and the state procurement office has an IT contract so we will go out and we will pick a vendor under that IT contract to get bids or estimates as to what it would be to overhaul our Department website.

Vice Chairman Streyle: You wouldn't do it through ITD?

Junkert: We could use ITD or a vendor. I think at this point we would look for a vendor to give us bids.

Chairman Monson: I hoped that you consider talking with ITD and get their bid on it as well.

Junkert: ITD is seen as a vendor.

Chairman Monson: There are 6 FTEs I believe is added in there by the Senate?

Kadrmass: I don't see any FTEs added for the Ag Commissioner.

Rep. Schmidt: We mentioned #4 on the second page of the green sheets and the specialty grant program I am curious how you get \$3.827946 million dollars is there some reason why we got that exact number? What all comprises of the \$3.8 million dollars?

Kadrmass: That specialty crop block grant is all federal dollars so as to how the dollar amount was arrived to we would have to research that.

Chairman Monson: This Department started off mediation for farmers that were being foreclosed on that's how the whole state's mediation started and that is why it came under this Department. And since they already had mediators and were used to negotiating between banks and farmers they decided to just to include mediators into this Department. So these guys even though they are in the Ag Department mediate land owner disputes which can get to be a pretty hot topic and it does deal with Ag.

Rep. Martinson: I remember when we started Ag mediation that must have been 20 years ago or more. And that was because of the number of defaulting loans is that correct? Do we still need that?

Chairman Monson: They have the mediators and they do the same thing. Input is high the price of commodities is low we may be looking at that again very quickly. It has expanded.

Rep. Boe: I would speculate that economic times coming into agriculture are quite similar to the tail of the 70's when we entered into the 80's where land prices were inflated everybody was coming off of record high commodity prices. We Could end up in the same

shape, but the major difference is the last time everyone was in the shape there wasn't anybody that stood on the sidelines waiting for their opportunity to pick up on somebody else's misfortune. This time there are some bank accounts that could pick up on that.

Rep. Schmidt: Do we need it at the level we have it today?

Chairman Monson: How many employees do you have in your mediation because you contract those mediators, correct?

Junkert: That is correct. The mediation program that Rep. Schmidt and Rep. Boe talked about in the late 80's early 90's was the largest division the department ever had. I remember that we were in excess of 35 employees for that program we are now down to a part-time administrator that has other functions, one FTE as an administrative assistant that has other functions and no FTEs in the field. Our scope of work has expanded with the oil mediation. WE have handled 41 cases since the law was changed. That is 41 cases that we kept out of the courts.

Chairman Monson: You had one part time administrator.

Junkert: The administrator is also a policy analyst she does majority of her work as a policy analyst but serves as the administrator and oversees the program. Probably a ¼ of her time we have an administrative assistant that helps with the paperwork and the case filing she probably does 60% of her time and the rest of the employees are part-time temporaries and they hourly so we only pay them when they have cases.

Chairman Monson: This is like one FTE would be the total.

Junkert: If you added all those people up it's probably an FTE worth of work.

Rep. Schmidt: You mentioned a producer having problems with a loan on equipment they bought.

Junkert: We have a lot of financial situations. Whether it be operating loan problems or loans going into default, whatever dispute they have with a private lending institution, farm credit services or FSA we'll get involve with that if the producer contacts us and asks for our help.

Rep. Boe: Is there a fee involved in this mediation?

Junkert: Yes, there is a fee structure for the mediation service.

Chairman Monson: But those people also pay the fee.

Junkert: Everyone pays at our table.

Rep. Schmidt: With regards to number 2, page 2 of the green sheet increase funding for operations relating to contracted mediation service and the specialty crop block grant

program is \$319,791 dollars, how much of that is specialty crop and how much of it is mediation?

Kadrmass: Give me one minute I'll see if I have that much detail.

Junkert: When we put together the budget we moved more of our operating fees into our contractor account code that would roll up into the budget just because we are moving towards contractors and that may be why there had been an increase.

Rep. Schmidt: When we take an item like that and we had two totally different items together and come up with one number I don't know how you can look at that and analyze whether you're getting the tax payers dollars' worth or not and so to me adding specialty crop block grants to mediation doesn't make sense at all.

Chairman Monson: They are two different animals.

Junkert: I think that is the way it rolls up in the budget for the account codes.

Rep. Schmidt: If we decided that \$319,791 dollars is too much then we come back and say we are going to cut that \$100,000 dollars are you going to take it out of your mediation or your specialty crops? What if we don't want you to take it out of the specialty crop block grant we want you to take it out of mediation?

Kadrmass: Specialty Crop grant is part of the federal dollars of \$96,183 dollars.

Rep. Schmidt: The balance then is about \$216,000 dollars goes to where then?

Rep. Boe: When you say that you charge for 100% of the costs in the contract is the administration part of that 100% cost? Is it in the fee schedule?

Junkert: No, that would be the actual cost that the mediator bills us for their time. That is just the actual contract costs.

Chairman Monson: So when you deposit them back in they became special funds as well so are they in that \$226,000 dollars?

Junkert: Yes we have special funds in there too. The money we put in the program we use for the program. We use it for non-allowable costs that the federal grant won't charge and then we use those for things like oil mediation and other things the federal government won't cover. We work on wetland cases with NRCS would be allowable to the grant; if you had a dispute on royalties for mineral royalties that would not be covered under the federal grant.

Chairman Monson: So what is the total amount of money? You got base money in here you base funding from previous years, how much of this is new in the right hand column \$319,791 dollars, is that the total with the base and enhancements?

Junkert: I am unaware, we did not increase our ag mediation program funding for the program.

Chairman Monson: Page 2 of our green sheets says increases funding for operations related to contracted mediation services and the specialty crop block program. So there is an increase here.

Junkert: I think the majority of it is we had a huge increase with the specialty crop block grant program. The specific number you have talked about we dollar to the specific amount. When the auditor's office comes in and we have a bunch excess federal fund authority setting in our budget unexpended, they'll note that so we try to budget down to the dollar.

Chairman Monson: You had a mediation program for years and years what did we appropriate in the 2013-15 biennium, what was your base that we appropriated for this program and going forward it says we're increasing it. I'm trying to find out what the percentage of increase is here.

Junkert: I have to bring that number down.

Chairman Monson: If you could get us what was appropriated last time for that mediation program, what the increase enhancement is going to be, if there was an appropriation last time for the specialty crop block program and what that increase is and I know that is based on the amount of federal dollars we saw in Doug's testimony.

Vice Chairman Streyle: What do you use your temporary salaries for?

Junkert: We use a lot of temporary salaries for the following; our apiarian inspectors are temporary employees because they just come in in the spring and they work through August or September depending on health certificates that our need for bee keepers to move into other states; in the mediation program; employee that oversees are specialty crop program; employee in the animal health division that goes out and does a specific set field inspections; reserve core veterinarians which ends up being about 20-25 of them, we keep them in training just in case we have a large animal health issue. That is a mix of our temporary employees.

Kadrmass: Regarding the Ag mediation services is it listed as just Ag mediation services?

Junkert: I will have to check on that.

Chairman Monson: Anhydrous ammonia inspections, what is going on there?

Junkert: The legislative moved the Anhydrous ammonia inspection from the insurance department to the Department of Agriculture there was a transfer of 2 FTEs in 1113, they transferred the program over and we have 2 field inspectors that go out and inspect our license in anhydrous ammonia facilities. They also work through a risk management program with EPA. North Dakota has oversight of that program so we are in charge of that



EPA program that would look at Anhydrous ammonia programs so we keep it on a state level we keep it under our state oversight.

Chairman Monson: \$200,000 for organic, what is that?

Junkert: It will probably show \$150,000 dollars decrease. The total funding for the program was \$150,000 dollars that was total federal funds. It has now been reduced to \$200,000 dollars is used for organic certification work for growers. So growers have a variety of different certifications that they must meet in order to ship organic products across the country or foreign markets. They apply for money through a contractor that we hire and we distribute a maximum of \$775.00 to each producer that applies and meets the criteria of the federal government. We can help buy down that cost.

Chairman Monson: So \$150,000 dollars decrease is because the feds cut back \$150,000 dollars?

Junkert: There were two considerations that the commissioner was asking you to consider; the first consideration was HB 1409 is on the path of passing and that is making changes to the (inaudible) commission's authority specifically with the outdoor heritage fund. The department is working on a contract with the industrial commission right now for \$1.2 million dollars to support the state water bank program; we asked the Senate to put that authority into our budget of \$1.2 million dollars but part of our grant to industrial commission is matched which is \$50,000 dollars of salary dollars it is just for the person who is going to oversee the program and paid by general funds and so we want to use that as a match. WE need legislative authority or legislative intent written in to our budget bill that says you allow us to use general fund authority to match for the outdoor heritage fund grant.

Chairman Monson: But that is not in the budget. The Senate didn't add that authority to it?

Junkert: No they did not. We did not ask them to add that authority because we weren't sure of the condition of the 1409 bill and but now it looks like it is in path to pass or it is being highly considered on the Senate side.

Chairman Monson: Anybody have an issue with putting that language in?

Rep. Schmidt: You're not talking about using these dollars for drainage projects are you?

Junkert: No.

Rep. Schmidt: What are your going to use that for when it regulates to water then wetlands?

Tom Bodine, Deputy Commissioner of the Department of Agriculture: The water (inaudible) program is used to assist landowners in looking at helping with delineated wetlands. It would be a contract that we work with the producer and go through and see areas were they want to square off the field and be able to use those dollars for that service.



Rep. Schmidt: You are going to use the entire \$1.2 million dollars as an easement program?

Bodine: It would be an easement program. It would probably be a 10-15 year but during that time we have allowed landowner if they want to raise it, put certain conditions on it that we do allow that flexibility to it as well.

Kadrmars: Does the agency have language they would like to see in there?

Junkert: We haven't drafted anything but we could.

Rep. Boe: How many acres do we envision this covering?

Bodine: One of the things that we wanted it to be spread out as much possible, 4-5000 acres and that would be close to what it is.

Rep. Boe: What is the matching split on that?

Bodine: It would be \$50,000 of salary dollars.

Rep. Boe: But \$50,000 will leverage \$1.2 million dollars?

Junkert: The total grant was \$1.6 million dollars, \$1.2 million dollars for outdoor heritage fund cash, \$50,000 is matched to our salaries, and \$100,000 for the water bank fund, the balance of it is game and fish department money.

Rep. Boe: That is part of the transfer that is in here?

Junkert: No, only the \$1.2 million dollars of outdoor heritage fund dollars is in our budget the rest would be part of our base budget and the rest would come through the game and fish department budget.

Chairman Monson: You mentioned one more consideration that he brought up.

Junkert: The second consideration is that the Senate added \$242,000 dollars of other fund authority to fund the economic study. That is fund raising ability, Commissioner Goehring was requesting that the House switch from Fund 308 to Fund 376 or the environment and rangeland protection funding to cover that \$242,000 dollars I believe the department has provided and probably the legislative council the ERP fund update and it looks like the ending balance at the end of the 15-17 biennium will be about \$1.5 million dollars. Commissioner Goehring is requesting that funding source be shifted to the ERP.

Chairman Monson: So it is just a switch in funding sources to ERP from where?

Junkert: Other funds in the Senate Version of the budget we still have it other funds but we would like the funding to be shifted to the ERP funds.

Chairman Monson: This is a bid that the NDSU Department of Ag Business and Applied Economics this is what they said it would cost you?

Junkert: That is their estimated cost.

Meeting adjourned.

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

SB 2009  
3/30/2015  
Job #25606

☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Beckie Struge*

### Explanation or reason for introduction of bill/resolution:

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

### Minutes:

Handout #1, #2, #3

**Chairman Monson called the meeting to order.**

**Chairman Monson:** Ken Junkert, walk us through your information on Environment and Rangeland Protection Fund (ERP).

1:00

**Ken Junkert, Ag Commission:** See Handout #1

The table presented breaks out the appropriations for the ERP Fund for operations of the Ag Commissioner in SB2009. Ken explained how the money is used by each division.

**Chairman Monson:** How many veterinarians do you have?

**Junkert:** Through our department we have four: Dr. Susan Kelller as the State Veterinarian; Dr. Sara McReynolds concentrating on Emergency Management; Dr. Beth Carlson as the Assistant State Veterinarian; and Andrea Grondahl head of Meat Inspection Program.

Continued to explain the handout.

**Chairman Monson:** Wildlife Services, Water Commission money and General Funds?

**Junkert:** Yes.

**Rep. Schmidt:** What was the estimated 2015-17 revenue?

**Junkert:** Our estimated revenue for the biennium is \$6,157,272. Plus we have a carryover 2.4 million. The estimated ending balance is \$1,595,357. See Handout #2

5:09

**Rep. Schmidt:** You had plenty of room for the \$25,000 that the Senate wants for Agent Orange?

**Junkert:** It appears we have room to fund that if the Legislature wishes. It seems it is tied to pesticides.

**Chairman Monson:** Committee members, I spoke with Senators Holmberg and Bowman who are working in a subcommittee on the funding for the quarter of land at the Langdon Research Station. We will discuss the precedence this may be setting. We may need this bill as a vehicle for another possible amendment,

Meeting adjourned.

*HANDOUT #3 NOT DISCUSSED.*

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

SB 2009  
4/1/2015  
25700

- ☐ Subcommittee  
☐ Conference Committee

*Ammanda Muscha*

### Explanation or reason for introduction of bill/resolution:

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

### Minutes:

*Testimony 1*

Chairman Monson: Called the meeting to order. The budget for the Ag commissioner SB 2009 was offered an amendment.

Vice Chairman Streyle: Amendment 15.8142.02002 defines what a corporation does. It is a clarification related to the corporate farming exemption that was passed and signed by the governor. It is in that section of code and that is all it does. It clarifies was a domestic and foreign corporation is.

Rep. Boe: I don't know if this is the place to have this. I think this is a testament of how the bill we already passed was not ready for prime time.

Vice Chairman Streyle: This language is in other parts of code and it is just putting it in here. It only defines what those corporations mean. I don't think it's too big of a deal.

Rep. Boe: Could we have where in code the definition is?

Vice Chairman Streyle: It is under corporate limited liability company farming.

Rep. Boe: That's where this would go?

Vice Chairman Streyle: Yes

Rep. Boe: But the reference was that it is in other parts of code.

Vice Chairman Streyle: I am assuming it is defined somewhere.

Rep. Boe: Where in code is it?

Vice Chairman Streyle: I am assuming it is defined somewhere cause how else would we know what a foreign or domestic corporation is. It is just putting it in this chapter. I don't know where it would be at but I can't imagine why we wouldn't define that somewhere else in code.

Chairman Monson: We already have corporate farming limited. I don't know if that is where it is fitting.

Rep. Boe: I would like to know that this is similar to other parts of the code and that we aren't changing other parts of the code without interested parties having their chance at a hearing.

Vice Chairman Streyle: When you read it, all it is doing is defining what domestic corporation is and LLC and one not being related to state.

Rep. Boe: I understand that. If it is in other parts of the code, and it's probably not needed, then it's probably needed. If it is mocking other parts of the code and we change it, it may have consequences that we are not looking at without the interested parties telling us what it is going to change for them.

Chairman Monson: We can wait on this for a while if Representative Boe wants to get marching orders.

Chris Kadrmas, Legislative Council: Attachment #1. 10-19.1 number 16 says a corporation or domestic corporation means a corporation other than a foreign corporation that is used for profit in incorporating the governments of this chapter.

Chairman Monson: So it is the same definition.

Chris: It is essentially the same thing. This would just put it in that section of code.

Rep. Boe: I would contend it is not the same.

Chairman Monson: We'll hold off on this until I see what we have scheduled later. This one isn't far from being done.

Kadrmas: I do have a legal sized document that appears to show the changes within some of the sections that were requested. It does show a reduction. (attachment 1)

Chairman Monson: It doesn't look like we added much. Do we have to add 50,000 if we are going to do that?

Kadrmas: Flip over the document I gave you.

Chairman Monson: It doesn't look like we added 50,000. Is that not necessary?

Kadrmas: They just needed the authority to use it as imagined.



Chairman Monson: Additional consideration #2 that was the ERP funding economic contribution to the Ag industry to ND study. Some people didn't like that study. I don't think Representative Streyle did.

Representative Streyle: I don't care but no.

Chairman Monson: That would come out of ERP funds. The senate put it in so it is in there and we don't do anything with it.

Rep. Dosch: Made a motion to take the study out. We don't need to be spending 242,000 to have NDSU study and tell us that agriculture is important in ND. It's kind of ridiculous.

Vice Chairman Streyle: Second.

Rep. Boe: Soybean says this is important. They said they need this study.

Chairman Monson: I know the different commodity groups are trying to figure out the economics of this. It may be relevant to some of these farm groups. It is special funds ERP money, so it's not like it is coming out of the general fund.

Rep. Boe: I do believe they wanted to quantify the numbers, and escape from what the reason was. They needed the numbers for something.

Chairman Monson: Prior grant NDSU department of agriculture business and plan economic to study the economic contribution of the agriculture industry. It would include animal, and crop commodity production, farm input manufacturing such as agriculture machinery, production inputs, value editing, processing, commodity handling and transportation, crop insurance (alone it is a big item), federal payments.

Roll call vote taken: Yes 4, No 3, Absent 1. Motion carried.

Representative Boe: I would like more time too.

Chairman Monson: There isn't anything else on this budget then for right now.

Meeting was adjourned.

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee - Education and Environment Division Roughrider Room, State Capitol

SB 2009

4/2/2015

# 25759

☐ Subcommittee

☐ Conference Committee

Committee Clerk Signature

*Gaie Hrdlicka*

### Explanation or reason for introduction of bill/resolution:

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

### Minutes:

"Click to enter attachment information."

Vice Chairman Streyle: Called the meeting to order.

**Rep. Boe: Made a motion to accept amendment #15.8142.02002 the definition of domestic and foreign corporations and seconded by Martinson: Voice vote taken: Motion carried.**

Rep. Boe: I met with the legislative council and they said it didn't make any difference one way or the other if we had this on or off. They have had their historic way of identifying or interpreting the law but this would make it definite.

**Rep. Martinson: Made a motion to do pass as amended and seconded by Rep. Boe. Roll call taken: Yes 7, No 0, absent 1. Motion carried. Floor Assignment: Rep. Boe**

**Rep. Boe: Made a motion to reconsider our action where we passed amendment 15.8142.02002 and seconded Rep. Schmidt. Voice vote taken. Motion carried.**

**Rep. Boe: Made a motion to add language to the domestic definition to read "means a corporation created and organized in the United States or under the laws of the United States or of any state" and seconded by Rep. Martinson: Voice vote taken: Motion carried.**

**Rep. Martinson: Made a motion to do pass as amended and seconded by Rep. Schmidt: Roll call vote taken: Yes 7, No 0, absent 1. Motion carried.**

Meeting was adjourned.

# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2009  
4/8/2015  
Job #25942

- ☐ Subcommittee  
☐ Conference Committee

Committee Clerk Signature

*Kenneth M. Torkelson*

### Explanation or reason for introduction of bill/resolution:

Defraying the expenses of the agriculture commissioner; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; and to provide for transfers

### Minutes:

**Chairman Jeff Delzer** opened the hearing on SB 2009.

**Representative Boe** spoke on the amendment 15.8142.02001: This is the Ag Commissioner's budget. We chose (Not Audible) health insurance. They had asked for \$150,000 in one-time funding to re-design the Department website; we reduced that by \$50,000 to make that \$100,000. The amendment also reduces the funding from the Environmental Radon Protection Fund by \$10,762 and that's related to the health insurance adjustment. It adds a new section to the bill to state the salaries and wage line item, Section 1 of the bill includes \$50,000 from the general fund to match funds from a grant provided through the N.D. Outdoor Heritage Fund for the Water Bank Program. Section 9 and 10; that was an add issue right at the very end. They came in and said we needed to have language defining domestic and foreign corporations. So Section 9 supposedly now, what we have, this is supposed to define domestic corporations to reflect what we have been interpreting for the past 100 years. It was implied, but now it specifically said, as it was told to us they had to have domestic. The first time we tried, domestic was with respect to a corporation or a limited liability company, and it meant a corporation of limited liability, company created under the laws of this state. And then they came in at the end and said, no, that wasn't right. We needed to make sure we had United States. So now, in Section 10, we defined what a foreign corporation is, and I'm not exactly sure if that's right or not. We put that amendment on at the request of the Ag Department.

**Chairman Jeff Delzer:** It almost looks like they conflict.

**Representative Boe:** When I was looking at this earlier today, I thought I'm not sure we have this right.

**Representative Monson:** This was handed to us at the 11<sup>th</sup> hour because of the corporate farming bill. That's what people in different departments said, this is what we need to have passed. Some said we don't need this; some said this is what we need. So we put it on.

**Chairman Jeff Delzer:** You would almost think on the top one there, it would say, United States or this state on the domestic. And the foreign would be the other. We'll go ahead and put it on. Can you check this, Alan? I'd be surprised if this doesn't go to conference, either.

**Rep. Boe:** With that, I move Amendment 02001.

**Chairman Jeff Delzer:** We have a motion to amend SB 2009 with 02001.

**Representative Hogan:** Rep. Monson, does it seem to say that under the corporate farming now, foreign corporations could practice? Is that the intent of the foreign definition?

**Representative Monson:** I don't see it that way; I envision that foreign just means not domiciled within North Dakota. It could be from other states, but not Canada, Europe. That's how I see it.

**Representative Boehning:** I think the domestic would be an in-state corporation that is incorporated in the state and in other states; a foreign corporation will not be incorporated in state of ND. If I remember that correctly from Judiciary.

**Rep. Holmen:** I need verification that we're not allowing more here than we're asking for. If the first one takes care of any state, then why do we need the second one, if it doesn't allow something outside the country? It's pretty open-ended in the second one as to what it could be.

**Chairman Jeff Delzer:** What I would prefer to do, and we don't have to, we can hold it if you absolutely have to, but I guess I would prefer we do this; we get the answer. I'll hold it and not sign it until we have the answer. If we have to bring it back and make a change, we'll do that. If that's acceptable to the committee. With that, we do have a motion to amend SB 2009 with 02001. Seeing no more discussion.

VOICE VOTE TAKEN: MOTION IS CARRIED.

**Rep. Boe:** I will move a Do Pass As Amended.

**Rep. Monson:** Second.

**Representative Bellew:** The Senate added a national genome (NOT AUDIBLE) center. Where is that?

**Representative Thoreson:** For the record; I speak as a legislator and also as an employee of the N.D. Corn Growers Association. The actual title is the National Agricultural Genotyping Center. The National Corn Growers Association put this project out about 1 ½ years ago, and

North Dakota, after several rounds of competition, beat out the state of Illinois to be the finalist for this. It's going to be located for the time being on the campus of NDSU, but only because that's where the space is being leased from, from the USDA lab, which had some space there. What this lab is going to do, the genotyping has been done for ag products, but this is to be used to further enhance research, and the ultimate goal is to do some test kits, which will be able to be used in agriculture, and in the agricultural process, where people in production ag can go out into the field and when a plant is about that high off the ground, you'll be able to take a sample of it, and get back what's wrong with it so you're not putting the wrong chemical on it. There's also a food safety component. It's a large project and I can give you hundreds of pages of information if you'd like. The bottom line is, we won the competition, beating out larger states. Part of it was raising funds to get this project going. It will eventually be self funded. But there was a request for a one-time funding item to help get it up and going. The Senate did put that in the budget when they had it during the first half.

**Chairman Jeff Delzer:** Rep. Boe, this is one-time funding, is it not?

**Representative Boe:** It is one-time funding.

**Chairman Jeff Delzer:** This was a big deal when it happened, sometime last summer, I believe.

**Representative Thoreson:** The site visit took place in early August of last year. The finalists were Fargo and Decatur, Illinois. North Dakota was chosen right before Labor Day last year.

**Chairman Jeff Delzer:** Rep. Bellew, would you like some reporting language on the number of workers and stuff?

**Representative Bellew:** No; I was just curious what it is.

**Representative Brandenburg:** It's good for corn.

**Rep. Thoreson:** Even though the corn growers are the lead organization on this, both on the national and the state level, it's going to be used throughout all of agriculture and livestock and a bunch of other areas. Just to clarify, it's not just for that one area.

**Rep. Skarphol:** I would like someone to tell me about the nearly \$6-million increase in the Grants line.

**Rep. Boe:** Nearly \$4-million of that is a specialty crop block grant increase, and it's Other Funds.

**Chairman Jeff Delzer:** Further discussion on the motion for a Do Pass As Amended? Seeing none, the clerk will call the roll for a Do Pass As Amended.

ROLL CALL VOTE TAKEN. YES: 21 NO: 1 ABSENT: 1

Motion carries 21-1-1.

Representative Boe is the carrier

Chairman Jeff Delzer closed the hearing on SB 2009.



# 2015 HOUSE STANDING COMMITTEE MINUTES

## Appropriations Committee Roughrider Room, State Capitol

SB 2009  
4/10/2015  
26033

☐ Subcommittee  
☐ Conference Committee



### Explanation or reason for introduction of bill/resolution:

Defraying the expenses of the agriculture commissioner; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; and to provide for transfers.

### Minutes:

**Chairman Jeff Delzer:** We had amendments that were put on section 8 of the amendment .02001. We did have some discussion about what it was like, we said we would hold it. We had some discussion and I think the idea now is to pull it out. This was the deal with the domestic and foreign corporation. They were asking to have it added to try and solidify the existing corporate farming law so they would be less liable to court challenges, but we aren't sure that it is worded right. So the idea is that we should take it back and pull that section out.

**Representative Boe:** Did you want me to explain the changes or move to reconsider the bill?

**Chairman Jeff Delzer:** Why don't you explain what you want to do.

**Representative Boe:** Section 9 and 10 was an addition for definition of domestic verses foreign corporations.

**Chairman Jeff Delzer:** That is part of amendment .02001 which we adopted.

**Representative Boe:** We met yesterday morning with the AG office and legislative counsel. Anita and the Assistant Attorney General did not agree on the proper verbiage that they had in there and at the end of our discussion it was decided by the AG commissioner, who was the one who had requested this to come forth, decided it would be best if we just took it off of this bill and addressed it at a later date. So my intention would be to reconsider the bill, remove those two sections off of it and move for a passage. I move that we reconsider SB 2009.

**Representative Monson:** Second.

Motion to Reconsider Adoption of a Do Pass on SB 2009.

Motion made by Representative Boe.

Seconded by Representative Monson.

Total yes 22. No 0. Absent 1.

Motion carries.

**Representative Boe:** I move to further amend and remove section 9 and 10 from bill.

**Representative Martinson:** Second.

Motion to Further Amend SB 2009 by removing section 9 and 10 from the bill.

Motion made by Representative Boe.

Seconded by Representative Martinson.

Voice vote.

Motion carries.

**Representative Boe:** I move a Do Pass As Amended.

**Representative Monson:** Second.

Motion for Do Pass As Amended on SB 2009

Motion made by Representative Boe.

Seconded by Representative Monson.

Total Yes 22. No 0. Absent 1.

Motion carries.

Floor assignment Representative Boe.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after the semicolon insert "to create and enact two new subsections to chapter 10-06.1-01 of the North Dakota Century Code, relating to domestic and foreign corporations and limited liability companies; and"

Page 3, after line 7, insert:

**"SECTION 8.** A new subsection to section 10-06.1-01 of the North Dakota Century Code is created and enacted as follows:

"Domestic", with respect to a corporation or limited liability company, means a corporation or limited liability company created under the laws of this state.

**SECTION 9.** A new subsection to section 10-06.1-01 of the North Dakota Century Code is created and enacted as follows:

"Foreign", with respect to a corporation or limited liability company, means a corporation or limited liability company created under laws other than the laws of this state."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, line 2, after the semicolon insert "to create and enact two new subsections to chapter 10-06.1-01 of the North Dakota Century Code, relating to domestic and foreign corporations and limited liability companies;"

Page 1, replace line 12 with:

"Salaries and wages	\$10,861,195	\$1,906,006	\$12,767,201"
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Page 1, replace line 13 with:

"Operating expenses	5,885,262	991,807	6,877,069"
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Page 1, replace lines 20 through 22 with:

"Total all funds	\$25,273,808	\$7,325,301	\$32,599,109
Less estimated income	<u>15,754,591</u>	<u>5,263,462</u>	<u>21,018,053</u>
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

Page 2, replace lines 7 and 8 with:

"Department web redesign	<u>0</u>	<u>100,000</u>
Total general fund	\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Page 3, after line 7, insert:

**"SECTION 9.** A new subsection to section 10-06.1-01 of the North Dakota Century Code is created and enacted as follows:

"Domestic", with respect to a corporation or limited liability company, means a corporation or limited liability company created under the laws of the United States or of any state.

**SECTION 10.** A new subsection to section 10-06.1-01 of the North Dakota Century Code is created and enacted as follows:

"Foreign", with respect to a corporation or limited liability company, means a corporation or limited liability company created under laws other than the laws of this state."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****Senate Bill No. 2009 - Department of Agriculture - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,861,195	\$12,823,662	(\$56,461)	\$12,767,201
Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069
Capital assets	12,000	8,000		8,000
Grants	4,675,828	10,640,774		10,640,774
State board of animal health	2,109,828	813,665		813,665
Wildlife services	1,417,400	1,417,400		1,417,400
Crop harmonization board	75,000	75,000		75,000
Accrued leave payments	237,295			
	\$25,273,808	\$32,705,570	(\$106,461)	\$32,599,109
Total all funds				
Less estimated income	15,754,591	21,037,270	(19,217)	21,018,053
	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056
General fund				
	77.00	77.00	0.00	77.00
FTE				

**Department No. 602 - Department of Agriculture - Detail of House Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduce Funding to Redesign the Department Website <sup>2</sup>	Total House Changes
Salaries and wages	(\$56,461)		(\$56,461)
Operating expenses		(50,000)	(50,000)
Capital assets			
Grants			
State board of animal health			
Wildlife services			
Crop harmonization board			
Accrued leave payments			
Total all funds	(\$56,461)	(\$50,000)	(\$106,461)
Less estimated income	(19,217)	0	(19,217)
General fund	(\$37,244)	(\$50,000)	(\$87,244)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund.
- Adds a new section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program.
- Creates and enacts two new subsections to Chapter 10-06.1-01, relating to domestic and foreign corporations and limited liability companies.

HA  
4-10-15  
1502

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$10,861,195	\$1,906,006	\$12,767,201
Operating expenses	5,885,262	991,807	6,877,069"

Page 1, replace lines 20 through 22 with:

"Total all funds	\$25,273,808	\$7,325,301	\$32,599,109
Less estimated income	<u>15,754,591</u>	<u>5,263,462</u>	<u>21,018,053</u>
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

Page 2, replace lines 7 and 8 with:

"Department web redesign	<u>0</u>	<u>100,000</u>
Total general fund	\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,861,195	\$12,823,662	(\$56,461)	\$12,767,201
Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069
Capital assets	12,000	8,000		8,000
Grants	4,675,828	10,640,774		10,640,774
State board of animal health	2,109,828	813,665		813,665
Wildlife services	1,417,400	1,417,400		1,417,400
Crop harmonization board	75,000	75,000		75,000
Accrued leave payments	<u>237,295</u>			
Total all funds	\$25,273,808	\$32,705,570	(\$106,461)	\$32,599,109
Less estimated income	<u>15,754,591</u>	<u>21,037,270</u>	(19,217)	<u>21,018,053</u>
General fund	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056
FTE	77.00	77.00	0.00	77.00

Department No. 602 - Department of Agriculture - Detail of House Changes



282

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduce Funding to Redesign the Department Website <sup>2</sup>	Total House Changes
Salaries and wages	(\$56,461)		(\$56,461)
Operating expenses		(50,000)	(50,000)
Capital assets			
Grants			
State board of animal health			
Wildlife services			
Crop harmonization board			
Accrued leave payments			
Total all funds	(\$56,461)	(\$50,000)	(\$106,461)
Less estimated income	(19,217)	0	(19,217)
General fund	(\$37,244)	(\$50,000)	(\$87,244)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund.
- Adds a new section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program.

Date: 4-1-14  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Dosch Seconded By Streyle

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson		<input checked="" type="checkbox"/>	Rep. Boe		<input checked="" type="checkbox"/>
Vice Chairman Streyle	<input checked="" type="checkbox"/>		Rep. Guggisberg		<input checked="" type="checkbox"/>
Rep. Dosch	<input checked="" type="checkbox"/>				
Rep. Martinson	<input checked="" type="checkbox"/>				
Rep. Sanford	<input checked="" type="checkbox"/>				
Rep. Schmidt					

Total Yes 4 No 3

Absent 1

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*Remove the Aquaculture industry Economic Study  
for \$242,000.*

Date: 4-2-15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

Amendment LC# or Description: ☐ Subcommittee  
15.8142.02002

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Boe Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep. Boe		
Vice Chairman Streyle			Rep. Guggisberg		
Rep. Dosch					
Rep. Martinson					
Rep. Sanford					
Rep. Schmidt					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*definition amendment # 15.8142.02002  
of domestic + foreign corporation.*

Date: 4-2-15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Martinson Seconded By Boe

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	<u>A</u>		Rep. Boe	<u>✓</u>	
Vice Chairman Streyle	<u>✓</u>		Rep. Guggisberg	<u>✓</u>	
Rep. Dosch	<u>✓</u>				
Rep. Martinson	<u>✓</u>				
Rep. Sanford	<u>✓</u>				
Rep. Schmidt	<u>✓</u>				

Total Yes 7 No 0

Absent 1

Floor Assignment Boe

If the vote is on an amendment, briefly indicate intent:

do pass

Date: 4-2-15  
Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

Amendment LC# or Description: ☐ Subcommittee  
Reconsider motion of Amendment 02002

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐

Motion Made By Boe Seconded By Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep. Boe		
Vice Chairman Streyle			Rep. Guggisberg		
Rep. Dosch					
Rep. Martinson					
Rep. Sanford					
Rep. Schmidt					

✓✓  
MC Carried

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

Reconsider motion of  
Amendment 02002

Date: 4-2-15  
Roll Call Vote #: 4

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Boe Seconded By Martinson

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson			Rep. Boe		
Vice Chairman Streyle			Rep. Guggisberg		
Rep. Dosch					
Rep. Martinson				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Sanford					
Rep. Schmidt					

*Motion Carried*

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:

*accept new domestic definition & add language "means a corporation created & organized in the United States or under the laws of the United States or of any state."*



Date: 4-2-15  
Roll Call Vote #: 5

2015 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House Appropriations - Education and Environment Division Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By Martinson Seconded By Schmidt

Representatives	Yes	No	Representatives	Yes	No
Chairman Monson	A		Rep. Boe	✓	
Vice Chairman Streyle	✓		Rep. Guggisberg	✓	
Rep. Dosch	✓				
Rep. Martinson	✓				
Rep. Sanford	✓				
Rep. Schmidt	✓				

Total Yes 7 No 0

Absent 1

Floor Assignment Boe

If the vote is on an amendment, briefly indicate intent:

Do pass

Date: 4/8/15

Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House: Appropriations Committee

☐ Subcommittee

15,8142, 02004

Amendment LC# or Description:

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By: Boe Seconded By: Monson

Representatives	Yes	No	Absent
Chairman Jeff Delzer			
Vice Chairman Keith Kempenich			
Representative Bellew			
Representative Brandenburg			
Representative Boehning			
Representative Dosch			
Representative Kreidt			
Representative Martinson			
Representative Monson			
Representative Nelson			
Representative Pollert			
Representative Sanford			
Representative Schmidt			
Representative Silbernagel			
Representative Skarphol			
Representative Streyle			
Representative Thoreson			
Representative Vigasaa			
Representative Boe			
Representative Glassheim			
Representative Guggisberg			
Representative Hogan			
Representative Holman			
TOTALS			

Voice Vote  
Motion  
Carries

Assignment: \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent: \_\_\_\_\_

Date: 4/8/15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House: Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By: Boe

Seconded By: Monson

Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓		
Vice Chairman Keith Kempenich	✓		
Representative Bellew	✓		
Representative Brandenburg	✓		
Representative Boehning	✓		
Representative Dosch	✓		
Representative Kreidt	✓		
Representative Martinson	✓		
Representative Monson	✓		
Representative Nelson	✓		
Representative Pollert	✓		
Representative Sanford	✓		
Representative Schmidt	✓		
Representative Silbernagel	✓		
Representative Skarphol	✓		
Representative Streyle	✓		
Representative Thoreson	✓		
Representative Vigasaa	✓		
Representative Boe	✓		
Representative Glassheim			AB
Representative Guggisberg	✓		
Representative Hogan	✓		
Representative Holman		✓	
TOTALS	21	1	1

For Assignment: Boe

If the vote is on an amendment, briefly indicate intent: 15,8142, 02004

Date: 4/10/15  
Roll Call Vote #: 1

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House: Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☒ Reconsider ☐ Adoption of Do Pass

Motion Made By: Boe Seconded By: MONSON

Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓		
Vice Chairman Keith Kempenich			AB
Representative Bellew	✓		
Representative Brandenburg	✓		
Representative Boehning	✓		
Representative Dosch	✓		
Representative Kreidt	✓		
Representative Martinson	✓		
Representative Monson	✓		
Representative Nelson	✓		
Representative Pollert	✓		
Representative Sanford	✓		
Representative Schmidt	✓		
Representative Silbernagel	✓		
Representative Skarphol	✓		
Representative Streyle	✓		
Representative Thoreson	✓		
Representative Vigasaa	✓		
Representative Boe	✓		
Representative Glassheim	✓		
Representative Guggisberg	✓		
Representative Hogan	✓		
Representative Holman	✓		
TOTALS	22	0	1

Assignment: \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent: \_\_\_\_\_

Date: 4/10/15  
Roll Call Vote #: 2

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House: Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: Remove sections 15,8142.02004

Recommendation: ☒ Adopt Amendment  
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☐ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar  
Other Actions: ☐ Reconsider ☐ Further Amend

Motion Made By: Boe Seconded By: Martinson

Representatives	Yes	No	Absent
Chairman Jeff Delzer			
Vice Chairman Keith Kempenich			
Representative Bellew			
Representative Brandenburg			
Representative Boehning			
Representative Dosch			
Representative Kreidt			
Representative Martinson			
Representative Monson			
Representative Nelson			
Representative Pollert			
Representative Sanford			
Representative Schmidt			
Representative Silbernagel			
Representative Skarphol			
Representative Streyle			
Representative Thoreson			
Representative Vigesaa			
Representative Boe			
Representative Glassheim			
Representative Guggisberg			
Representative Hogan			
Representative Holman			
TOTALS			

Voice Vote  
Motion  
Carries

Assignment: \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent: \_\_\_\_\_

Remove Section's 9+10 out of  
the Bill

Date: 4/10/15  
Roll Call Vote #: 3

2015 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 2009

House: Appropriations Committee

☐ Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation: ☐ Adopt Amendment  
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation  
☒ As Amended ☐ Rerefer to Appropriations  
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ \_\_\_\_\_

Motion Made By: Boe Seconded By: Monson

Representatives	Yes	No	Absent
Chairman Jeff Delzer	✓		
Vice Chairman Keith Kempenich			AB
Representative Bellew	✓		
Representative Brandenburg	✓		
Representative Boehning	✓		
Representative Dosch	✓		
Representative Kreidt	✓		
Representative Martinson	✓		
Representative Monson	✓		
Representative Nelson	✓		
Representative Pollert	✓		
Representative Sanford	✓		
Representative Schmidt	✓		
Representative Silbernagel	✓		
Representative Skarphol	✓		
Representative Streyle	✓		
Representative Thoreson	✓		
Representative Vigasaa	✓		
Representative Boe	✓		
Representative Glassheim	✓		
Representative Guggisberg	✓		
Representative Hogan	✓		
Representative Holman	✓		
TOTALS	22	0	1

Motion  
Carries

Assignment: Boe

If the vote is on an amendment, briefly indicate intent: \_\_\_\_\_



**REPORT OF STANDING COMMITTEE**

**SB 2009, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$10,861,195	\$1,906,006	\$12,767,201
Operating expenses	5,885,262	991,807	6,877,069"

Page 1, replace lines 20 through 22 with:

"Total all funds	\$25,273,808	\$7,325,301	\$32,599,109
Less estimated income	<u>15,754,591</u>	<u>5,263,462</u>	<u>21,018,053</u>
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

Page 2, replace lines 7 and 8 with:

"Department web redesign	<u>0</u>	<u>100,000</u>
Total general fund	\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,861,195	\$12,823,662	(\$56,461)	\$12,767,201
Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069
Capital assets	12,000	8,000		8,000
Grants	4,675,828	10,640,774		10,640,774
State board of animal health	2,109,828	813,665		813,665
Wildlife services	1,417,400	1,417,400		1,417,400
Crop harmonization board	75,000	75,000		75,000
Accrued leave payments	<u>237,295</u>			
Total all funds	\$25,273,808	\$32,705,570	(\$106,461)	\$32,599,109
Less estimated income	<u>15,754,591</u>	<u>21,037,270</u>	(19,217)	<u>21,018,053</u>
General fund	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056
FTE	77.00	77.00	0.00	77.00

**Department No. 602 - Department of Agriculture - Detail of House Changes**

Adjusts Funding for Health Insurance Premium	Reduce Funding to Redesign the Department Website <sup>2</sup>	Total House Changes

	Increases <sup>1</sup>		
Salaries and wages	(\$56,461)		(\$56,461)
Operating expenses		(50,000)	(50,000)
Capital assets			
Grants			
State board of animal health			
Wildlife services			
Crop harmonization board			
Accrued leave payments			
Total all funds	(\$56,461)	(\$50,000)	(\$106,461)
Less estimated income	(19,217)	0	(19,217)
General fund	(\$37,244)	(\$50,000)	(\$87,244)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund.
- Adds a new section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program.

**2015 CONFERENCE COMMITTEE**

**SB 2009**

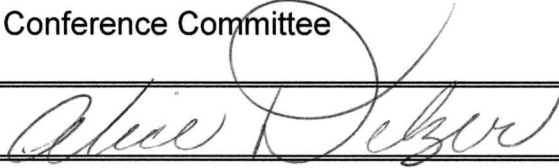
# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2009  
4/16/2015  
Job # 26182

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Conference Committee Hearing in regards to the Agriculture committee (1<sup>st</sup> Hearing)

### Minutes:

1. Letter from Susan Keller, State Veterinarian  
2. Proposed Amendment

**Chairman Bowman** called the Conference Committee Hearing to order on Thursday, April 16, 2015 at 3:30 pm in the Harvest Room. All conferees were present:

Senators: Chairman Bowman, Senator Erbele Senator O'Connell.  
Representatives: David Monson, Jim Schmidt, Tracy Boe.  
Alex Cronquist, Legislative Council  
Becky Deichert, OMB

**Chairman Bowman:** We just received some information. Would someone from the ag department explain what this is all about?

**Susan Keller, State Veterinarian:** submitted Attachment # 1 - a letter regarding the Highly Pathogenic Avian Influenza affecting a commercial turkey flock in Dickey County. Also submitted Attachment # 2 - Proposed Amendments to Engrossed SB 2009. She stated that there is a new flu strain in the US, maybe brought in through the flyways by wild birds. She stated they are not asking for the money, just authorization to utilize the federal dollars that has been offered through USDA-APHIS-Veterinary Services. (2.41) She stated they are working very closely with our current flock, we have a lot of birds to test and would like to access the funds as soon as possible. (3.30)

**Senator O'Connell:** What is the age of the birds you are dealing with and is there any federal money for matching money to this?

**Dr. Keller:** The birds are indemnified by the federal government so at this point and time that's all taken care of through the federal office. The age of the birds can be all ages. The ones we dealt with are the middle age.

**Senator Erbele:** It is not specific to turkeys, its all poultry species?

**Dr. Keller:** Yes, also in chickens. We heard today they are having the same morbidity, same mortality, same death loss in chickens. It affects wild birds too, maybe brought in through the flyways. The domestic poultry industry is getting hit the hardest. We only have one case but there are cases in South Dakota. We are communicating back and forth with them and we are doing surveillance.

**Chairman Bowman:** What you are asking for is \$100,000, but \$300,000 in spending?

**Dr. Keller:** We are asking for spending authority.

**Senator O'Connell:** is there any treatment for medication?

**Dr. Keller:** No. There is no vaccine. It's new. There is nothing out there, other than eliminate them, clean the environment and then restock when it's safe.

**Tom Bodine, Deputy Commissioner with Ag. Department:** it is new dollars, a new cooperative agreement with the feds. This amendment will give more federal authority this biennium plus carrying it in the next biennium. At the bottom of the amendment it talks about section 8 Emergency looks at \$100,000 to be added to the total line item of the animal health line item and going into next biennium, since the salary dollars were removed from line item into the department it would ask for \$80,000 additional salary dollars to be used towards this, then \$120,000 in operations, so a total of \$300,000 between this biennium and also upcoming new budget too as well.

**Representative Monson:** You want to take \$1,000 of authority plus \$100,000 for a total of \$300,000, \$100,000 -emergency; \$280,000 salary, \$120,000 in operating. I thought heard somewhere in there federal money.

**Mr. Bodine:** You are exactly correct. This would be a total of \$300,000 of federal authority in increase. No state dollars in this request.

**Chairman Bowman:** Any other questions on this particular issue? We can attach this to the ag. department's budget.

**Mr. Bodine:** Thank-you. And I couldn't reiterate what Dr. Keller said that this is one thing that is just occurring so we appreciate the opportunity to come down during the conference committee.

**Chairman Bowman:** The sooner we get after it the better. we will talk about the budget. From what I understand the department is pretty satisfied with the House version of the bill and if we added this amendment, we would actually be done. If we acceded to the House amendments and further amend it with this new amendment, is that proper? If someone would enter a motion, I would accept that.

**Senator O'Connell made a Motion to accede to House amendments and further amend. 2<sup>nd</sup> by Representative Monson.**

**Chairman Bowman:** We're acceding to the House amendments and further amended with this amendment, Section 8 is \$100,000 for emergency and federal money will follow, hopefully.

**Alex Cronquist:** I'll be rewriting the amendments. There are some formatting things that are different, then it will have a LC number and be ready.

**Chairman Bowman:** The clerk will take the roll.

A Roll Call vote was taken. Yea: 6; Nay: 0; Absent: 0.

**Chairman Bowman** I want to thank the committee for getting this done. Do we have to have another meeting then to approve the amendments if they've been approved?

**Alex Cronquist:** I think it would be up to the committee. As it is you could say that the amendment is on the way, you can go to the floor with it.

**Senator O'Connell:** I would move as long as you approve the amendments, they can go to the floor.

**Chairman Bowman:** The meeting is adjourned. (The hearing was reopened as the wrong action had been taken. Alex Cronquist, Legislative Council came back with the information that because of the new amendment, the right format would be that the House needed to recede from House amendments and amend. The roll call vote was redone and is recorded on the 2<sup>nd</sup> hearing on 4-16-15 for SB 2009, Job # 26185.)




# 2015 SENATE STANDING COMMITTEE MINUTES

## Appropriations Committee Harvest Room, State Capitol

SB 2009  
4/16/2015  
Job # 26185

☐ Subcommittee  
☒ Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A Conference Committee hearing on the Agriculture Commission (2<sup>nd</sup> hearing)

### Minutes:

No testimony submitted

**Chairman Bowman** called the Conference Committee Hearing back to order and re-opened the hearing on SB 2009 on Thursday, April 16, 2015 at 3:50 pm in the Harvest Room. All conferees were present:

Senators: Chairman Bowman, Senator Erbele Senator O'Connell.  
Representatives: David Monson, Jim Schmidt, Tracy Boe.  
Alex Cronquist, Legislative Council  
Becky Deichert, OMB

The committee was informed by Alex Cronquist, Legislative Council that their first action as recorded on SB 2009 (Job # 26182) was incorrect. They were informed that because they did alter the dollar amounts in their version, the House needed to recede from House amendments and amend.

**Representative Monson** moved that the House recede from House amendments and amend and further amend. 2<sup>nd</sup> by **Senator O'Connell**.

**Chairman Bowman:** Call the roll on SB 2009 on the House recedes from House amendments and amend further.

A Roll Call vote was taken. Yea: 6; Nay: 0. Absent: 0. It carried.

**Chairman Bowman** will carry the bill on the floor. The conference committee hearing was dismissed.

Done  
4/17/15  
WJ

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

That the House recede from its amendments as printed on pages 1430-1432 of the Senate Journal and pages 1584-1585 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "transfers" insert "; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$10,861,195	\$1,986,006	\$12,847,201
Operating expenses	5,885,262	991,807	6,877,069"

Page 1, replace line 16 with:

"State board of animal health	2,109,828	(1,076,163)	1,033,665"
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Page 1, replace lines 20 through 22 with:

"Total all funds	\$25,273,808	\$7,625,301	\$32,899,109
Less estimated income	<u>15,754,591</u>	<u>5,563,462</u>	<u>21,318,053</u>
Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

Page 2, replace lines 7 and 8 with:

"Department website redesign	<u>0</u>	<u>100,000</u>
Total general fund	\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Page 3, after line 7, insert:

**"SECTION 9. EMERGENCY.** The sum of \$100,000 of federal funds included in the state board of animal health line item in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$10,861,195	\$12,823,662	\$23,539	\$12,847,201	\$12,767,201	\$80,000

202

Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069	6,877,069	
Capital assets	12,000	8,000		8,000	8,000	
Grants	4,675,828	10,640,774		10,640,774	10,640,774	
State board of animal health	2,109,828	813,665	220,000	1,033,665	813,665	220,000
Wildlife services	1,417,400	1,417,400		1,417,400	1,417,400	
Crop harmonization board	75,000	75,000		75,000	75,000	
Accrued leave payments	237,295					
Total all funds	\$25,273,808	\$32,705,570	\$193,539	\$32,899,109	\$32,599,109	\$300,000
Less estimated income	15,754,591	21,037,270	280,783	21,318,053	21,018,053	300,000
General fund	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056	\$11,581,056	\$0
FTE	77.00	77.00	0.00	77.00	77.00	0.00

Department No. 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduces Funding to Redesign the Department Website <sup>2</sup>	Adds Funding for Expenses Relating to Avian Influenza <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$56,461)		\$80,000	\$23,539
Operating expenses		(50,000)		(50,000)
Capital assets				
Grants				
State board of animal health			220,000	220,000
Wildlife services				
Crop harmonization board				
Accrued leave payments				
Total all funds	(\$56,461)	(\$50,000)	\$300,000	\$193,539
Less estimated income	(19,217)	0	300,000	280,783
General fund	(\$37,244)	(\$50,000)	\$0	(\$87,244)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000, the same as the House version.

<sup>3</sup> Funding of \$300,000 from federal funds is added for salaries and wages and other expenses relating to Avian influenza.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund, the same as the House version.
- Adds a section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program, the same as the House version.
- Adds a section to the bill to declare \$100,000, of federal funds included in the State Board of Animal Health line item in Section 1 to be an emergency measure.

Date 4-16-15Roll Call Vote # 1

# 2013 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2009 as (re) engrossedSenate Finance & Taxation Committee

## Action Taken

- ☐ SENATE accede to House Amendments
- ☒ SENATE accede to House Amendments and further amend
- ☐ HOUSE recede from House amendments
- ☐ HOUSE recede from House amendments and amend as follows
- ☐ Unable to agree, recommends that the committee be discharged and a new committee be appointed

Voided  
wrong  
action  
taken  
See minutes  
web job #  
2618E

Motion Made by: O ConnellSeconded by: Monson

Senators	<u>4/16</u>		Yes	No	Representatives	<u>4/16</u>		Yes	No
<u>Bowman</u>	<u>✓</u>		<u>✓</u>		<u>Monson</u>	<u>✓</u>		<u>✓</u>	
<u>Erbe</u>	<u>✓</u>		<u>✓</u>		<u>Schmidt</u>	<u>✓</u>		<u>✓</u>	
<u>O Connell</u>	<u>✓</u>		<u>✓</u>		<u>Boe</u>	<u>✓</u>		<u>✓</u>	
Total Senate Vote					Total Rep. Vote				

Vote Count

Yes: 6No: 0Absent: 0Senate Carrier BowmanHouse Carrier Monson

LC Number \_\_\_\_\_

of amendment

LC Number \_\_\_\_\_

of engrossment

**2015 SENATE CONFERENCE COMMITTEE  
ROLL CALL VOTES**

BILL/RESOLUTION NO. 2009 as (re) engrossed

**Senate Appropriations Committee**

- Action Taken ☐ **SENATE accede to House Amendments**  
☐ **SENATE accede to House Amendments and further amend**  
☐ **HOUSE recede from House amendments**  
☒ **HOUSE recede from House amendments and amend as follows**
- ☐ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: Monson Seconded by: O'Connell

Senators	4/16			Yes	No		Representatives	4/16			Yes	No
Bowman	x			x			Monson	x			x	
Erbele	x			x			Schmidt	x			x	
O'Connell	x			x			Boe	x			x	
Total Senate Vote							Total Rep. Vote					

Vote Count Yes: 6 No: 0 Absent: 0

Senate Carrier Bowman House Carrier Monson

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

**REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Bowman, Erbele, O'Connell and Reps. Monson, Schmidt, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1430-1432, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1430-1432 of the Senate Journal and pages 1584-1585 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "transfers" insert "; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$10,861,195	\$1,986,006	\$12,847,201
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Total general fund	\$9,519,217	\$2,061,839	\$11,581,056"

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"Department website redesign		<u>0</u>	<u>100,000</u>
Total general fund		\$0	\$1,050,222"

Page 2, line 18, replace "\$6,414,476" with "\$6,403,714"

Page 2, after line 30, insert:

**"SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program."

Page 3, after line 7, insert:

**"SECTION 9. EMERGENCY.** The sum of \$100,000 of federal funds included in the state board of animal health line item in section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$10,861,195	\$12,823,662	\$23,539	\$12,847,201	\$12,767,201	\$80,000
Operating expenses	5,885,262	6,927,069	(50,000)	6,877,069	6,877,069	
Capital assets	12,000	8,000		8,000	8,000	
Grants	4,675,828	10,640,774		10,640,774	10,640,774	
State board of animal health	2,109,828	813,665	220,000	1,033,665	813,665	220,000



Insert LC: 15.8142.02005

Wildlife services	1,417,400	1,417,400		1,417,400	1,417,400	
Crop harmonization board	75,000	75,000		75,000	75,000	
Accrued leave payments	237,295					
Total all funds	\$25,273,808	\$32,705,570	\$193,539	\$32,899,109	\$32,599,109	\$300,000
Less estimated income	15,754,591	21,037,270	280,783	21,318,053	21,018,053	300,000
General fund	\$9,519,217	\$11,668,300	(\$87,244)	\$11,581,056	\$11,581,056	\$0
FTE	77.00	77.00	0.00	77.00	77.00	0.00

Department No. 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduces Funding to Redesign the Department Website <sup>2</sup>	Adds Funding for Expenses Relating to Avian Influenza <sup>3</sup>	Total Conference Committee Changes
Salaries and wages	(\$56,461)		\$80,000	\$23,539
Operating expenses		(50,000)		(50,000)
Capital assets				
Grants				
State board of animal health			220,000	220,000
Wildlife services				
Crop harmonization board				
Accrued leave payments				
Total all funds	(\$56,461)	(\$50,000)	\$300,000	\$193,539
Less estimated income	(19,217)	0	300,000	280,783
General fund	(\$37,244)	(\$50,000)	\$0	(\$87,244)
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding to redesign the department website is reduced by \$50,000 to provide a total of \$100,000, the same as the House version.

<sup>3</sup> Funding of \$300,000 from federal funds is added for salaries and wages and other expenses relating to Avian influenza.

This amendment also:

- Reduces funding from the environment and rangeland protection fund by \$10,762, relating to the health insurance adjustment, to provide a total of \$6,403,714 from the fund, the same as the House version.
- Adds a section to the bill to state the salaries and wages line item in Section 1 of the bill includes \$50,000 from the general fund for matching funds for the grant provided through the North Dakota outdoor heritage fund for the waterbank program, the same as the House version.
- Adds a section to the bill to declare \$100,000, of federal funds included in the State Board of Animal Health line item in Section 1 to be an emergency measure.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

**2015 TESTIMONY**

**SB 2009**

**Department 602 - Agriculture Commissioner  
Senate Bill No. 2009**

**Executive Budget Comparison to Prior Biennium Appropriations**

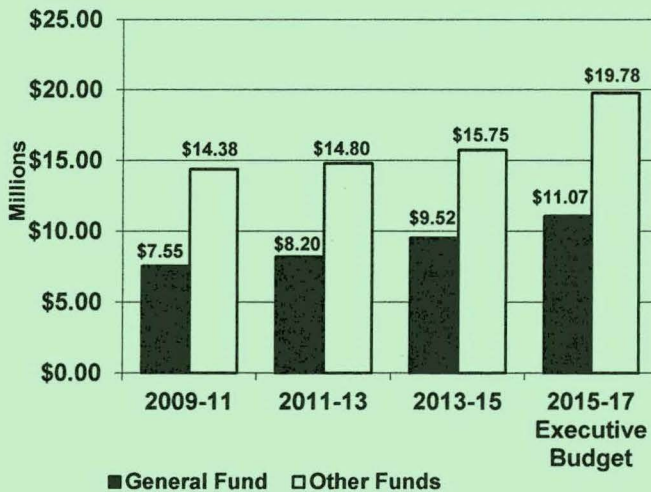
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	77.00	\$11,074,075	\$19,776,341	\$30,850,416
2013-15 Legislative Appropriations <sup>1</sup>	77.00	9,519,217	15,754,591	25,273,808
Increase (Decrease)	0.00	\$1,554,858	\$4,021,750	\$5,576,608

<sup>1</sup>The 2013-15 appropriation amounts do not include additional federal funds authority of \$400,000 resulting from Emergency Commission action during the 2013-15 biennium.

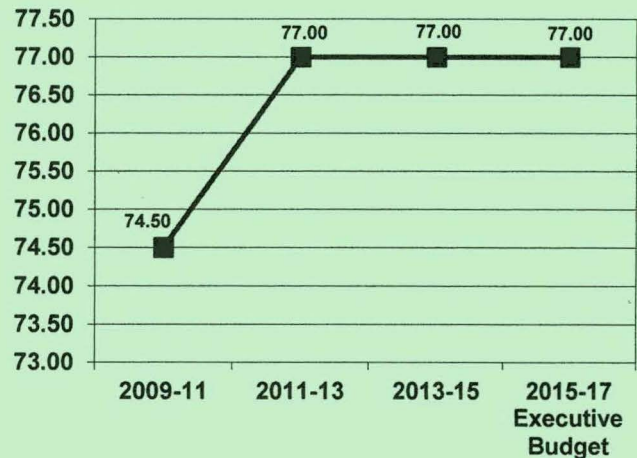
**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$10,773,853	\$300,222	\$11,074,075
2013-15 Legislative Appropriations	9,519,217	0	9,519,217
Increase (Decrease)	\$1,254,636	\$300,222	\$1,554,858

**Agency Funding**



**FTE Positions**



**Executive Budget Comparison to Base Level**

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$11,074,075	\$19,776,341	\$30,850,416
2015-17 Base Level	9,519,217	15,754,591	25,273,808
Increase (Decrease)	\$1,554,858	\$4,021,750	\$5,576,608

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

**Executive Budget Highlights**

	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$589,923 relates to performance increases, \$177,311 is for market equity adjustments, \$323,833 is for health insurance increases, and \$60,702 is for retirement contribution increases	\$659,498	\$492,271	\$1,151,769
2. Increases funding for operations relating to contracted mediation services and the specialty crop block grant program	\$92,908	\$226,883	\$319,791
3. Reduces funding for information technology operations	(\$21,699)	\$181	(\$21,518)
4. Increases funding for the specialty crop block grant program	\$0	\$3,827,946	\$3,827,946
5. Reduces grant funding for organic certification	\$0	(\$150,000)	(\$150,000)



6. Adds funding for part-time salaries and operating expenses to assist with Japanese beetle and emerald ash borer monitoring, surveying, and inspection	\$82,297	\$0	\$82,297
7. Adds funding for Information Technology Department desktop support	\$352,912	\$0	\$352,912
8. Adds <b>one-time funding</b> for an Information Technology Department analysis of information technology data and application structure	\$150,222	\$0	\$150,222
9. Adds <b>one-time funding</b> to redesign the department website	\$150,000	\$0	\$150,000

### Other Sections in Bill

**Environment and rangeland protection fund transfer to minor use pesticide fund** - Section 3 provides for a transfer of \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.

**Environment and rangeland protection fund income** - Section 4 designates \$6,464,295 from the environment and rangeland protection fund to pay for various department programs.

**Game and fish funding** - Section 5 provides \$499,585 from the game and fish operating fund for the State Board of Animal Health (\$115,185) and Wildlife Services Program (\$384,400) for the 2015-17 biennium. The 2013-15 legislative appropriation from the game and fish fund for these programs was \$484,398.

**State Water Commission funding** - Section 6 provides that \$250,000 be transferred from the State Water Commission to the Agriculture Commissioner for the Wildlife Services Program for the 2015-17 biennium. This represents the same level of funding transferred from the State Water Commission to the Agriculture Commissioner during the 2013-15 biennium.

**Agriculture Commissioner's salary** - Section 7 includes the statutory changes necessary to increase the Commissioner's salary as follows:

Annual salary authorized by the Legislative Assembly in 2013:

July 1, 2013	\$99,435
July 1, 2014	\$102,418

Proposed annual salary recommended in the 2015-17 executive budget:

July 1, 2015	\$106,515
July 1, 2016	\$110,775

The executive recommendation provides funding for elected officials' salary increases equal to 4 percent of salaries effective July 1, 2015, and 4 percent effective July 1, 2016.

### Continuing Appropriations

**Honey promotion fund** - North Dakota Century Code Chapter 4.1-08 - Commodity checkoff for market development of honey.

**Turkey fund** - Chapter 4.1-12 - Commodity checkoff for market development of turkeys and turkey products.

**Minor use pesticide fund** - Section 4-35-06.3 - For studies, investigations, and evaluations regarding registration and use of pesticides.

### Deficiency Appropriation

There are no deficiency appropriations for this agency.

### Significant Audit Findings

The State Auditor's office reported the Department of Agriculture used an insufficient method to track and monitor anhydrous ammonia inspections performed and, as a result, did not conduct inspections on anhydrous ammonia facilities a minimum of one time every five years.

### Major Related Legislation

**House Bill No. 1026** - Allows the Agriculture Commissioner to implement rules relating to the management and harvesting of ginseng.

**House Bill No. 1053** - Requires certain agencies to obtain desktop support services from the Information Technology Department.

**Agriculture Commissioner - Budget No. 602**  
**Senate Bill No. 2009**  
**Base Level Funding Changes**

	<b>Executive Budget Recommendation</b>			
	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
<b>2015-17 Biennium Base Level</b>	77.00	\$9,519,217	\$15,754,591	\$25,273,808
<b>2015-17 Ongoing Funding Changes</b>				
Base payroll changes		\$38,720	(\$416,531)	(\$377,811)
Salary increase - Performance		347,359	242,564	589,923
Salary increase - Market equity		85,716	91,595	177,311
Retirement contribution increase		35,743	24,959	60,702
Health insurance increase		190,680	133,153	323,833
Monitoring, surveying, and inspecting for Japanese beetle, emerald ash borer, and other issues		82,297		82,297
Pride of Dakota holiday showcase		50,000		50,000
Information Technology Department desktop support		352,912		352,912
Increase operating expenses relating to contracted mediation services and the specialty crop block grant program		92,908	226,883	319,791
Reduce capital assets			(4,000)	(4,000)
Information technology operating adjustment		(21,699)	181	(21,518)
Agriculture in the classroom grant increase			5,000	5,000
Specialty crop block grant increase			3,827,946	3,827,946
Pride of Dakota grant increase			30,000	30,000
Organic certification grant reduction			(150,000)	(150,000)
Local foods grant increase			10,000	10,000
Total ongoing funding changes	0.00	\$1,254,636	\$4,021,750	\$5,276,386
<b>One-time funding items</b>				
Information Technology Department analysis		\$150,222		\$150,222
Website redesign		150,000		150,000
Total one-time funding changes	0.00	\$300,222	\$0	\$300,222
<b>Total Changes to Base Level Funding</b>	0.00	\$1,554,858	\$4,021,750	\$5,576,608
<b>2015-17 Total Funding</b>	77.00	\$11,074,075	\$19,776,341	\$30,850,416

**Other Sections in Senate Bill No. 2009**

	<b>Executive Budget Recommendation</b>
Environment and rangeland protection fund transfer to minor use pesticide fund	Section 3 provides for a transfer of \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.
Environment and rangeland protection fund income	Section 4 designates \$6,464,295 from the environment and rangeland protection fund to pay for various department programs.
Game and fish funding	Section 5 provides \$499,585 from the game and fish operating fund for the State Board of Animal Health and Wildlife Services Program for the 2015-17 biennium.

#### **Executive Budget Recommendation**

State Water Commission funding

Section 6 provides that \$250,000 be transferred from the State Water Commission to the Agriculture Commissioner for the Wildlife Services Program for the 2015-17 biennium.

Agriculture Commissioner's salary

Section 7 includes the statutory changes necessary to increase the Agriculture Commissioner's annual salary by 4 percent per year to \$106,515 beginning July 1, 2015 and \$110,775 beginning July 1, 2016.

1-15-15

#1



NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE

DOUG GOEHRING, COMMISSIONER

BUDGET  
PRESENTATION  
FOR THE  
2015-17 BIENNIUM

SB 2009

NORTH DAKOTA  
SENATE

APPROPRIATIONS COMMITTEE

SENATOR RAY HOLMBERG, CHAIRMAN

JANUARY 15, 2015



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# NDDA Vision<sup>1.3</sup>

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To provide North Dakota agriculture with the services and leadership necessary to make North Dakota the trusted provider of the highest quality food in the world with prosperous family farms, thriving rural communities and world class stewardship of resources.

## NDDA Mission

---

The North Dakota Department of Agriculture fosters the long-term well-being of North Dakota by promoting a healthy economic, environmental and social climate for agriculture and the rural community through leadership, advocacy, education, regulation and other services. To carry out its mandate, the Department of Agriculture is committed to the following responsibilities:

- Serving as an advocate for farmers and ranchers and our rural communities.
- Providing services that ensure safe, high-quality and marketable agricultural products.
- Developing and expanding markets for agricultural products.
- Reducing the risk of financial loss to agricultural producers and to buyers and sellers of agricultural commodities.
- Ensuring compliance with the law through understandable regulations, information, education and even-handed enforcement.
- Ensuring human safety and protecting the environment through proper use of pesticides.
- Providing services to reduce agricultural losses from noxious weeds, animal depredation, insects and diseases.
- Ensuring the quality and availability of pesticides, fertilizers, veterinary medicines and animal feeds through testing and registration.
- Protecting and improving the health, welfare, quality and marketability of livestock and other domestic animals.
- Gathering and disseminating information concerning agriculture to the general public.
- Providing fair and timely dispute resolution services to agricultural producers, creditors and others.

**AGRICULTURE COMMISSIONER**  
**Doug Goehring**

ASSISTANT TO THE COMMISSIONER  
Jody Reinke

HUMAN RESOURCES  
Lindsay Borlaug

DEPUTY COMMISSIONER  
Tom Bodine

**ADMINISTRATIVE SERVICES**  
Ken Junkert, Director

**FISCAL MANAGEMENT**

Account Budget Specialist  
Lynette Baumiller  
Administrative Officer  
Samantha McGrath  
Grant & Procurement Specialist  
Jeannie Jacobs-Kopp

**POLICY DEVELOPMENT**

Britt Aasmundstad  
Vacant

**NORTH DAKOTA MEDIATION SERVICE**

Administrator  
Kari Doan  
Negotiators  
Jim Hoffert (non-FTE) Jim Jost (non-FTE)  
Administrative Officer  
Betty Schneider

**EMERGENCY MANAGEMENT**

Specialist  
Kent Theurer

**MARKETING & INFORMATION**  
Dana Hager, Director

Marketing Specialists  
Emily Edlund (non-FTE)  
Jamie Good  
Erin Markestad  
Sarah Tunge  
Kelly Wald  
Vacant

Public Information Officer  
Ted Quanrud  
Administrative Assistants  
Hazel Hoyer  
Bonnie Sundby

**INFORMATION TECHNOLOGY**

Computer & Network Specialist  
Roberta Tjaden  
Geographic Information System Specialist  
Jim Hansen

**LIVESTOCK DEVELOPMENT**  
Shaun Quissell, Director

**DAIRY INSPECTION**

Ratings/Surveillance Officer  
John Ringsrud  
Dairy Inspectors  
Gary Molstad Orville Payne

**STATE MEAT & POULTRY INSPECTION**

Director  
Dr. Andrea Grondahl  
Senior Inspectors  
Heather Andersen Cody Kreft  
Compliance Officer

David Slack  
Information Coordinator  
Nathan Kroh  
Inspectors

Joshua Epperly Cami Metzger  
Sherlynn Olson Joslyn Roadstrom  
Shawn Steffen Whitney Vogel  
Kayla Wesoloski  
Relief Inspector  
Julie Nilges

Livestock Pollution/Age & Source Verification

Jason Wirtz  
Feed Specialist  
Dave Phillips  
Livestock Development Specialists

Amber Boeshans  
Vacant  
Administrative Assistants  
Becky Gietzen  
Angela Rittmiller

**WILDLIFE SERVICES\***

State Director  
Phil Mastrangelo

**PESTICIDE & FERTILIZER**  
Jim Gray, Director

Environmental Scientist  
Jerry Sauter  
Pesticide Enforcement Coordinator  
Tyler Kralicek  
Pesticide Program Specialist  
Jon Krei

Pesticide Outreach Specialist  
Jeremiah Lien  
Fertilizer/Anhydrous Specialist  
Eric Delzer  
Fertilizer Auditor  
Patrick Hart  
Inspectors

Andrew Erickson Sara Beaudrie  
Kevin Coufal Darrell Haseleu  
James Jeske Brian Kramer  
Josh Odden Derek Woehl  
Administrative Assistant  
Brandy Kiefel

**PLANT INDUSTRIES**  
Carrie Larson, Director

Plant Protection Specialists  
Samantha Brunner Charles Elhard  
Lane Kozel Rachel Seifert-Spilde  
Noxious Weed Specialist  
Chelsey Penuel  
Administrative Assistant  
Elaine Saylor

**ANIMAL HEALTH**  
Dr. Susan Keller, State Veterinarian

Deputy State Veterinarian  
Dr. Beth Carlson  
Assistant State Veterinarian  
Dr. Sara McReynolds  
Field Investigator  
Nathan Boehm  
Avian Influenza Coordinator  
Jeanne David (non-FTE)  
Administrative Assistant  
Tammy Celley  
Office Assistants  
Kathy Hoffman Kimberly Norton

\* Wildlife Services, a division of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, operates in North Dakota under a cooperative agreement with the North Dakota Department of Agriculture, the North Dakota Game and Fish Department, and the North Dakota State Water Commission.

hi

# Ken Junkert, Director

## Administrative Services Division

Administrative Services includes the fiscal management, policy development, emergency management, and human resources in the North Dakota Department of Agriculture (NDDA). The division also administers the North Dakota Mediation Service.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
Salaries	\$2,624,113	\$ 2,698,577
Operating	\$ 789,613	\$ 842,632
Total	\$3,413,726	\$ 3,541,209

### Fiscal Management

- Oversees the development and tracking of the department's budget.
- Processes payroll.
- Pays all bills and deposits all revenues.
- Reviews and approves contracts.
- Ensures compliance with state and federal laws relating to the department's finances; including expenditure tracking and filing of required reports to federal agencies.
- Responsible for procurement of goods and services for the department.

### Sources:

General funds	\$2,601,438	\$ 2,981,326
Federal funds	\$ 468,328	\$ 336,646
Special funds	\$ 343,960	\$ 223,237
Total	\$3,413,726	\$ 3,541,209

### Emergency Management

- Plan, implement and evaluate strategic emergency management plans.
- Develop and conduct training and education on risk management, loss control and general safety issues.

### North Dakota Mediation Service

- Offers negotiation and mediation services to resolve differences among creditors, farmers and others.
- Offers assistance for beginning farmer loan applications and farm program paperwork.
- Provides financial counseling.
- Offers mediation to address energy-related issues.
- Offers conflict resolution services to resolve deer depredation disputes.

### Policy Development

- Researches and analyzes agricultural policy for the commissioner.
- Responds to public information requests.

### Human Resources

- Responsible for human resource activities, including recruitment and training.



Carrie Larson, Director  
Plant Industries Division

Plant Industries includes the noxious weeds, plant protection, apiary, waterbank and industrial hemp programs.

Noxious Weeds

- Distributes state and federal funds for noxious weed control to weed boards.
- Manages federal grants for noxious and invasive weeds.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents.
- Assists county and city weed boards in field days and weed management.
- Assists the general public with weed identification and control.
- Trains and assists weed boards with GPS/GIS mapping technology.
- Administers the Weed Seed Free Forage program.

Plant Protection

- Surveys for exotic pests such as exotic moths, nematodes and emerald ash borer that threaten North Dakota agriculture and horticulture.
- Surveys for pests, various diseases, insects and nematodes including: Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode and potato cyst nematode, to enable export of agricultural products.
- Licenses and inspects nursery dealers and growers.
- Provides export certification/phytosanitary services for export of agricultural products.
- Reviews biotechnology permits.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
Salaries	\$ 1,172,564	\$ 1,229,459
Operating	\$ 801,277	\$ 841,677
Capital assets	\$ 12,000	\$ 0
Grants	\$ 1,450,274	\$ 1,450,274
Total	\$ 3,436,115	\$ 3,521,410

Sources:

General funds	\$ 782,211	\$ 939,218
Federal funds	\$ 730,961	\$ 729,975
Special funds	\$ 1,922,943	\$ 1,852,217
Total	\$ 3,436,115	\$ 3,521,410

Special programs

- Conducts the State Waterbank program.
- Registers ginseng growers.
- Administers industrial hemp program.

Apiary

- Licenses beekeepers.
- Registers and maps apiary locations.
- Inspects bees and issues health certificates for migratory movement.
- Investigates and responds to bee complaints.
- Visits apiaries and ensures compliance with the bee law.
- Administers North Dakota Honey Promotion program.
- Pollinator plan enhances communication and emphasizes best management practices for stakeholders.

# Shaun Quissell, Director Livestock Development Division

Livestock Development includes livestock licensing, dairy/poultry, livestock pollution prevention, wildlife services, state meat & poultry inspection, livestock development, and feed.

## Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets, and discovers unlicensed dealers.

## Dairy/Poultry

- Inspects dairy farms for equipment, facilities, water purity, sanitation, and proper drug usage and storage.
- Inspects dairy processing plants and milk transfer stations four or more times annually.
- Inspects distribution facilities, milk bulk trucks and samplers/haulers.
- Monitors financial conditions of milk buyers.
- Conducts Grade A survey work.
- Inspects manufacturing grade plants and transfer stations under agreement with USDA.
- Inspects licensed commercial egg producers.
- Licenses and sets bonds for hatcheries.

## Livestock Pollution Prevention

- Helps livestock producers install manure containment systems through cost-share funding assistance.
- Advises producers on nutrient management, project planning, manure containment and regulations.

## Wildlife Services

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

## State Meat & Poultry Inspection

- Trains, certifies and inspects meat processing companies participating in the program.
- Inspects custom-exempt processing plants.
- Inspects retail outlets for country-of-origin labeling.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
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Salaries	\$3,563,198	\$ 3,596,557
Operating	\$1,594,489	\$ 1,594,489
Wildlife Services	\$1,417,400	\$ 1,417,400
Grants	<u>\$1,050,000</u>	<u>\$ 1,050,000</u>
Total	\$7,625,087	\$ 7,658,446

## Sources:

General funds	\$2,852,581	\$ 3,026,088
Federal funds	\$3,053,462	\$ 2,964,930
Special funds	<u>\$1,719,044</u>	<u>\$ 1,667,428</u>
Total	\$7,625,087	\$ 7,658,446

- Enforces meat and poultry processing regulations.
- Grades livestock carcasses at official state and/or federal establishments as requested.
- Provides consultation and education to the meat and poultry industry.
- Ensures proper label use by the industry.

## Livestock Development

- Conducts age/source verification.
- Assists producers and processors in expanding and promoting the state's livestock industry.
- Works with the North Dakota Dairy Coalition to expand the state's dairy industry.

## Feed

- Registers all pet food sold in the state.
- Maintains a label file of commercial feeds sold in the state.
- Licenses commercial feed manufacturers retailers.
- Samples feed products to ensure that nutritional content matches label claims.
- Inspects medicated feed plants.
- Verifies manufacturer and producer compliance with federal requirements to prevent bovine spongiform encephalopathy (BSE).



# Dana Hager, Director

## Marketing & Information Division

Marketing and Information provides education, promotion and market enhancement programs to increase sales of North Dakota agricultural commodities and value-added agricultural products in international, domestic and local markets.

### Marketing

- Administers the Pride of Dakota (POD) program, including Holiday Showcases, annual meeting and other events.
- Provides trade show assistance to ND companies.
- Oversees wine development and promotion.
- Administers North Dakota Turkey Federation.
- Conducts and participates in international trade events.
- Supports and coordinates with Food Export-Midwest Association.
- Conducts market research for ND companies to help them expand their business domestically and internationally.
- Conducts Exporter Training programs around the state for ND companies.
- Administers community orchard grants.
- Administers local foods initiative.
- Administers farm-to-school programs.
- Operates the mobile food processing unit.
- Administers specialty crop block grants.
- Administers organics program.
- Administers organic certification reimbursement grants.
- Organizes the annual meeting of the agriculture commissioner and the commodity councils.
- Organizes an annual local foods conference.

### Public Information

- Writes and edits department publications, including news releases, brochures and reports.
- Responds to public information requests.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
Salaries	\$1,503,147	\$ 1,872,348
Operating	\$1,185,657	\$ 2,021,569
Capital assets	\$ 0	\$ 8,000
Grants	<u>\$2,175,554</u>	<u>\$ 5,898,500</u>
Total	\$4,864,358	\$ 9,800,417

### Sources:

General funds	\$1,822,854	\$ 2,564,959
Federal funds	\$2,411,684	\$ 6,287,956
Special funds	<u>\$ 629,820</u>	<u>\$ 947,502</u>
Total	\$4,864,358	\$ 9,800,417

### Agriculture in the Classroom

- Helps K-12 teachers integrate agriculture information into science, math, social studies and language curricula.
- Supports Project Food, Land & People which provides hands-on lessons to help students better understand the relationships between the world's environment, agriculture and people.
- Publishes the Ag Mag—each issue of which focuses on a North Dakota agriculture topic—three times a year for 3rd, 4th and 5th graders at no charge.
- Underwrites FFA Foundation mini-grants for agriculture-related projects, units, and lessons for school-age children.

### Information Technology

- Maintains contract with ITD.
- Maintains all desktop and wireless phones.
- Maintains department websites, email and intranet.



# Dr. Susan Keller, State Veterinarian

## Animal Health Division

The Animal Health Division protects the health of domestic animals and non-traditional livestock, and administers all rules and orders of the State Board of Animal Health (BOAH).

- Monitors and regulates animal imports and exports.
- Traces animal movements as part of disease investigations.
- Issues and maintains records of official USDA tags and official state certificates of veterinary inspection.
- Conducts a Johne's disease control program.
- Conducts the National Scrapie Eradication programs.
- Investigates suspected cases of foreign animal diseases and emerging diseases.
- Responds to complaints of inhumane treatment of animals.
- Coordinates pet sheltering during disasters.
- Conducts tuberculosis, brucellosis and other disease investigations.
- Reviews testing information and granting status for tuberculosis-accredited herds, brucellosis-certified herds statuses, and Brucella ovis-free flocks.
- Administers non-traditional livestock and farmed elk regulations.
- Issues permits to possess, propagate or domesticate live animals and protected birds for North Dakota Game and Fish Department.
- Provides chronic wasting disease testing, training and oversight.
- Oversees feral swine investigations.
- Works with North Dakota Department of Health on zoonotic disease issues.
- Provides oversight on proper carcass disposal.
- Inspects auction markets and approves veterinarians to provide market services.
- Monitors for novel swine enteric coronavirus diseases.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
Salaries	\$ 0	\$ 1,464,987
BOAH	<u>\$ 2,169,876</u>	<u>\$ 813,665</u>
Total	\$2,169,876	\$ 2,278,652

### Sources:

General funds	\$ 1,465,033	\$ 1,562,484
Federal funds	\$ 450,684	\$ 437,054
Special funds	<u>\$ 254,159</u>	<u>\$ 279,114</u>
Total	\$ 2,169,876	\$ 2,278,652

- Provides inspection services at the North Dakota State Fair.
- Registers feedlots.
- Licenses rendering facilities.
- Registers veterinary medicines used in the state.
- Licenses dealers of modified live vaccines.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Coordinates the National Poultry Improvement Plan in the state.
- Trains and coordinates a Reserve Veterinary Corps to assist in emergency situations.
- Participates in animal emergency preparedness and response on state, regional and national levels.
- Cooperates with other state and federal animal health officials regionally and nationally to guide national animal health policy.
- Monitors and reports diseases on state and national levels.
- Provides education and outreach for practicing veterinarians and the livestock industry.
- Maintains the state's animal traceability database.

Jim Gray, Director 1.10  
Pesticide & Fertilizer Division

The Pesticide and Fertilizer Division regulates pesticides, fertilizers and anhydrous ammonia to protect human health and the environment.

### Pesticides

- Conducts inspections of pesticide dealers, users and repackaging facilities to ensure compliance with laws and regulations.
- Provides outreach to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency exemption requests to ensure North Dakota producers have access to necessary pest management tools.
- Registers all pesticides—herbicides, fungicides, rodenticides, insecticides, avicides and disinfectants—sold in North Dakota and approves product labeling.
- Conducts Project Safe Send, an annual, statewide collection of unusable pesticides.
- Works with EPA on national pesticide regulatory and policy issues.
- Conducts risk assessments, takes public input, compiles data and takes recommendations to EPA to mitigate risk of pesticides to threatened and endangered species as part of the North Dakota Endangered Species Protection Plan.
- Investigates and responds to pesticide contamination of ground and surface water resources.
- Investigates complaints of pesticide misuse and other violations.
- Administers and enforces the federal Worker Protection Standard to protect workers who handle and use pesticides.

	2013-2015 Budget	Governor's Proposed 2015-17 Budget
Salaries	\$2,180,320	\$ 2,348,580
Operating	\$1,514,226	\$ 1,626,702
Harmonization	\$ 75,000	\$ 75,000
Total	\$3,769,546	\$ 4,050,282

### Sources:

Federal funds	\$1,029,271	\$ 842,273
Special funds	\$2,740,275	\$ 3,208,009
Total	\$3,769,546	\$ 4,050,282

### Fertilizer

- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling.
- Samples fertilizer products to ensure claims match labels.
- Licenses anhydrous ammonia storage facilities.
- Conducts inspections of anhydrous ammonia storage facilities and nurse tanks to ensure compliance with state laws and rules.
- Administers the Risk Management Program (RMP) for agricultural anhydrous ammonia facilities and inspects facilities to ensure compliance with federal requirements.
- Provides outreach and compliance assistance to the fertilizer industry and anhydrous ammonia users.
- Audits fertilizer distributors to ensure compliance with annual fertilizer tonnage reporting.

# Optional Adjustment Requests <sup>1.11</sup>

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Description	Amount	Included in Executive Recommendation
Monitoring, surveying and inspecting for Japanese beetle, emerald ash borer and issues impacting the apiary industry	\$ 82,297	Yes
Pride of Dakota Holiday Showcase venues	\$ 50,000	Yes
Information Technology analysis	\$ 150,222	Yes
Department website redesign	\$ 150,000	Yes
ITD Client Technologies Services Desktop Support	\$ 352,912	Yes
National Genomics Center	\$ 800,000	No
Study to assess the economic contributions of the agriculture industry to the ND economy	\$ 242,000	No
North Dakota Centennial Farms	\$ 90,000	No
TOTAL:	\$ 1,917,431	

# Requested Changes to the Executive Recommendation

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Description	Amount
Waterbank Program—budget authority for Outdoor Heritage Fund request	\$ 1,200,000
National Genomics Center	\$ 800,000
Study to assess the economic contributions of the agriculture industry to the ND economy	\$ 242,000
TOTAL:	\$ 2,242,000



## AGRICULTURE COMMISSIONER'S BUDGET

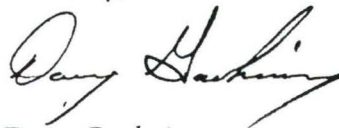
	2013-2015 Budget	Governor's Proposed 2015-17 Budget
<b>Sources:</b>		
General Funds	\$ 9,524,117	\$ 11,074,075
Federal funds	\$ 8,144,390	\$ 11,598,834
Special funds	<u>\$ 7,610,201</u>	<u>\$ 8,177,507</u>
Total	\$ 25,278,708	\$ 30,850,416
FTEs	77	77

The work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2015-2017 biennium.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens regarding the work of the North Dakota Department of Agriculture.

Sincerely,



Doug Goehring  
Agriculture Commissioner

COMMISSIONER  
DOUG GOEHRING



**NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE**

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

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www.nd.gov/ndda

SB 2009  
# 2.1  
1-13-13

## **North Dakota Mediation Service**

Report to the North Dakota Senate Appropriations Committee

Requested by HB 1009, Section 7 (Sixty-third Legislative Assembly of North Dakota)

### **Program Overview**

The North Dakota Mediation Service (NDMS) was established to help resolve disputes and to help financially distressed farmers and ranchers.

Mediation is a voluntary, confidential process in which a neutral mediator guides the parties involved in a dispute through a thorough examination and discussion of issues. Mediation allows all parties involved in a dispute to speak openly in a confidential manner.

The Sixty-second Legislative Assembly of North Dakota (2011) expanded the program's responsibilities to include mediation of property disputes related to energy development and landowner disputes with the North Dakota Game and Fish Department related to property damage caused by deer depredation.

### **Requests for Assistance**

Since the mediation law was changed in 2011, NDMS has serviced 41 energy development mediation cases. All energy development mediation work was conducted by a contract mediator.

Credit and energy development mediation cases remain the top service requests. For the 2013-2015 biennium, NDMS has received 86 mediation requests - 71 formal and 15 informal. Credit requests accounted for 45 and energy development requests accounted for 12 of the formal mediation cases. Energy development cases involved surface damage, right-of-way easement, well site location and compensation issues. The balance of the formal mediation requests (14) concentrated on a variety of disputes including wetland, crop insurance, pesticide drift, and rural housing issues. Credit cases accounted for all of the informal mediation requests.

### **Mediation Agreement Rate**

NDMS' agreement rate remains positive, measuring 70 percent for the current biennium. The agreement rate is calculated by dividing the total mediation agreements involving mediation, negotiation, and other program involvement by the total mediation requests.

### Contract Services

NDMS has a pool of mediation contractors to assist with caseload. The current pool of vendors includes:

- Legal Edge Solutions (Dickinson)
- Camrud, Maddock, Olson, and Larson (Grand Forks)
- Oster Law Office (Fargo)
- Lakeside Professional Services (Dickinson)

### Program Budget

For the 2013-2015 budget, NDMS expended \$197,622 (\$114,367 other funds and \$83,295 general funds) through November 2014. NDMS' tentative FY 2015 FSA grant allocation is \$148,395 (\$103,877 federal funds and \$44,518 state match).

Federal law only permits the use of mediation federal grant and state matching funds for seven specific agricultural lending and United States Department of Agriculture (USDA)-related disputes as described under 7 CFR §785.4:

Covered persons: means *producers, their creditors, and other persons directly affected by actions of the USDA involving one or more of the following issues:*

1. Wetlands determinations
2. Compliance with farm programs, including conservation programs
3. Agricultural loans (regardless of whether the loans are made or guaranteed by the USDA or made by a third party)
4. Rural water loan programs
5. Grazing on National Forest System lands
6. Pesticides
7. Other issues the USDA secretary of agriculture may consider appropriate

USDA has indicated that energy development mediation work is not allowable to the federal grant.

### Credit Review Board

The six-member North Dakota Credit Review Board establishes policy for NDMS. The current Board members are:

1. David Rustebakke, Chairman (Grand Forks) – Governor's Appointee
2. Paul Burtman (Williams) – Attorney General Appointee
3. Barry Hanson (Pembina) – Attorney General Appointee
4. Gerald Horner (Kidder) – Governor's Appointee
5. Michael Martin (Dickey) – Agriculture Commissioner's Appointee



6. Gerald Melvin (Cass) - Agriculture Commissioner's Appointee

2.3

**Program Certification**

USDA requires annual certification of state mediation programs (7 CFR §785.3). NDMS was recertified for Fiscal Year 2015 (October 1, 2014 through September 30, 2015).

**NDMS Staffing**

NDMS has two full-time/regular positions in Bismarck and two part-time/temporary positions located in remote home offices. NDMS' current staff roster is the following:

- Kari Doan, Administrator (Bismarck)
- Betty Schneider, Administrative Assistant (Bismarck)
- Jim Hoffert, Mediator/Negotiator (Rugby)
- Jim Jost, Mediator/Negotiator (West Fargo)

**Mediation Training**

NDMS staff members receive mediation training through the University of North Dakota Conflict Resolution Center. In order to be designated as a qualified mediator, NDMS staff members must attend a minimum of 40 hours of training regarding core mediation knowledge and skills, and complete a minimum of 20 hours of additional training during each two-year period (7 CFR § 785.2).

**Deer Depredation**

NDMS has not handled an official deer depredation case. NDMS mediated a case involving deer depredation, and was not involved in making any final determinations in the case.

For further program information, please contact:

Ken Junkert  
Acting Administrator  
North Dakota Mediation Service  
701-328-4756  
[kjunkert@nd.gov](mailto:kjunkert@nd.gov)

SB 2009  
# 3.1  
1-15-15

Good Morning Chairman Holmberg and members of the Senate Appropriations Committee.

For the record my name is Tom Lilja and I am the Executive Director of the North Dakota Corn Growers Association.

In March of 2014 the National Corn Growers Association (NCGA) and Los Alamos National Laboratory (LANL) solicited bids for a location for the newly formed National Agricultural Genotyping Center (NAGC). You may remember back in the mid 1990's when President Bill Clinton led a ceremony congratulating the medical community for successfully mapping the human genome. Since that time the genomes of different crops have been mapped. In 2009 the corn plant was successfully mapped at an investment of over \$32 million dollars. NCGA developed a relationship with Los Alamos to put to practical use this new roadmap for corn and other crops. Los Alamos developed a new method of genotyping that is more accurate, quicker, cheaper and can be constructed to detect over 20 pathogens in one test. The vision of the NCGA / LANL partnership is to make this technology readily available for multiple crops and livestock breeds. The potential impacts to food safety are profound. The National Agricultural Genotyping Center is what has resulted from this vision.

I wish to place into the record the 65 page bid proposal that was submitted by The North Dakota Corn Growers Association on July 1, 2014.

I will highlight the strong degree of support from North Dakota's agricultural community including 26 commodity, livestock and biosciences groups that all see the promise this new technology holds. Upon being selected as one of two finalists for this new lab, the lead consultant for the site selection process stated to me that "I'd like to compliment your well thought out proposal. You guys really viewed this as a state asset."

The financial commitments that were included in the July 1<sup>st</sup> proposal include:

\$1,000,000	North Dakota Corn Council
\$100,000	North Dakota Ag Products Utilization Commission

3-1

\$200,000	Northern Corn Development Corporation
\$200,000	North Dakota Soybean Council
<u>\$800,000</u>	North Dakota Dept. of Agriculture
\$2,300,000	

Additionally, upon receiving notice that North Dakota was one of two finalists we were able to secure additional funding by our August 5<sup>th</sup> & 6<sup>th</sup> site visit. Those financial commitments include:

\$100,000	North Dakota Farmers Union
<u>\$100,000</u>	CHS Foundation
\$200,000	

All of these funds totaling \$2,500,000 were contingent upon NAGC being sited in North Dakota. On August 29, 2014 Fargo was selected as the site for NAGC. I want to state that this selection would not have been possible without the support of this legislative body. The site selection committee that visited Fargo was very impressed with the new state of the art \$33.5 million dollar greenhouse facility and the \$2.64 million dollar Beef Cattle Research Complex, both recent investments. They were even more impressed with the quality of crop, livestock and food safety scientists and the collaborative nature of research being conducted in this region.

In the end I'm convinced that it was our people that the site selection committee chose. It was the people on all the above mentioned boards who made commitments to make this siting possible. In particular, Commissioner Goehring who showed tremendous leadership as we were finalizing our bid package.

This technology shows great promise for all of American agriculture, particularly in food safety. I would ask that you support Commissioner Goehring's request to include this \$800,000 in the ND Ag Department budget.

I would be happy to answer any questions that you may have.



#2

SB 2009

1-15-15



# NATIONAL AGRICULTURAL GENOTYPING CENTER

A SITE PROPOSAL



H-1



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## EXECUTIVE SUMMARY

The National Agricultural Genotyping Center (NAGC) is invited to make its home in North Dakota. Specifically, this proposal is a compilation of North Dakota-based government, public, and private entities who are collectively inviting the NAGC to launch its facility and operations in Fargo, N.D. This proposal confidently addresses all of the important required criteria, defined by the National Corn Growers Association and the Los Alamos National Laboratory, and offers a sturdy partnership that will ensure a successful launch and provide for the long sustainability of the NAGC.

Through the leadership of the North Dakota Corn Utilization Council and the North Dakota Corn Growers Association, this proposal identifies committed and requested funds for the NAGC Measured Growth Business Plan. Committed funds total \$1.5 million from the North Dakota Corn Utilization Council, the North Dakota Agricultural Products Utilization Commission, Northern Corn Development Corporation, and the North Dakota Soybean Council. An additional amount of \$800,000 has been requested from the North Dakota Department of Agriculture, which plans to include that amount in the Department's biennial budget starting on July 1, 2015, pending legislative approval. Support letters from the North Dakota Congressional Delegation, North Dakota Legislative Leaders, and Commodity Advocacy Organizations add to the North Dakota's commitment toward hosting the NAGC.

The Fargo, ND/Moorhead, Minn. metro area is a vibrant, growing community. The Fargo/Moorhead area boasts three, excellent institutions of higher learning, of which, North Dakota State University is a leading, land-grant, agricultural research and education institution. The Fargo/Moorhead area has a highly educated workforce capable of providing employment services for a Fargo-based NAGC. The number of college students, graduates, and post graduates in the Fargo/Moorhead area is substantial and growing to meet the needs of high technology companies, such as the proposed NAGC.

The Fargo/Moorhead area is home to Hector International Airport, which provides passenger and air freight services. Hector International has five national air carriers that fly into Fargo with up to 25 flights per day, 365 days per year. Hector International has North Dakota's longest runway capable of landing Boeing 747 aircraft. Airfreight parcel delivery, through primarily FedEx and UPS, is handled by contract air carriers daily. Ground transportation in and out of Fargo is efficient due to the benefit of having the intersection of U.S. Interstate highways I-29 and I-94.

This proposal highlights the opportunity to house the NAGC at the USDA, ARS, Red River Valley Agricultural Research Center campus in Fargo. The ARS Fargo campus is shown as an aerial view in Figure 1. The benefits for locating the NAGC at the ARS Fargo campus are; laboratory, office, and storage space is move in ready; simple revocable permit to rent 2,400 sq. ft. of Temporary space at an economical \$15.00/sq. ft./year; utilities and parking included in rent; standard laboratory hookups available; DS3 Internet connection available; permanent Target space is available for expansion; and independent operation of the NAGC is assured.



## NORTH DAKOTA RESOURCES

### Financial Resources

Under the leadership of the North Dakota Corn Utilization Council, entities from the state of North Dakota have unified to provide financial resources to develop a National Agricultural Genotyping Center in Fargo, N.D. The financial resources firmly committed for a Fargo-based NAGC totals \$1.5 million. Additional financial resources have been requested as a one-time, budget item from the North Dakota Department of Agriculture.

The North Dakota Corn Utilization Council has committed \$1 million for a Fargo-based NAGC. The funding breakdown includes \$200,000 for two board seats on the NAGC board of directors and includes \$800,000 in grant funds to be utilized by the NAGC to launch and develop a Fargo-based genotyping laboratory as described in the NAGC business plan. (Table 1) A letter detailing the financial commitment by the North Dakota Corn Utilization Council can be found in Appendix I.

The North Dakota Department of Commerce has committed \$100,000 in the form of a grant for a Fargo-based NAGC. (Table 1) This funding will be provided by the North Dakota Agricultural Products Utilization Commission. The Commission strives to create wealth and jobs within the state of North Dakota through the development of new and expanded uses of North Dakota's agricultural products through a grant program. A letter detailing the financial commitment from the Commission to the North Dakota Corn Growers Association the use of grant funds for the development of a Fargo-based NAGC can be found in Appendix II.

Northern Corn Development Corporation has committed \$200,000 in the form of prepaid research services to a Fargo-based NAGC. (Table 1) Northern Corn Development Corporation (NCDC) was incorporated in 2009 to initiate and develop corn-related research for the benefit of the region's agricultural community. The corporation was formed with participation a2017.nd governance from the North Dakota Corn Utilization Council, Keystone Agricultural Producers (Manitoba Canola Council), the Minnesota Corn Utilization and Promotion Council, and the South Dakota Corn Council. NCDC led the effort to launch Northern Plains Nitrogen, a North Dakota-based ammonia products manufacturing project. A letter detailing the financial commitment from NCDC to a Fargo-based NAGC can be found in Appendix III.

The North Dakota Soybean Council has committed \$200,000 in the form of a soybean research-oriented grant for a Fargo-based NAGC. (Table 1) The funds are to be utilized within one year from July 1, 2014 through June 30, 2015. The funds may be used for salaries, supplies, and laboratory rental fees. Funds must be utilized for soybean research. The soybean research field is rich with opportunities for utilizing genotyping in improved breeding and improved disease prevention. A letter detailing the financial commitment from the North Dakota Soybean Council to a Fargo-based NAGC can be found in Appendix IV.

The North Dakota Department of Agriculture will be including \$800,000 in grant funding for a Fargo-based NAGC in its department budget for the biennium starting on July 1, 2015, through June 30, 2017. All state government functions submit budgets to the North Dakota state legislature and the North



## NORTH DAKOTA RESOURCES

### Financial Resources

Dakota governor's office prior to the North Dakota state legislative session that occurs for an 80 day period every two years. North Dakota's bicameral legislative session meets every other January and usually wraps up legislation by mid-April. The Governor's budget guidelines and state agencies will be submitting their proposed budgets to the Office of Management and Budget in July, 2014 for the upcoming January 2015 legislative session. Once approved by the legislature and the Governor, appropriations are made starting on July 1<sup>st</sup> following the legislative session. A letter of support from the North Dakota Agricultural Commissioner for a Fargo-based NAGC can be found in Appendix V. A letter of support from the legislative leadership in both the North Dakota Senate and the North Dakota House of Representatives can be found in Appendix VI.

Source of Funds	Type of Funds	Funds Amount	Committed
ND Corn Utilization Council	Grant	\$800,000	Yes
ND Corn Utilization Council	Board Seats	\$200,000	Yes
ND Ag Products Utilization Comm.	Grant	\$100,000	Yes
Northern Corn Development Corporation	Prepaid Research	\$200,000	Yes
ND Soybean Council	Grant/Soy Research	\$200,000	Yes
ND Department of Agriculture	Grant	\$800,000	Requested

Total Funds Identified from ND

\$2,300,000

Table 1: NAGC Funding from North Dakota Entities.

Note: All funds, except board seat funding, are contingent upon Fargo site selected for the NAGC.

If Fargo, N.D. is selected for a site visit, the North Dakota Corn Utilization Council will continue in its efforts to secure additional funding from public and private organizations. At present, the funding secured for the NAGC is adequate to finance the NAGC Measured Growth Business Plan cash needs of \$2.2 million for start-up and operation of the NAGC until it becomes cash-neutral in the third quarter of its third year of operation.

## NORTH DAKOTA RESOURCES

### Financial Resources Summary

The North Dakota proposal to locate the NAGC in Fargo, N.D. has financing committed and requested to be adequate to finance the NAGC Measured Growth Business Plan. The committed portion totals \$1.5 million and the North Dakota Corn Utilization Council has confidence that an additional \$800,000 from the North Dakota Department of Agriculture will be available after the upcoming 2015 North Dakota legislative session based upon receiving the support letter from the North Dakota legislative leaders. (Appendix VI) A Fargo-based NAGC is planned to have \$2.3 million at the minimum upon starting its operation in December 2014.

### Human Resources

Fargo is the largest city in North Dakota with a population of 113,658.<sup>i</sup> Fargo is the seat of Cass County. The city is the focus of a metropolitan statistical area that extends over Cass County, N.D. and Clay County, Minn., where Fargo's sister city, Moorhead, is located on the east side of the Red River border that separates North Dakota and Minnesota. Moorhead, Minn. has a population of 39,398 and is the county seat of Clay County. Both cities were founded by the Northern Pacific Railway, where over time, the combined metropolitan area became an important transportation and marketing hub for the surrounding prolific agricultural commodity growing region.

The Fargo, N.D./Moorhead, Minn. metro area is home to a wide range of biotechnology, engineering, agribusiness, healthcare, and financial services businesses. With business activity at an all-time high, the unemployment rate in the Fargo/Moorhead metro region was at 2.8% as of May of 2014. One year prior, the rate was 3.5%. The Fargo/Moorhead area has a total labor force of 123,202 with 119,797 currently employed. The average annual worker salary in Cass county North Dakota is \$44,252/year and is \$34,632/year in Clay county Minnesota. Average annual worker salaries in both counties saw a 5% increase in wages for the most recent year from 2013.

According to the U.S. Census Bureau, the population in the Fargo/Moorhead metro area is well educated. The Census Bureau reported in 2012 that 94.9% of the population over the age of 25 had graduated from high school, 37.1% had attained a higher education bachelor's degree or higher degree, and 11.4% of the population attained a graduate or professional degree.<sup>ii</sup> In comparison, the United States has 85.7% of its population over the age of 25 that had graduated from high school and had 28.5% of its population that had attained a bachelor's degree or higher degree.<sup>iii</sup>

## NORTH DAKOTA RESOURCES

### Human Resources Continued

Today, the Fargo area is known around the world as an agri-business and agricultural research center. Science, technology, engineering, and mathematics employment in Fargo has increased nearly 40% since 2001, dramatically higher than the 3% rise experienced by the rest of the U.S. Fargo leads all other U.S. metro areas in the growth of mid-skilled jobs to employees with two year and certificate post-secondary degrees.<sup>iv</sup> The Greater Fargo Moorhead Economic Development Corporation conducted a detailed study of the area population and found that in 2010 there are 17,089 individuals in the area with bachelor degrees, 5,432 with master's degrees, 756 with professional degrees, and 698 with doctorate degrees.<sup>v</sup>

The Fargo/Moorhead area is home to three sizeable institutions of higher learning; North Dakota State University, Fargo, Minnesota State University, Moorhead, and Concordia College, Moorhead. Together, these three institutions have nearly 25,000 students studying a wide range of pursuits. North Dakota State University, in particular, has disciplines in the sciences and agriculture that will apply directly toward staffing and augmenting a Fargo-based NAGC. Table 2 shows the number of students enrolled by major in the various disciplines at North Dakota State University.

NDSU Major	Enrolled Students		
NAGC Related Discipline	Undergrads	Masters	Ph.D.
Agricultural and BioSystems Engineering	97	5	6
Animal Sciences	106	18	7
Biochemistry and Molecular Biology	34		
Biotechnology	53		
Botany	3	2	
Chemistry	52	4	24
Crop and Weed Science	95		
Equine Science	47		
Food Safety	2	11	2
Food Science	31		
Horticulture	37	2	
Microbiology	125	11	
Soil Science	7	8	1
Zoology	286	8	5
Total Enrollment	975	69	45

Table 2: NDSU Enrolled Students in NAGC Related Disciplines – 2013-2014 Academic Year



## NORTH DAKOTA RESOURCES

### Human Resources Continued

North Dakota has established a State Board of Agricultural Research & Education that prioritizes the types of agricultural research that should be funded by the North Dakota State Legislature. The upcoming 2015-17 biennium legislative session will receive the State Board's number one request, a \$1.2 million appropriation for Bioinformatics personnel to be located at North Dakota State University. The number six priority from the State Board is the funding of a \$1.3 million Animal Sciences Genetics and Genomics Initiative for the areas of Epigenetics, Statistical Genomics, and Metagenomics. The North Dakota State Board of Agricultural Research & Education priorities can be found in Appendix VII.

The State Board of Agricultural Research & Education has recommended that a total of 23 new agricultural research science positions be created through program initiatives and funding through North Dakota legislative appropriations. It should be noted that the North Dakota legislature, in its last two sessions, appropriated \$28.5 million for North Dakota State University's new BIO Level Security 2 and 3 Greenhouse and appropriated \$2.64 million for a new Beef Research Center at North Dakota State University. Targeted past appropriations and legislative commitments for future appropriations under consideration demonstrate that the State of North Dakota has the highest degree of confidence that it has and will continue to attract the highest caliber of agricultural researchers who embrace the State's commitment for advancing agricultural research and development.

### Human Resources Summary

The Fargo, N.D. region has a highly educated workforce that includes significant numbers of potential NAGC candidates who have the necessary credentials to become qualified, experienced, and competent employees. Also, the land grant university, North Dakota State University, has curricula, staff, and students working and studying within the disciplines that will be required to successfully staff the NAGC. With excellent support from the North Dakota State Government regarding the staffing and funding of agricultural research and development, a Fargo-based NAGC will have the opportunity to secure top quality personnel from the industries and institutions in the area.

### Sample Shipment Resources

Hector International Airport property is less than one mile from the proposed Fargo-based NAGC location. The airport has five airlines to service passenger and freight requirements. The airport is the destination for air freight aircraft that service regional hubs for FedEx and United Parcel Service (UPS). FedEx has pickup and delivery service with aircraft at least once per day at Hector International Airport where airfreight shipments from Fargo are shipped to a FedEx regional hub in Grand Forks, N.D., approximately 75 miles north of Fargo.

## NORTH DAKOTA RESOURCES

### Sample Shipment Resources Continued

UPS has pickup and delivery service using contracted aircraft at Hector International Airport where Air freight shipments from Fargo are shipped to a UPS regional hub in Sioux Falls, S.D., approximately 200 miles south of Fargo. FedEx and UPS also offer ground transportation for freight to and from Fargo, N.D. as well. Other shipment resources include the United States Postal Service and DHL Express.

### Internet Technologies Resources

The proposed Fargo-based NAGC location at the USDA, ARS, Red River Valley Research Center has robust, redundant internet connectivity. The location has a DS3 (Digital Signal Level 3) connection, which refers to the digital signal or logical capacity of information traffic of 44.736 Mb/s. The ARS, Red River Valley Research Center DS3 circuit provides reliable, dedicated connection or Internet access as well as other applications including email, web hosting, file sharing, data backup, video, and virtual private network access. DS3 connectivity is superior to cable for DSL access due to higher bandwidth speeds, better uptime, and fewer repairs required. The proposed Fargo-based NAGC location has excellent Internet technological infrastructure.

### Laboratory Location Resources

The Fargo-based NAGC preferred location is the USDA ARS Red River Valley Agricultural Research Center Location, Building #5, 2,400 sq. ft. laboratory space. Overhead layout diagrams are provided in Appendix VIII. A very attractive feature of the ARS laboratory space is that the space is ready for occupancy as a laboratory, offices, and storage space. Little if any retrofitting is required to become functional and operational. USDA, ARS management has stated that the 2,400 sq. ft. area can be painted and can have exterior windows installed in the laboratory area. This laboratory, office, and storage space is available for \$15.00/sq. ft. per year.

The USDA, ARS laboratory, office, and storage space in Fargo is available under the terms of a five (5) year, renewable revocable permit. (Appendix IX) The space available is comprised of 70% laboratory space, 15% of office space and 15% of storage space. The revocable permit is remarkably simple and would provide a Fargo-based NAGC facility with economical, functional space with expansion potential.

The laboratories are move-in ready at this time. The USDA, ARS, Red River Valley Agricultural Research Center management has stated that cosmetic improvements can be made to the laboratory spaces along with installing exterior windows for improved natural lighting. The wet laboratory spaces available are designed where chemicals, drugs, or biological materials are tested and analyzed. The laboratories have been built with water; specialized gases; individual air handling and ventilation; and multiple electrical power connections. The laboratories are equipped with fume



## NORTH DAKOTA RESOURCES

### Laboratory Location Resources Continued

laboratory benches, shelf storage, bench storage, and space for analytical equipment along with refrigerators and freezers.

A key facility feature of the USDA, ARS, Red River Valley Agricultural Research Center laboratory space is electrical power sustainability. The Center has a diesel-powered back-up generator to provide emergency electrical power. The back-up generator is tested monthly and is adequate to supply all electrical power needs for the entire Center. Another facility feature is that Internet service at the Center has been designed for the highest reliability and redundancy to ensure maximum connectivity.

The proposed Fargo-based NAGC facility is located on U.S. government property that is located within the North Dakota State University main-campus complex. The northwest corner of NDSU's campus complex is home to the RedHawks baseball stadium and the 22,000 seat FARGODOME stadium. To the north of the proposed Fargo-based NAGC facility are a number of newly-built hotels and restaurants. The main terminal of Hector International Airport is a short drive only minutes northwest of the proposed NAGC facility.

Aesthetically, the Red River Valley Agricultural Research Center campus boasts an attractive building complex, ample parking, and appealing green space. The Center will provide the NAGC staff with available amenities such as conference rooms, smaller meeting rooms, and a common lunchroom. The Center provides for facility maintenance, lawn care, and snow removal. More than adequate parking will be available for NAGC staff just a few steps from the proposed Fargo-based NAGC facility.

The Center's offer to house the NAGC is designed to meet current and future needs for the NAGC. The initial 2,400 sq. ft. space available for the proposed Fargo-based NAGC facility has been designed as Temporary Quarters with Revocable Permit. The Revocable Permit term is for five years. Within that time five-year span, it is contemplated by the North Dakota Corn Growers Association that a Fargo-based NAGC will need to expand due to increased facility requirements. The Red River Valley Agricultural Research Center campus has a free standing 14,000 sq. ft. facility with 6,000 sq. ft. available for NAGC use. The Center expansion space is known as Target Space with Lease and Renovations. (Appendix X)

The proposed Temporary and Target NAGC Fargo-based locations are considered by the North Dakota Corn Utilization Council and the USDA, ARS, Red River Valley Agricultural Research Center to be ideal locations for the NAGC due to the interaction among scientists in the genomics field and other scientific fields within the Fargo ARS and NDSU campuses. It should be emphasized that the Council and Center both recognize that the NAGC will be a self-governing, private, non-profit corporation that operates independently from the USDA, ARS, and from NDSU. However, the NAGC, the USDA, ARS, and NDSU will benefit greatly from mutual scientific interaction, communication, and support.

## NORTH DAKOTA RESOURCES

### Laboratory Location Resources Continued

The North Dakota Congressional Delegation of Senator John Hoeven, Senator Heidi Heitkamp, and Representative Kevin Cramer have provided their collective interest in locating the NAGC at the USDA, ARS campus in Fargo, N.D. (Appendix XI) Agricultural interests in North Dakota have enjoyed the active support of their federal Congressional delegation. The North Dakota Corn Utilization Council believes that a Fargo-based NAGC will have on-going opportunities to communicate directly with the North Dakota Congressional Delegation on matters directly related to the NAGC.

Also, the North Dakota Legislative Leadership has provided its bi-partisan support letter indicating collective interest in locating the NAGC in North Dakota. (Appendix VI) The North Dakota legislature has been very proactive in support of North Dakota-based agricultural research and development. By receiving a letter of interest from the North Dakota Legislative Leadership seeking agricultural research ideas and input from the NAGC, the North Dakota legislature has opened the door of communication for the NAGC for future growth.

A cumulative list of benefits in locating the NAGC within the USDA, ARS, Red River Valley Agricultural Research Center campus is shown in Table 3:

Features	Benefits
Move-in Ready Lab – 2,400 sq. ft.	Minimal Facility and Business Ramp Up Time
Revocable Permit Documentation	Simple, Cost Effective Documentation
Annual Lease Rate of \$15/sq. ft./year	Cost Effective, Competitive Lease Rate
Conference Rooms, Lunch Room, Meeting Areas	Pleasant, User Friendly Environment for Staff
Refrigeration/Freezing Space	Quick, Flexible Installation of Refrigeration/Freezers
Electrical and Water Utilities Provided	Reduces Occupancy Costs/Improves Utility Service
Expansion Room Available – 6,000+ sq. ft.	Minimum Disruption for Expansion/Cost Effective
Adjacent to ARS Wheat Genomics Lab in Complex	Communication with Genomics Colleagues
Robust, Redundant, High Capacity IT Connectivity	Improved Data Communications and Storage
Secure Facility	Secure Intellectual Property and Staff Safety
Lease Only Agreement	Guarantee NAGC Independent Operation
Within NDSU Campus Complex	14 Crop Breeding/6 Animal Breeding Programs
Parking Access	Free Parking for Staff Very Close to Labs

Table 3: Feature and Benefits of a Fargo-based NAGC facility at the USDA, ARS Campus



## NORTH DAKOTA RESOURCES

### Cost of Living Index

The Fargo-area Cost of Living Composite Index as of January 2014 was 94.2. The Cost of Living Index is quarterly compiled by the Council for Community and Economic Research that measures relative price levels for consumer goods and services in areas of the U.S. The average for all of the participating areas equals 100, and the Fargo-area Cost of Living Index is given as a percentage of the average for all measured areas. Table 4 shows the Fargo cost of living index for grocery, housing, utilities, transportation, health care, other services, and overall composite indexes. Table 4 also shows comparative metropolitan area cost of living indexes.

Areas	Indexes						
City, State	Composite	Grocery	Housing	Utilities	Transport	Health Care	Other
Fargo, ND	94.2	102.1	83.6	89.6	95.4	111.3	97.7
Minot, ND	105.3	92.9	113.3	76.8	110.7	111.1	110.2
Mpls, MN	108.8	116	111.7	99	105.7	97.7	109.2
San Jose, CA	152.8	111.6	265.7	119.4	115	113.7	106.2
Chicago, IL	113.4	93.9	134.7	97.9	120.2	96.8	108.4
Denver, CO	105.2	92.8	115.2	102.5	101.9	107.9	103.7
Portland, OR	116.1	101.8	138.1	93.7	116.2	114.6	110.9
Boise, ID	93.4	87.9	86.5	86.6	107.6	106.3	96.4

Table 4: Cost of Living Index for Fargo, ND area and Comparison Areas

Source: ACCRA Cost of Living Index

The cost of living index in the Fargo area for health care and groceries are higher than the national average, while the cost of living indexes for housing, utilities, transportation, other services, and overall composite scores are lower than the national average. The Fargo, N.D. area has a favorable cost of living index that is lower than the U.S. national average.

### Agriculture's Importance to the Region's Economy

North Dakota is a state with prolific agricultural production. The state has 39,262,613 acres in farmland. Of those farms, 27,147,240 acres were utilized for cropland and the other acres were used primarily for grazing.<sup>vi</sup> North Dakota is the number one producer of hard red spring wheat with production in 2013 of 235,290,000 bushels produced on 5.1 million acres. North Dakota also produced a diverse amount of crop commodities, livestock, turkeys, and honey in 2013 as shown in Tables 5 and 6. Of particular interest is that North Dakota ranks #1 in production output in Spring Wheat, Durum Wheat, Barley, Dry Beans, Canola, Flaxseed, Dry Peas, Sunflowers, and Honey. North Dakota also ranks high in the production of Lentils, Potatoes, Soybeans, Sugar beets, and Beef Cattle.<sup>vii</sup> (Appendix XII)

## NORTH DAKOTA RESOURCES

### Agriculture's Importance to the Region's Economy Continued

Commodity – State Rank	Production	Acres
Spring Wheat - #1	235,290,000 bu	5,100,000
Durum Wheat - #1	29,645,000 bu	795,000
Winter Wheat	8,815,000 bu	220,000
Barley - #1	46,080,000 bu	760,000
Dry Beans - #1	7,095,000 cwt	430,000
Canola - #1	1,665,300,000 lb	920,000
Corn	396,000,000 bu	3,600,000
Flaxseed - #1	2,920,000 bu	150,000
Hay - #14	5,090,000 tons	2,620,000
Lentils - #2	1,764,000 cwt	129,000
Oats - #3	8,370,000 bu	225,000
Potatoes - #4	22,620,000 cwt	81,000
Dry Peas - #1	5,740,000 cwt	295,000
Soybeans - #7	138,600,000 bu	4,650,000
Sugar beets - #3	5,693,999 tons	227,000
Sunflowers - #1	608,000,000 lb	499,000

Table 5: 2013 Major Crop Production in North Dakota

Livestock and Honey – State Rank	Number
Beef Cattle - #16	1,759,000 head
Milk Cows and Heifers	31,000 head
Hogs	135,000 head
Sheep	74,000 head
Bison	9,560 head
Elk	2,065 head
Turkeys	419,319 birds
Honey - #1	29,193,610 lb

Table 6: 2013 Livestock, Turkeys, and Honey Production in North Dakota

Abundant agricultural production in North Dakota has been the impetus for a number of agribusinesses to be established in the state. The North Dakota Trade Office has compiled a list of 45 North Dakota-based companies that are engaged in exporting commodities and manufactured goods to foreign customers.<sup>viii</sup> The state is home to the North Dakota State Mill and Elevator, the largest free standing wheat-based mill in North America. North Dakota is home to four sizeable ethanol producers including Tharaldson Ethanol, Casselton, N.D., Red Trail Energy, LLC, Richardton, N.D., Blue Flint Ethanol, Underwood, N.D., and Hankinson Renewable Energy, Hankinson, N.D. Together, the North Dakota ethanol facilities process 140 million bushels of corn to produce 360 million gallons of ethanol annually.



## NORTH DAKOTA RESOURCES

### Agriculture's Importance to the Region's Economy Continued

Food processing is North Dakota's most important manufacturing industry. Major food products include bread, frozen dough, pasta, frozen potato products, sugar, honey, vegetable oils, and meat products. The second most important manufacturing industry is the production of agricultural and construction machinery.<sup>ix</sup> Most of North Dakota's food processors are members of the Pride of Dakota<sup>®</sup> organization, an initiative of the North Dakota Department of Agriculture. A review of the food processors membership roster that contains members of Pride of Dakota<sup>®</sup> reveals the wide breadth of commodities grown and processed within the state of North Dakota.<sup>x</sup>

North Dakota is home to Golden Growers Cooperative, owners of the Pro Gold corn wet milling facility located near Wahpeton, N.D. Cargill is the leasehold operator of the facility, which grinds 85,000 bushels of corn per day and produces high fructose corn syrup, corn feed, and corn germ products. Cargill also owns and operates one of the world's largest malting plants that is located in Spiritwood, N.D. Cargill and ADM also own and operate oilseed crush facilities in the state. Cargill recently renovated their West Fargo, N.D. multi-commodity crush facility. ADM operates a sunflower crush facility in Enderlin, N.D. and a canola crush facility in Velva, N.D.

Overall, however, North Dakota is primarily engaged in production agriculture where most of the commodities produced are exported out of the state. The emphasis on crop and livestock production as the state's major industry means that agricultural inputs and processes are extremely important. Therefore, North Dakota hosts dozens of seed, chemical, machinery, and ag consulting companies headquartered in North Dakota, other states, and around the world.

Attached in Appendix XIII is a support letter signed by all of the state or nationally sponsored commodity advocacy groups active in North Dakota. Individually, the Minnesota Corn Growers Association has supplied its own support letter as shown in Appendix XIV. All of the signatories of the support letter have relationships with growers, traders, exporters, processors, and marketers of North Dakota commodities. The commodity groups listed in the support letter represent and interact with a wide array of potential NAGC clients. It is exciting and gratifying to receive the broad based support of such a variety of commodity organizations.

### Land Grant University Support

Attached in Appendix XV is a support letter from the president of North Dakota State University, Dr. Dean Breschiani. North Dakota State University is engaged in all levels of agricultural research. Of note, North Dakota State University recently added a Food Safety curriculum to its array of agricultural and agribusiness studies. North Dakota State University offers bachelor level degrees in Biotechnology that compliments the range of agricultural and agribusiness disciplines at the University.



## NORTH DAKOTA RESOURCES

### Airport Proximity

Hector International Airport's entrance road is located to the West-North-West of the USDA ARS site at a distance of approximately 3 miles. Flight departures (and arrivals) average 25 flights per day on five airline carriers; Allegiant, American, Delta, Frontier, and United Airlines. The airport is the destination for air freight aircraft that service regional hubs for FedEx and United Parcel Service (UPS).

FedEx has pickup and delivery service with contracted aircraft at a minimum of once per day at Hector International Airport. FedEx airfreight shipments from Fargo are shipped to a FedEx regional hub in Grand Forks, N.D., approximately 75 miles north of Fargo. UPS has pickup and delivery service using contracted aircraft at Hector International Airport. UPS airfreight shipments from Fargo are shipped to a UPS regional hub in Sioux Falls, S.D., approximately 200 miles south of Fargo. FedEx and UPS offer ground freight transportation in and out of Fargo, N.D. as well. Airfreight shipment resources from Fargo also include the United States Postal Service and DHL Express.

Two sections of land within Hector International Airport, operated by the Fargo Municipal Airport Authority, have been classified as U.S. Foreign Trade Zone No. 267- Fargo. Foreign and domestic merchandise can be moved into the Zone for operations that include storage, exhibition, assembly, manufacturing, and processing to minimize trade duties and taxation. Custom duties and excise taxation are paid when products leave the Zone for consumption.

### Business Development Infrastructure Resources

North Dakota is well known for its business friendly attitude. In 2013, CNBC ranked North Dakota #3, out of 50 states, for friendly business climate by measuring 51 business factors.<sup>xi</sup> Forbes, in September 2013, ranked North Dakota #2 in Best States for Business.<sup>xii</sup> A major strategic focus for the NAGC is the development of for-profit business entities. Resources within the state of North Dakota would be available for business development assistance to attain the necessary supply of human and financial capital necessary to launch and sustain NAGC for-profit businesses.

North Dakota has its Department of Commerce geared to work with start-up enterprises as well as with business expansion projects. The Department of Commerce collaborates with its eight Regional Economic Development Commissions, Community Economic Development Entities, Federal Finance Programs, and with Regional Job Development Authorities within North Dakota to formulate business assistance programs for North Dakota-based enterprises.<sup>xiii</sup> North Dakota also is home to private Economic Development and Business Development Consulting Firms that focus on agribusiness development. North Dakota-based private consulting firms have successfully assisted in the development of dozens of successful agribusinesses, some of whom have grown to be acquired by multinational corporations.

## NORTH DAKOTA RESOURCES

### Business Development Infrastructure Resources Continued

Unique to North Dakota is the state-owned Bank of North Dakota. The Bank of North Dakota participates with lead banks to supply debt financing resources. The Bank of North Dakota has a number of interest buy-down programs to assist in maximizing cash flow at the start-up of new enterprise or expanding enterprise business operations.<sup>xiv</sup> North Dakota has a roster of state tax incentives that are very attractive for North Dakota investors and North Dakota companies. By utilizing tax incentives, North Dakota-based enterprises can attract capital and improve cash flow by lowering tax liabilities compared to most other states.<sup>1</sup>

The NAGC will need the best planning, financial resources, and human resources available to launch, develop, and successfully operate its for-profit businesses. The North Dakota Corn Growers Association, along with its public and private supporters, believe that North Dakota is the optimum state to launch and sustain new non-profit and for-profit business units. Also, the state of North Dakota, the North Dakota Corn Growers Association, and affiliated organizations recognize that the NAGC is an independent entity and will respect and protect independence throughout the development process.

### Summary

North Dakota is a great place to launch a new business. This is especially true for agriculturally-based businesses, due to the intense emphasis that is placed upon agricultural production in the state of North Dakota. The NAGC would have a high degree of visibility in the state of North Dakota due to the NAGC's mission to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy, and national security. As an independently operating entity, the NAGC, based in North Dakota, would have direct communication access with federal and state elected officials, a wide compliment of commodity organizations, the North Dakota University System, private firms in North Dakota operating worldwide, and with the USDA Agricultural Research Service.

The NAGC is invited to base its operations in North Dakota for the opportunity to provide services for the widest range of crop commodities, livestock, and apiary producers, researchers, and commodity groups in the nation. The NAGC is invited to take advantage of the benefits of locating in North Dakota: The Best Value in Agribusiness Development and Sustainability.



## REFERENCES

- <sup>i</sup> U.S. Census Bureau, State and County Quick Facts, Fargo and Moorhead Quick Facts, Estimate for 2013, <http://quickfacts.census.gov/qfd/states/38/3825700.html>
- <sup>ii</sup> U.S. Census Bureau, American Fact Finder, 2012 American Community Survey 1-Year Estimates, May 27, 2014.
- <sup>iii</sup> U.S. Census Bureau, State and County Quick Facts, USA Quick Facts, Estimate for 2012, <http://quickfacts.census.gov/qfd/states/00000.html>
- <sup>iv</sup> Forbes Magazine, No Joke: It Couldn't Get Much Better in Fargo, Joel Kotkin, April 11, 2014, <http://www.forbes.com/sites/joelkotkin/2014/04/11/no-joke-it-couldnt-get-much-better-in-fargo/>
- <sup>v</sup> Greater Fargo Moorhead Economic Development Corporation Study, Conducted by Research 360, 2010.
- <sup>vi</sup> USDA, Census for Agriculture, 2012 Volume 1, Chapter 2, Table 1 – State Summary Highlights, [http://www.agcensus.usda.gov/Publications/2012/Full\\_Report/Volume\\_1\\_Chapter\\_2\\_US\\_State\\_Level/st99\\_2\\_001\\_001.pdf](http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1_Chapter_2_US_State_Level/st99_2_001_001.pdf)
- <sup>vii</sup> USDA, NASS, Ranking North Dakota Agriculture, March 2013, North Dakota's Top Agricultural Commodities, [http://www.nass.usda.gov/Statistics\\_by\\_State/North\\_Dakota/Publications/Top\\_Commodities/rel/rank0313.pdf](http://www.nass.usda.gov/Statistics_by_State/North_Dakota/Publications/Top_Commodities/rel/rank0313.pdf)
- <sup>viii</sup> North Dakota Trade Office, North Dakota USA, Agribusiness Catalog, <http://ndto.com/wp-content/uploads/ND-Ag-Catalog-English-May2010-LoRes.pdf>
- <sup>ix</sup> North Dakota Economy, May 5, 2014, [http://www.netstate.com/economy/nd\\_economy.htm](http://www.netstate.com/economy/nd_economy.htm)
- <sup>x</sup> North Dakota Department of Agriculture, Pride of Dakota Members, <http://www.prideofdakota.nd.gov/members/categories/food-and-beverage/>
- <sup>xi</sup> CNBC, America's Top States for Business 2013, <http://www.cnbc.com/id/100824779>
- <sup>xii</sup> Forbes, North Dakota - #2 Best States for Business, September 2013, <http://www.forbes.com/places/nd/>
- <sup>xiii</sup> North Dakota Department of Commerce Website, <https://www.commerce.nd.gov/>
- <sup>xiv</sup> Bank of North Dakota Website, <http://banknd.nd.gov/>
- <sup>xv</sup> North Dakota Tax Department, Incentives, Website, <http://www.nd.gov/tax/taxincentives/toggle.html>



**APPENDIX I**

**ND Corn Utilization Council  
Commitment Letter**



Dr. Richard Vierling  
Director of Research and New Uses  
National Corn Grower Association  
632 Cepi Drive  
Chesterfield, MO. 63005

Dear Dr. Vierling;

The North Dakota Corn Utilization Council (NDCUC) is excited about the opportunity to support the submission of a bid package to locate the National Agricultural Genomic Center (NAGC) in Fargo, North Dakota. As a Council we have placed a very high priority on Research and Business Development. We have encouraged and supported our members and state staff to serve on national level committees. We believe in the purpose and the mission of the NAGC and we feel North Dakota is in an excellent position to host and help foster the lab.

As you know the NDCUC had previously committed \$150,000 towards the purchase of a board seat to the NAGC and during our March 19, 2014 board meeting increased that another \$50,000 to acquire a second seat to the board. At the same time the NDCUC Council approved an additional \$800,000 funding to the project if the NAGC is located in North Dakota. The support from our Council and staff is strong in developing the relationship with the NAGC.

We sincerely believe the opportunities in Fargo, North Dakota will work well for siting the NAGC. We believe the relationships that will be developed and fostered will greatly benefit the crop and livestock industries as a whole. North Dakota has a rich history of developing and fostering entities like the NAGC. We look forward to the process and wish you the RBDAT committee making the best decision.

Sincerely,

A handwritten signature in blue ink that reads "Tom Lilja".

Tom Lilja  
Executive Director  
North Dakota Corn Utilization Council

1411 32nd St S, Suite 2 • Fargo, ND 58103

Phone: 701 364 2250 • Toll-free: 800 657 8097 • Fax: 701 298 7810 • Web: [www.ndcorn.org](http://www.ndcorn.org)



## APPENDIX II

### ND Ag Products Utilization Commission Commitment Letter

June 26, 2014

North Dakota Corn Utilization Council  
Tom Lilja, Executive Director  
1411 32<sup>nd</sup> St. S.  
Fargo, ND 58103

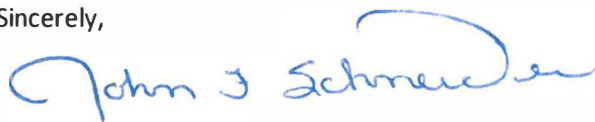
Dear Tom,

The North Dakota Agricultural Products Utilization Commission (APUC) approved a grant for \$100,000 at their May meeting for the development of a National Agricultural Genotyping Center. The funding is for fiscal year 2015 (July 1, 2014 through June 30, 2015).

- This funding is contingent on the center being located in North Dakota
- Grant funds can be used for salaries, equipment, supplies and travel costs.
- Grant funds can't be used for infrastructure costs.
- Funds shall not be used for the purpose of influencing governmental policies or actions.

We will advance the first half of the funds once we have received confirmation that the National Agricultural Genotyping Center will be located in North Dakota.

Sincerely,



John F Schneider  
Executive Director

## APPENDIX III

### NCDC Commitment Letter





June 24, 2014

Kim Swenson  
President, North Dakota Corn Growers Association  
10540 34<sup>th</sup> St. NE  
Lakota, ND 58344

Dear Kim:

I am pleased to confirm Northern Corn Development Corporation (NCDC) at our board meeting on June 24<sup>th</sup>, 2014, has committed \$200,000 for research at the National Genomics Lab should the North Dakota Corn Growers proposal be selected by the National Corn Growers Association.

NCDC is a nonprofit development corporation who's purpose is to help farmers commercialize technology that results from research they have funded through check off dollars. We are pleased that our first effort has resulted in sale of intellectual property to a farmer based group interested in building a nitrogen fertilizer plant in North Dakota that will use natural gas from the Bakken oil field. NCDC aggregated over \$1,000,000 in funding from three states and a Canadian Province to conduct this research. The pay out to farmers will be a dramatic savings in the price per ton of fertilizer based on the reduction of transportation costs.

We hope to bring this same level of innovation and application to research the National Genome Center will conduct. We think we can develop a sturdy working partnership with the National Center that will serve farmers well far into the future.

If you have any questions regarding this commitment, please do not hesitate to contact me or NCDC's consultants Dr. Neil Doty or Bill Patrie.

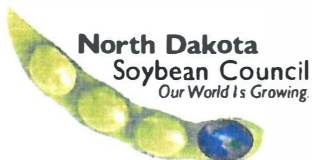
Sincerely,

Kevin Skunes  
Chairman

**APPENDIX IV**

**ND Soybean Council  
Commitment Letter**





1555 43rd Street S, Ste 103 • Fargo, ND 58103 • Tel: 701.239.7194  
Free: 888.469.6409 • Fax: 701.239.7195 • [www.ndsoybean.org](http://www.ndsoybean.org)

June 25, 2014

North Dakota Corn Utilization Council  
Tom Lilja, Executive Director  
1411 32<sup>nd</sup> St. S.  
Fargo, ND 58103

Dear Tom,

The North Dakota Soybean Council has approved funding in the amount of \$200,000 for soybean research at the National Agricultural Genotyping Center. The funding is for fiscal year 2015 (July 1, 2014 through June 30, 2015).

- The funding is contingent on the center being located in North Dakota.
- All funds must be utilized for soybean research.
- Funds may be used for salaries, supplies, and laboratory rental fees.
- No equipment shall be purchased with the funds.
- Funds shall not be used for the purpose of influencing governmental policies or actions.

A funding contract will be initiated upon confirmation that the National Agricultural Genotyping Center being located in North Dakota.

Sincerely,

Kendall Nichols  
Director of Research Programs

**APPENDIX V**

**ND Department of Agriculture  
Support Letter**



STATE OF NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE  
600 E BOULEVARD AVE, DEPT 602  
BISMARCK, ND 58505-0020

DOUG GOEHRING  
COMMISSIONER

June 27, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling:

I am writing in support of the National Corn Growers Association bid for the new National Agricultural Genomics Center to be hosted at the USDA-ARS Research facility in Fargo, ND on the North Dakota State University campus. Agriculture is the backbone of North Dakota's economy and our congressional leaders and a vast majority of the agriculture community share our support for this effort.

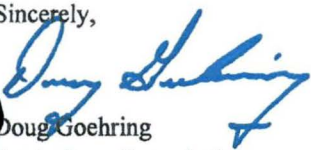
North Dakota has the most diverse crop mix of any state in the upper Midwest and proudly ranks number one in production of at least 10 of the 42 crops raised. Livestock and apiary production are also major assets to our state and the value this research will bring to both sides of the industry will be extremely significant.

Our legislature meets every other year. We want to help this national center be successful, therefore, I am requesting \$800,000 of pass through dollars in my budget grant line for operations for this new center for the 2015-17 biennium. I have included a breakdown of the funding for your reference below.

Operating Expense	July 1, 2015 – June 30, 2016	July 1, 2016 – June 30, 2017
Lease Rent	\$40,000	\$40,000
Travel	\$70,000	\$90,000
Technology Expenses	\$90,000	\$60,000
Office Maintenance	\$18,000	\$21,000
Utilities, Internet, Phone	\$30,000	\$35,000
Supplies, Postage, Shipping	\$25,000	\$30,000
Professional Fees	<u>\$127,000</u>	<u>\$124,000</u>
Dept. of Ag Funding	\$400,000	\$400,000

I strongly support and encourage the proposed collaboration between the USDA-ARS Fargo facility and the National Agricultural Genomics Center. Best wishes on your continued success and launch of the new center.

Sincerely,

  
Doug Goehring  
Agriculture Commissioner

701-328-2231  
800-242-7535

  
Equal Opportunity in Employment and Services

GOEHRING@ND.GOV  
WWW.ND.GOV/NDDA



## APPENDIX VI

### ND Legislative Leaders Support Letter



## North Dakota Legislative Assembly

State Capitol  
600 East Boulevard Avenue  
Bismarck, ND 58505-0360

June 26, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling,

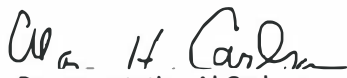
It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. We want to point out that our legislative body has a long history of supporting agricultural research.

Every two years the North Dakota State Board of Agricultural Research & Education (SBARE) conducts listening sessions throughout the state to prioritize agricultural research needs. The number one priority for the 2015-17 Biennium is \$1.2 million for Bioinformatics personnel. The number six priority from SBARE listening sessions is the Genetics & Genomics Initiative, calling for \$1.3 million for the areas of Epigenetics, Statistical Genomics and Metagenomics. The North Dakota legislature will strongly take into consideration these rankings from our citizens when the initiatives are evaluated during our legislative session beginning in January 2015.

We place a high value on both crop and livestock research. During the past two biennium's, the North Dakota legislature approved \$28.5 million in funding the new BIO Level Security 3 greenhouse at North Dakota State University. In that same time frame we approved \$2.64 million for the new Beef Research Center at NDSU. Both of these projects will lead to scientific solutions for agriculture and food safety.

We believe in giving our citizens the right tools to find solutions. If your committee were to select North Dakota as the site for your new center, please know that we would welcome and value your input.





Representative Al Carlson

House Majority Leader



Representative Bill Devlin

Speaker of the House



Representative Kenton Onstad

House Minority Leader



Senator Ray Holmberg

Chairman, Legislative Management



Senator Mac Schneider

Senate Minority Leader

**APPENDIX VII**

**ND SBARE  
Ranking Document**

## North Dakota AES – Programmatic Initiatives Final Ranking

### **1. Bioinformatics** – (3.0 FTEs, Main Station) (*part of Number 1 Initiative in 2013-15*)

Bioinformatics is the utilization of very large data sets generated by genetic analyses. Bioinformaticists utilize sophisticated computer programs to identify the appropriate genetic codes responsible for desired traits by analyzing extremely large data sets. This important task is a bridge from geneticists to plant breeders and other researchers, with the ultimate goals of enhancing the efficiencies of plant breeding programs, understanding the genetics of disease and insect pests, and increasing the knowledge base in animal genomics.

3.0 FTE, Bioinformaticists .....	\$1,200,000
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<b>TOTAL .....</b>	<b>\$1,200,000</b>
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**2. Precision Ag** – (2.0 FTE, scientist and technical support staff, Main Station, and operating [system-wide]). Developing UAS-precision agricultural systems would offer agriculturalists in the state and nation increased opportunities to manage their resources for maximum profit. UAS technology, coupled with other precision Ag technologies such as GPS instrumentation, variable rate technology, fertilizer placement options, soil and crop sensors, complemented with ground-based research on the large number of crops grown in the state, will provide needed momentum for ND to become a leader in the field, given that ND was designated as a Federal test site. Operating dollars would be used as a pool of funds to establish a competitive program that would establish research teams to investigate the wide range of areas involving precision agriculture.

2.0 FTE, scientist and technical support .....	\$355,000
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Operating. ....	\$2,555,000
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<b>TOTAL .....</b>	<b>\$2,910,000</b>
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### **Enhancing Research Infrastructure for greater research efficiencies and effectiveness -**

**Graduate student funding** – (Increase pool of funds for additional graduate research assistantships). Graduate research assistantships are critical to ongoing, vibrant research programs. These students are hard working, intelligent, and driven to succeed. They carry out research under the supervision of scientists at the Main Station and RECs, and these research topics broaden the overall research agenda of AES projects. The students work for approved research programs in the AES, attend classes to improve their understanding of their respective disciplines, and also carry out their individual research topics. Access to a small pool of funding to increase the number of students in Agriculture has been very successful, not only in terms of enhancing research activities, but also by leveraging funds from other sources to increase the number of students. In 2011-13, the AES had funds for 20 students; departments and individual scientists were able to leverage these funds to increase the number of students to 36. Of these 36 students, 33 were from either the state (23) or region (10). Because of the strong Ag economy in ND, jobs are plentiful and many students will remain in the state upon graduation. This request is to provide funds for an additional 20 research assistantships.

**Revolving Equipment Fund (REF)** – (Increase fund, make it annual instead of revolving). The Revolving Equipment Funds for the RECs and Main Station have been very successful in allowing units to purchase expensive, but needed, equipment. The cost of field and laboratory equipment continues to increase – a small plot combine can exceed \$300,000 and some specialized laboratory equipment can also exceed that



price. Granting agencies assume that scientists have the equipment necessary to complete the work. Without the appropriate equipment, our scientists cannot be successful as they seek external funds to carry out their research programs. Increasing the REF for the RECs so that each REC will receive \$150,000 each biennium rather than rotating across biennia will allow for more timely purchases and better planning of equipment purchases. Similarly, enhancing the Main Station REF by the same level to allocate funds to each unit every biennium will allow for better management and opportunities to leverage funds for the scientists that exist at the Main Station (allocation to units at Main Station is based on number of Scientist Years [SY] due to the varied size of Main Station units).

Graduate Research Assistantship funding .....	\$800,000
Equipment Fund increase .....	\$1,100,000

<b>TOTAL .....</b>	<b>\$1,900,000</b>
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#### **4. Managing Risk and Trade in the Agricultural Economy**

**Risk Management** – (1.0 FTE, support staff, Main Station, and operating) (*part of Number 4 Initiative in 2013-15*). Risk in agriculture has increased 3-4X since 1980 and will continue to grow in importance as a management strategy, given the wide fluctuations in yield, prices, input costs, availability of crop insurance, land costs, and food safety. With the mix of crop commodities in the state (and the importance of these commodities), the need to develop risk management strategies is critical. Commodity trading Room provides a research Lab for marketing information for farmers and outreach groups.

**Center for Ag Policy and Trade Studies (CAPTS)** – (1.0 FTE research scientist, Main Station, and operating) (*part of Number 4 Initiative in 2013-15*). The Center is the premier agricultural policy center in the region, currently evaluates state, domestic, and international policies that affect demand-supply of grains and net farm income. Analyzing farm policy and providing timely information relevant to the state's agricultural industries have been important to crafting farm policies beneficial to the state and addressing issues to increase competition of ND agriculture.

Risk Management – 1.0 FTE support Staff .....	\$160,000
Ctr. for Ag Policy and Trade Studies – 1.0 FTE, res. scientist . . .	\$160,000
Operating .....	\$100,000

<b>TOTAL .....</b>	<b>\$420,000</b>
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#### **5. Enhancing Research Capacity at the RECs**

**Hettinger REC** – (1.0 FTE, animal science technical support staff, HREC) (*part of Number 3 Initiative in 2013-15*). The HREC is generally well equipped to carry out research activities on crop and livestock issues for southwest North Dakota. However, labor is limited on the animal science effort. The Center has a highly productive animal science research agenda, but the Director currently serves as the only animal scientist at the Center. Additional staffing is needed to help address the needs of the livestock industry and to offset the already high workload of the Center Director.

**Dust issues in western ND** – (1.0 FTE, technical support staff, DREC)  
Dust created by the extensive truck traffic servicing the oil industry in western ND has led to a number of cropping and livestock issues. These include, but are not limited to, reduced yields, inability/ unwillingness to harvest hay, and respiratory issues in livestock. The result is that dust is creating a negative effect on crop and livestock enterprises.

Research to assist livestock and crop producers is necessary to identify ways to minimize this adverse effect on the agricultural industry in this region of the state.

**Livestock Productivity and Protection** – (2.0 FTE technical support, CREC and DREC) (*part of Number 3 Initiative in 2013-15*) North Dakota livestock producers are committed to producing the safest, highest quality food products possible. Increasing demand for our meat products nationally and internationally will require additional emphases on productivity and also will present additional opportunities for specialty markets. Through research, we can identify sustainable, profitable opportunities to improve livestock productivity in North Dakota.

**Plant Pathologist for Western ND** – (2.0 FTE, scientist and technical support, WREC) (*part of Number 2 Initiative in 2013-15*). There is an increasing level of crop disease problems occurring in western North Dakota due to changes in crop diversity, cropping systems, and crop rotation patterns. A plant pathologist is needed to evaluate and research crop diseases and impacts under both dryland and irrigated, no-till, and continuous cropping systems in Northwest North Dakota. The closest plant pathologist to western ND is located at the Carrington REC.

1.0 FTE, animal science technical support (HREC) . . . . .	\$130,000
1.0 FTE, technical support, dust issues (DREC) . . . . .	\$130,000
2.0 FTE, technical support, livestock productivity and protection . .	\$260,000
2.0 FTE, scientist and technical support (WREC) . . . . .	\$330,000
Operating . . . . .	\$420,000

**TOTAL . . . . . \$1,270,000**

#### **6. Genetics and Genomics Initiative**

**Epigenetics** – (2.0 FTEs: scientist and technician, and operating, Animal Sciences) (*part of Number 3 Initiative in 2013-15*). Epigenetics is the study of genetic expression modified by external environmental influences. Genetics of an organism codes the potential of the organism – the external environment affects the expression of many genes that influence final phenotypic expression of the organism (e.g., diet of the parents affecting carcass quality of the offspring). Understanding these external influences on gene expression may allow for enhanced benefits and profits to the livestock industry.

**Statistical genomics** - (2.0 FTE, scientist and support staff and operating, PLCS) uses statistical methodologies to determine genetic linkages and markers beneficial to crop improvement programs. Statistical genomics works with bioinformaticists to interpret the data to meaningful information for use by plant breeders and geneticists for desired traits.

**Metagenomics** - (2.0 FTE – scientist and 3 technical support staff, VMS). Metagenomics is the method to study contributions the microbiome makes toward plant, animal, and soil health. It is the interaction of microbial genomics with plant and animal genomics, which may lead to greater efficiencies, less disease, and a greater understanding of epigenetic factors.

Epigenetics – 2.0 FTE scientist and support staff, Main Station . . . . .	\$355,000
Statistical Genomics – 2.0 FTE, scientist and support staff, Main Station .	\$355,000
Metagenomics – 2.0 FTE, scientist and support staff, Main Station . . . . .	\$355,000
Operating . . . . .	\$240,000

**TOTAL . . . . . \$1,305,000**



## **7. Livestock Research to enhance productivity and profitability**

**Microbiome Initiative** – (2.0 FTEs, scientist and technical support, Animal Sciences). The microbiome is the ecological community of commensal, pathogenic, and symbiotic microorganisms that impact livestock production. Animal scientists will study the role of the microbiome in nutrition, disease, and environmental impact and, ultimately, human health.

**Forage Nutrition** – (2.0 FTEs, scientist and technical support, Animal Sciences) (*part of Number 3 initiative in 2013-15*). Forage and hay represent the greatest amount of nutrition received by beef cattle in North Dakota. Differences in the nutritional quality of forages and hay affect growth, development, and productivity of individual animals, thereby affecting profitability of the livestock producer. Developing a program in forage nutrition can assist producers throughout the state on improving forage quality and potentially increase profitability. This will complement existing programs in forage management, nutrition management, and range management.

Microbiome – 2.0 FTE, scientist and support staff, Main Station . . . . .	\$355,000
Forage Nutrition, 2.0 FTE, scientist and support staff, Main Station . . .	\$355,000

**TOTAL . . . . . \$710,000**

## **8. Food Safety/Global Institute for Food Security and International Agriculture –**

(operating support). Food safety and security are identified as among the most significant topics globally. Each nation is concerned about food security – a food supply to nourish the citizens of a specific country, safe from environmental or created catastrophes, terrorism, and trade disputes. Similarly, food that is free from contamination and is safe to consume is critical to ensure the health of a country's citizens. Food Safety involves research collaboration across disciplines and Extension. The AES has several established food safety research collaborations and seeks to expand its capabilities to enhance the efforts of the new global institute.

Food Safety and Security operating . . . . .	\$500,000
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**TOTAL . . . . . \$500,000**

**9. Soil Health research support** – (Increased operating to build upon the Soil Health Initiative supported in the 2011-13 Legislative Session) (*part of Number 5 Initiative in 2013-15*). The rise of the oil industry in western ND may have long-term impacts on land quality, which may reduce agricultural productivity. Brine spills and soil compaction have reduced land quality and crop productivity in western North Dakota.

Soil Health Research Support operating . . . . .	\$150,000
--	-----------

**TOTAL . . . . . \$150,000**

## **Also discussed**

**Oakes Irrigation Site** – (1.0 FTE, CREC, and operating). The Oakes Irrigation Site has been funded through the Garrison Conservancy District. This funding will no longer be available in the near future. The facility has been supervised through the Carrington REC, but is entirely grant supported. The facility carries out research on irrigated crops for the SE region of ND.

**APPENDIX VIII**

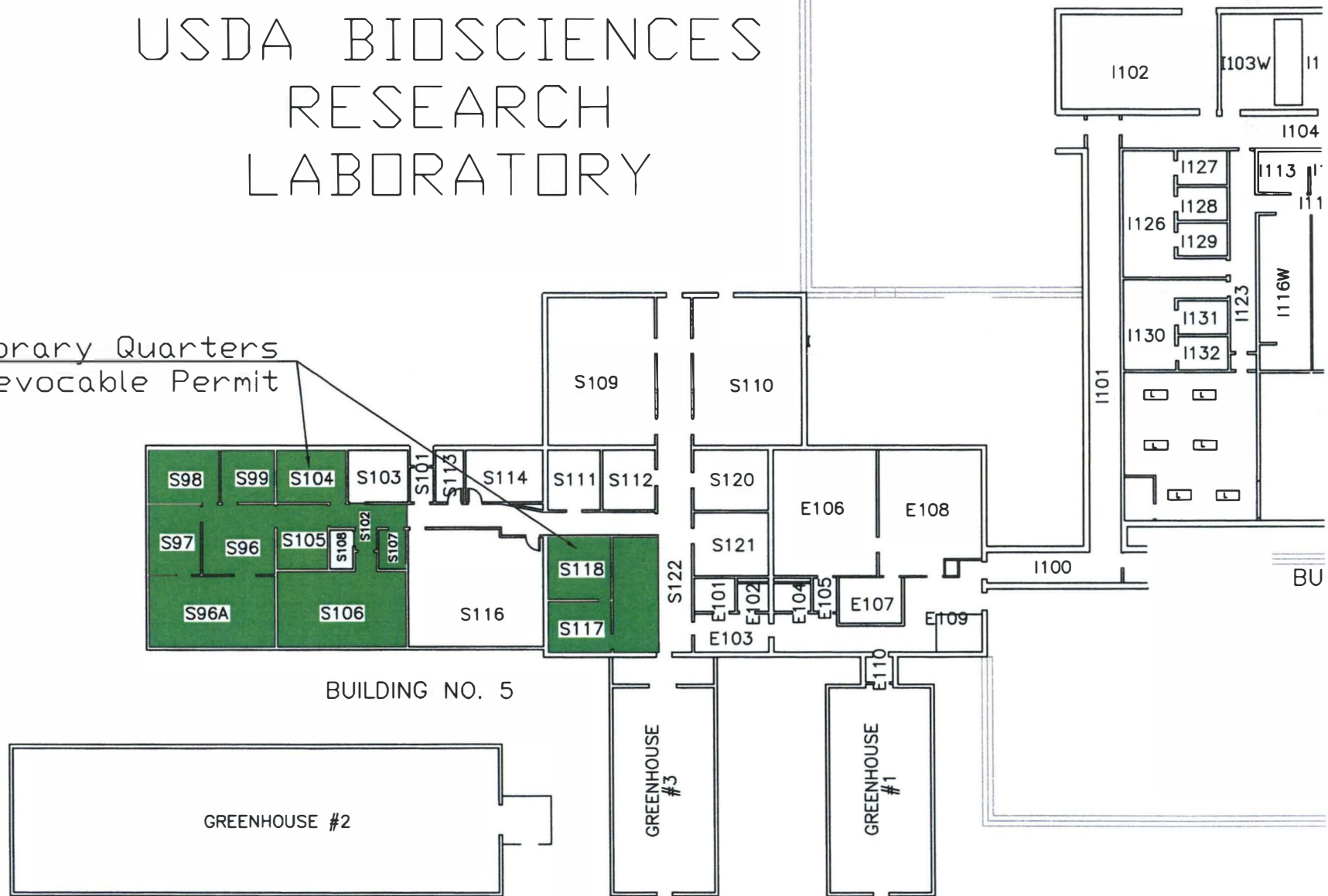
**ARS Temp Quarters Map**



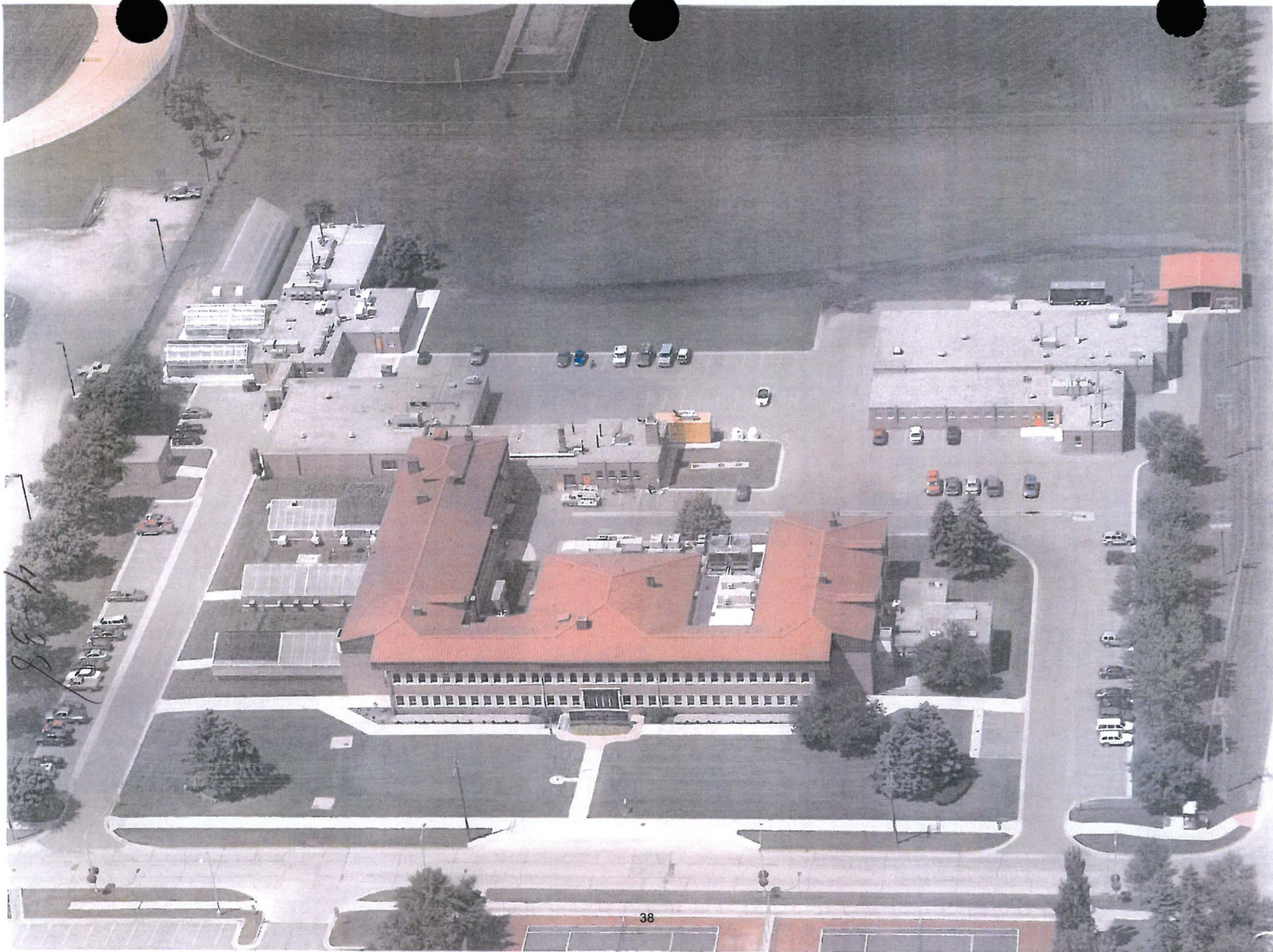
# USDA BIOSCIENCES RESEARCH LABORATORY

Temporary Quarters  
w/ Revocable Permit

4-37







4-38



**APPENDIX IX**

**USDA ARS Commitment Letter and  
Revocable Permit**





United States Department of Agriculture

Research, Education, and Economics  
Agricultural Research Service

JUN 27 2014

Mr. Tom Lilja  
Executive Director  
North Dakota Corn Growers Association  
1411 32<sup>nd</sup> Avenue South, Suite 2  
Fargo, North Dakota 58103

Dear Mr. Lilja:

Pending confirmation of the receipt of a successful bid submission by the North Dakota Corn Growers Association (Association) for locating a National Agricultural Genotyping Center in Fargo, North Dakota, the Department of Agriculture (USDA)- Agricultural Research Service (ARS) is prepared to execute a Revocable Permit (Permit) allowing you access to and use of approximately 2,400 square feet of office and laboratory space in Building #5 at the USDA-ARS Red River Valley Agricultural Research Center (RRVARC), 1605 Albrecht Boulevard North, Fargo, North Dakota.

The RRVARC's mission is to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy and national security in support of the ARS mission and we believe that the proposed National Agricultural Genotyping Center is complementary to that mission and purpose.

In the attached document, we are providing a draft version of the above mentioned Permit which stipulates the specific terms and conditions, including the anticipated annually adjusted reimbursement fee of \$15 per square foot, as well as specific conditions related to operations – including visitors and information technology requirements associated with a secure facility like the RRVARC.

ARS does not have the authority to make Federally-owned space available on an outlease basis. However, ARS is authorized to issue the Association a Permit for the use requested. These Permits are issued in 5-year increments and can be renewed for additional 5-year periods without limitation.

Office of the Administrator  
Jamie L. Whitten Federal Building, Room 302-A  
1400 Independence Avenue, SW.  
Washington, D.C. 20250-0300  
An Equal Opportunity Employer

4-40

Mr. Tom Lilja

2

If you have questions regarding the eventual processing of this Permit, please contact Edward Reilly, Deputy Director, Facilities Division, Asset Management (301) 504-1225 or William Kemp, Director, RRVARC (701) 239-1371.

Sincerely,



LAURENCE D. CHANDLER  
Acting Associate Administrator

Enclosure

cc:w/encl.

J. Park, AFM

J. Kemp, RRVARC

N. Fleri, FD

E. Reilly, FD

United States Department of Agriculture  
Agricultural Research Service  
**REVOCABLE PERMIT**

FROM (Agency and complete mailing address (including ZIP Code)) USDA, ARS, Northern Plains Area Red River Valley Agricultural Research Center 1605 Albrecht Boulevard North Fargo, ND 58102-2765	PERMIT NO. <b>FY - 14 -</b>	DATE ISSUED
	AMENDMENT NO. <b>FY -</b>	DATE ISSUED
	PERIOD OF USE: FROM 12/01/2014	THROUGH 11/30/2019
PERMITTEE (Name and complete mailing address (including ZIP Code)) National Agricultural Genotyping Center c/o National Corn Growers Association 632 Cepi Drive Chesterfield, MO 63005 Point of Contact: Phone:	GOVERNMENT REPRESENTATIVE (Name, title, and complete address) Edward T. Reilly, Real Estate Warrant Officer USDA, ARS 5601 Sunnyside Avenue Mail Stop: 5123 Beltsville, MD 20705 PHONE NUMBER 301-504-1225	

**PURPOSE** (Describe privilege requested in detail)

Provide laboratory and office space for the National Agricultural Genotyping Center. The Center's mission is to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy and national security in support of the ARS mission.

**DESCRIPTION OF PROPERTY** (Specify unit numbers, metes and bounds, etc.)

☐ LAND ☒ BUILDING

Property consists of buildings:  
Building Support Lab 005 Insectory (544200B005) of the RRVARC-BRL, approximately 2,400 square Feet.  
Floor and/or Rooms \_\_\_\_\_  
Parking for 20 vehicles will be provided.

**SPECIAL CONDITIONS**

1. The cost for use of this building will be paid from National Agricultural Genotyping Center c/o National Corn Growers Association to USDA-ARS under a reimbursement agreement with USDA, ARS, NPA Budget and Fiscal Office.
  2. Reimbursement cost will be \$36,000 (\$15.00 per square foot) paid quarterly at a rate of \$9,000 in advance, beginning December 1, 2014. In the successive fiscal years the costs will be reviewed once a year and adjusted to reflect any reasonable increase in costs needed to maintain the property (not to exceed 5%). Breakdown of rent per space/reimbursable agreement:  
Building - Support Lab 005( 544200B005) = \$36,000/year  
Parking = \$0/month
  3. A new revocable permit will be completed for FY2015 and rent will be adjusted accordingly.
  4. ARS will provide utilities (electricity, water, and sewer) and related facility costs including janitorial service, facility maintenance snow removal.
  5. Permittee will be responsible for telephone costs which are to be arranged and paid directly to the vendor.
  6. ARS will issue access cards and parking tags to Permittee employees.
  7. Permittee has read and agreed to the attached Rules and Regulations Governing Conduct on Federal Property.
- See Page 3 for additional Special Conditions 8-10.

**REAL ESTATE WARRANT OFFICER OR AUTHORIZED REPRESENTATIVE**

SIGNATURE	NAME AND TITLE (Typed or Printed) Edward T. Reilly, Real Estate Warrant Officer	DATE ISSUED
-----------	--	-------------

**PERMITTEE**

*This Permit is accepted subject to the terms, conditions, and requirements expressed herein.*

SIGNATURE	NAME AND TITLE (Typed or Printed)	DATE ISSUED
-----------	-----------------------------------	-------------

Permittee Signature \_\_\_\_\_

Date \_\_\_\_\_

Revocable Permit No. \_\_\_\_\_  
Special Conditions Continued

8. The RRVARC-BRL is a secured facility. All visitors (non-USDA employees) must check into the Administrative building (\_\_\_\_\_) to obtain a visitor's badge.
9. Vehicles must use paved roads and adhere to posted speed limit signs on the campus.
10. The Permittee shall furnish IT equipment, including printers, for the employees. If connected to ARS' infrastructure, all IT equipment must be configured to USDA/ARS standards and specifications.

4-



## GENERAL TERMS AND CONDITIONS

1. **Grant** - This permit is granted by the United States of America, acting by and through the Real Estate Warrant Officer, or duly authorized representative, for the specified purposes, and subject to the conditions and requirements set forth herein.
2. **Use Limitations** - The permittee's use of the described premises is limited to the purposes herein specified. The permit is subject to such easements and rights-of-way in, over, or upon the herein-described lands that have been granted or that may hereafter be granted by the Government and shall be subject further to the right of access by duly authorized Federal Personnel to any part thereof in the performance of official duties.
3. **Damages** - The permittee shall hold the United States harmless from claims, demands, suits in law or in equity of any kind or nature for damage to or loss of property, or of injury to, or death of persons resulting from or attributable to the development, use or maintenance of the herein-described lands of the Government.
4. **Operating Rules and Laws** - The permittee shall keep the premises in a neat and orderly condition at all times, and shall comply with all municipal, county, and State laws applicable to operations under the permit as well as all Federal laws, rules, and regulations governing the area described in this permit.
5. **Responsibility of Permittee** - The permittee, by operating on the premises, shall be considered to have accepted these premises with all the facilities, fixtures, or improvements in their existing condition as of the date of this permit. At the end of the period specified or upon earlier termination, the permittee shall give up the premises in as good order and condition as when received except for reasonable wear, tear, or damage occurring without fault or negligence. Notwithstanding other provisions in this permit requiring reasonable care, the permittee shall be strictly liable for any and all damages to property, real or personal, including, but not limited to, damages or loss caused from fires, or injury to or loss of livestock, resulting from or attributable to the use or operation on the herein-described lands.
6. **Revocation Policy** - This permit may be revoked at the will of the Real Estate Warrant Officer or duly authorized representative. Upon giving of such notice or revocation, this permit shall be null and void and, within a period of not more than 30 days, the property of the permittee shall be removed in such manner as not to endanger property of the Government or to interfere with the use thereof by the Government, and the premises utilized in this permit shall be restored to the same condition as when this permit was first issued, ordinary wear and tear excepted.
7. **Termination Policy** - At the termination of this permit, the permittee shall immediately give up possession to the Government representative, reserving the rights specified in paragraph 8.
8. **Removal of Permittee's Property** - Upon the expiration or termination of this permit, the permittee may, within a reasonable period as stated in this permit or as determined by the Government representative, but not to exceed 30 days, remove all structures, machinery and/or equipment, etc., from the premises for which the permittee is responsible. Upon failure to remove any of the above items within the aforesaid period, they shall become property of the United States.
9. **Transfer of Privileges** - No rights under this permit may be transferred without the advance written approval of the Real Estate Warrant Officer, or duly authorized representative.
10. **Officials Barred from Participating** - No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this permit or to any benefit to arise therefrom. This provision shall not be construed to extent to this permit if made with a corporation for its general benefit.
11. **Non-discrimination** - This permit is made subject to the provisions in "Assurance of Compliance with the Department of Agriculture Regulations under Title VI of the Civil Rights Act of 1964," Form ARS-519. In addition to signing the permit, the permittee is required to sign the attached Form ARS-519 - *not applicable to Government rental of quarters.*
12. **Use of Insecticides** - The permittee shall not use an "Active Ingredient" as defined in Section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, (61 Stat. 163; 7 U.S.C. 136 et seq.) in violation of said Act on the land described in this permit.



# Rules and Regulations Governing Conduct on Federal Property

November, 2005

## Federal Management Regulation Title 41, Code of Federal Regulations, Part 102-74, Subpart C

**Applicability (41 CFR 102-74.365).** The rules in this subpart apply to all property under the authority of GSA and to all persons entering in or on such property. Each occupant agency shall be responsible for the observance of these rules and regulations. Federal agencies must post the notice in the Appendix to this part at each public entrance to each Federal facility.

**Inspection (41 CFR 102-74.370).** Federal agencies may, at their discretion, inspect packages, briefcases and other containers in the immediate possession of visitors, employees or other persons arriving on, working at, visiting, or departing from Federal property. Federal agencies may conduct a full search of a person and the vehicle the person is driving or occupying upon his or her arrest.

**Admission to Property (41 CFR 102-74.375).** Federal agencies must:

- (a) Except as otherwise permitted, close property to the public during other than normal working hours. In those instances where a Federal agency has approved the after-normal-working hours use of buildings or portions thereof for activities authorized by subpart D of this part, Federal agencies must not close the property (or affected portions thereof) to the public;

Close property to the public during working hours only when situations require this action to ensure the orderly conduct of Government business. The designated official under the Occupant Emergency Program may make such decision only after consultation with the buildings manager and the highest ranking representative of the law enforcement organization responsible for protection of the property or the area. The designated official is defined in Sec. 102-71.20 of this chapter as the highest ranking official of the primary occupant agency, or the alternate highest ranking official or designee selected by mutual agreement by other occupant agency officials; and

- (c) When property or a portion thereof is closed to the public, restrict admission to the property, or the affected portion, to authorized persons who must register upon entry to the property and must, when requested, display Government or other identifying credentials to Federal police officers or other authorized individuals when entering, leaving or while on the property. Failure to comply with any of the applicable provisions is a violation of these regulations.

**Preservation of Property (41 CFR 102-74.380).** All persons entering in or on Federal property are prohibited from:

- (a) Improperly disposing of rubbish on property;
- (b) Willfully destroying or damaging property;
- (c) Stealing property;
- (d) Creating any hazard on property to persons or things; or
- (e) Throwing articles of any kind from or at a building or climbing upon statues, fountains or any part of the building.

**Conformity with Signs and Directions (41 CFR 102-74.385).** Persons in and on property must at all times comply with official signs of a prohibitory, regulatory or directory nature and with the lawful direction of Federal police officers and other authorized individuals.

**Disturbances (41 CFR 102-74.390).** All persons entering

in or on Federal property are prohibited from loitering, exhibiting disorderly conduct or exhibiting other conduct on property that:

- (a) Creates loud or unusual noise or a nuisance;
- (b) Unreasonably obstructs the usual use of entrances, foyers, lobbies, corridors, offices, elevators, stairways, or parking lots;
- (c) Otherwise impedes or disrupts the performance of official duties by Government employees; or
- (d) Prevents the general public from obtaining the administrative services provided on the property in a timely manner.

**Gambling (41 CFR 102-74.395).** (a) Except for the vending or exchange of chances by licensed blind operators of vending facilities for any lottery set forth in a State law and authorized by section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C. 107 et seq.), all persons entering in or on Federal property are prohibited from:

- (1) Participating in games for money or other personal property;
- (2) Operating gambling devices;
- (3) Conducting a lottery or pool; or
- (4) Selling or purchasing numbers tickets.
- (b) This provision is not intended to prohibit prize drawings for personal property at otherwise permitted functions on Federal property, provided that the game or drawing does not constitute gambling per se. Gambling per se means a game of chance where the participant risks something of value for the chance to gain or win a prize.

**Narcotics and Other Drugs (41 CFR 102-74.400).** Except in cases where the drug is being used as prescribed for a patient by a licensed physician, all persons entering in or on Federal property are prohibited from:

- (a) Being under the influence, using or possessing any narcotic drugs, hallucinogens, marijuana, barbiturates, or amphetamines; or
- (b) Operating a motor vehicle on the property while under the influence of alcoholic beverages, narcotic drugs, hallucinogens, marijuana, barbiturates, or amphetamines.

**Alcoholic Beverages (41 CFR 102-74.405).** Except where the head of the responsible agency or his or her designee has granted an exemption in writing for the appropriate official use of alcoholic beverages, all persons entering in or on Federal property are prohibited from being under the influence or using alcoholic beverages. The head of the responsible agency or his or her designee must provide a copy of all exemptions granted to the buildings manager and the highest ranking representative of the law enforcement organization, or other authorized officials, responsible for the security of the property.

**Soliciting, Vending and Debt Collection (41 CFR 102-74.410).** All persons entering in or on Federal property are prohibited from soliciting alms (including money and non-monetary items) or commercial or political donations, vending merchandise of all kinds, displaying or distributing commercial advertising, or collecting private debts, except to:

- (a) National or local drives for funds for welfare, health or other purposes as authorized by 5 CFR part 950, entitled "Solicitation of Federal Civilian and Uniformed Service Personnel for Contributions to Private Voluntary Organizations," and sponsored or approved by the occupant agencies;
- (b) Concessions or personal notices posted by employees on authorized bulletin boards;
- (c) Solicitation of labor organization membership or dues authorized by occupant agencies under the Civil Service Reform Act of 1978 (Pub. L. 95-454);
- (d) Lessee, or its agents and employees, with respect to space leased for commercial, cultural, educational, or recreational use under 40 U.S.C. 581(n). Public areas of GSA-controlled property may be used for other activities in accordance with subpart D of this part;
- (e) Collection of non-monetary items that are sponsored or approved by the occupant agencies; and
- (f) Commercial activities sponsored by recognized Federal employee associations and on-site child care centers.

**Posting and Distributing Materials (41 CFR 102-74.415).** All persons entering in or on Federal property are prohibited from:

- (a) Distributing free samples of tobacco products in or around Federal buildings, as mandated by Section 636 of Public Law 104-52;
- (b) Posting or affixing materials, such as pamphlets, handbills, or flyers, on bulletin boards or elsewhere on GSA-controlled property, except as authorized in Sec. 102-74.410, or when these displays are conducted as part of authorized Government activities; and
- (c) Distributing materials, such as pamphlets, handbills or flyers, unless conducted as part of authorized Government activities. This prohibition does not apply to public areas of the property as defined in Sec. 102-71.20 of this chapter. However, any person or organization proposing to distribute materials in a public area under this section must first obtain a permit from the building manager as specified in subpart D of this part. Any such person or organization must distribute materials only in accordance with the provisions of subpart D of this part. Failure to comply with those provisions is a violation of these regulations.

**Photographs for News, Advertising, or Commercial Purposes (41 CFR 102-74.420).** Except where security regulations, rules, orders, or directives apply or a Federal court order or rule prohibits it, persons entering in or on Federal property may take photographs of:

- (a) Space occupied by a tenant agency for non-commercial purposes only with the permission of the occupying agency concerned;
- (b) Space occupied by a tenant agency for commercial purposes only with written permission of an authorized official of the occupying agency concerned; and
- (c) Building entrances, lobbies, foyers, corridors, or auditoriums for news purposes.

**Dogs and Other Animals (41 CFR 102-74.425).** No person may bring dogs or other animals on Federal property for other than official purposes. However, a disabled person may bring

a seeing-eye dog, a guide dog, or other animal assisting or being trained to assist that individual.

**Breastfeeding (41 CFR 102-74.426).** Public Law 108-199, Section 629, Division F, Title VI (January 23, 2004), provides that a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

**Vehicular and Pedestrian Traffic (41 CFR 102-74.430).** All

- vehicle drivers entering or while on Federal property:
- (a) Must drive in a careful and safe manner at all times;
- (b) Must comply with the signals and directions of Federal police officers or other authorized individuals;
- (c) Must comply with all posted traffic signs;
- (d) Must comply with any additional posted traffic directives approved by the GSA Regional Administrator, which will have the same force and effect as these regulations;
- (e) Are prohibited from blocking entrances, driveways, walks, loading platforms, or fire hydrants; and
- (f) Are prohibited from parking on Federal property without a permit. Parking without authority, parking in unauthorized locations, or in locations reserved for other persons, or parking contrary to the direction of posted signs is prohibited. Vehicles parked in violation, where warning signs are posted, are subject to removal at the owner's risk and expense. Federal agencies may take as proof that a motor vehicle was parked in violation of these regulations or directives as prima facie evidence that the registered owner was responsible for the violation.

**Explosives (41 CFR 102-74.435).** No person entering or while on Federal property may carry or possess explosives, or items intended to be used to fabricate an explosive or incendiary device, either openly or concealed, except for official purposes.

**Weapons (41 CFR 102-74.440).** Federal law prohibits the possession of firearms or other dangerous weapons in Federal facilities and Federal court facilities by all persons not specifically authorized by 18 U.S.C. 930. Violators will be subject to fine and/or imprisonment for periods up to five (5) years.

**Nondiscrimination (41 CFR 102-74.445).** Federal agencies must not discriminate by segregation or otherwise against any person or persons because of race, creed, religion, age, sex, color, disability, or national origin in furnishing or by refusing to furnish to such person or persons the use of any facility of a public nature, including all services, privileges, accommodations, and activities provided on the property.

**Penalties (41 CFR 102-74.450).** A person found guilty of violating any rule or regulation in this subpart while on any property under the charge and control of GSA shall be fined under title 18 of the United States Code, imprisoned for not more than 30 days, or both.

**Impact on Other Laws or Regulations (41 CFR 102-74.455).** No rule or regulation in this subpart may be construed to nullify any other Federal laws or regulations or any State and local laws and regulations applicable to any area in which the property is situated (40 U.S.C. 121(c)).

# WARNING

## WEAPONS PROHIBITED

Federal law prohibits the possession of firearms or other dangerous weapons in Federal facilities and Federal court facilities by all persons not specifically authorized by Title 18, United States Code, Section 930. Violators will be subject to fine and/or imprisonment for periods up to five (5) years.



Version 1.0 User: LVR-RES\NVEP\scott.gopalpr2 octo usda.gov Domain: OGC US DA

**Buildings** Land Acquisitions Land Use Other Structures and Facilities

**\*Building ID Name**

544200B00 OFFICE/LAB 001-

544200B00 SHOP/OFFICE/G

544200B00 ANIMAL HUSBAN

544200B00 CHEMICAL STOR

544200B00 SUPPORT/LAB D

544200B00 INSECTARY 006

544200B00 GENERAL STOR

544200B00 NORTHERN CRO

544200B00 TARE BLDG.

544200B01 SUNFLOWER ST

544200B01 GREENHOUSE K

544200B01 GREENHOUSE S

544200B01 GREENHOUSE-C

544200B03 NCSL GREENHO

544200B99 SUGARBEET STC

**Details** Details Cont. Address Utilization Operation/Energy Acquisition Accessibility

Installation ID 14687 Site 00 Agency 03 1205 Agricultural Research Servic

**\*Building ID** 544200B001 OFFICE/LAB 001-BIOSCIENCES LAB

**\*Property Type** USDA OWNED \*Org 5442

**Predominant Usage** LABORATORIES LABORATORY (INCL SA Code 74

**\*Status** EXISTING - ACTIVE Status

Ownership

Gross SqFt 76,120 at Space SqFt 60,226 Collocated

Excluded from FRPC Dev Rec Site Outgrant Indicator IN

Mission Dependency MISSION CRITICAL Mission Dep Using Org 120

Remarks Par HQ RSFT should be 7R 17R 51N/21N I R

Linked Land Restrictions

Floor Room Usage	Space Usage Type	Space	UOM	Shared?	No. of Scientists
ALL ALL	LABORATORY	31,441 SF		Scientists	
ALL ALL	WAREHOUSE	20,840 SF		Scientists	
ALL ALL	USABLE - GENERAL OFF	7,947 SF		Scientists	
				Scientists	
				Scientists	
				Scientists	

[illegible]



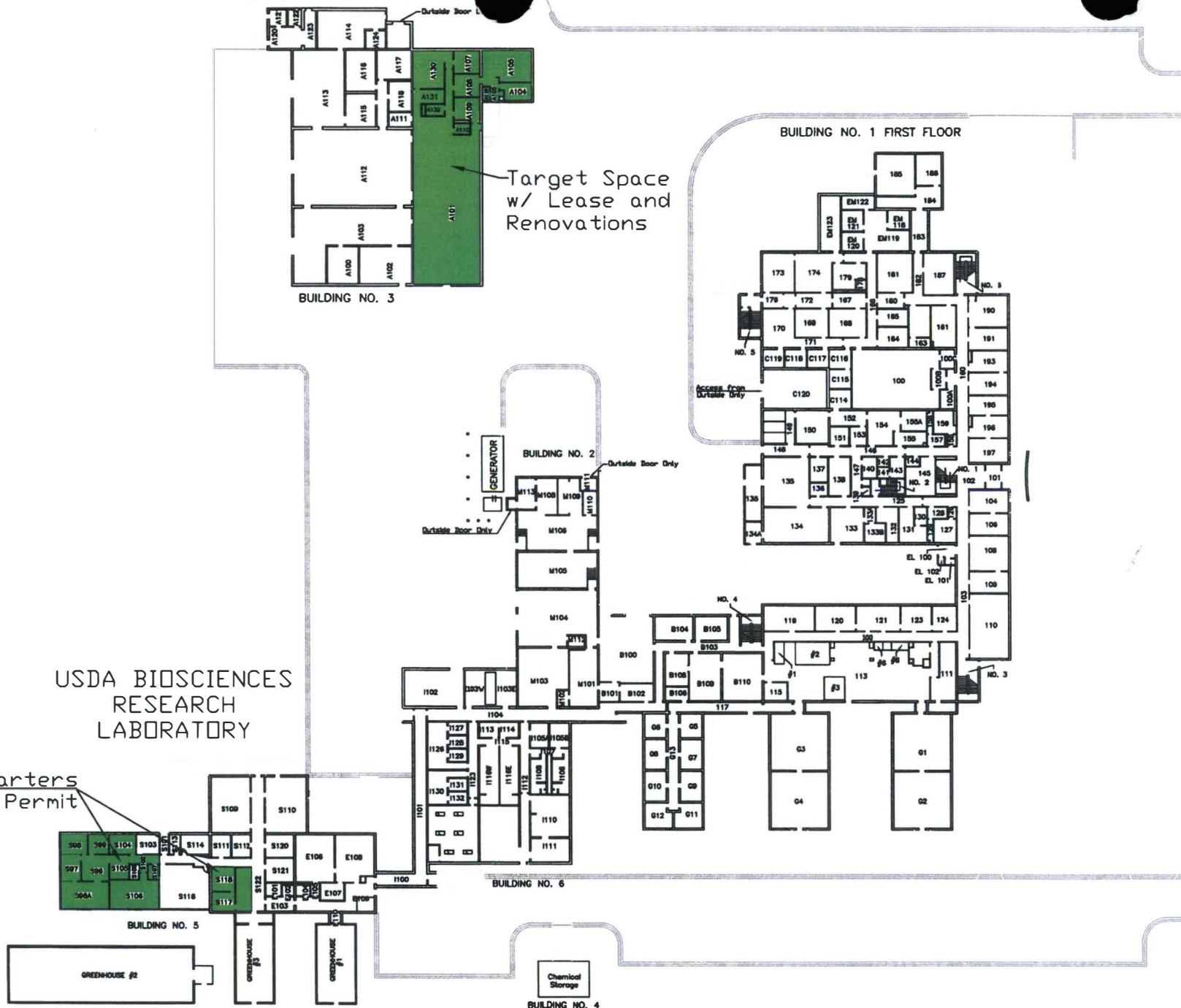
**APPENDIX X**

**ARS Target Space Map**

4-79

USDA BIOSCIENCES  
RESEARCH  
LABORATORY

Temporary Quarters  
w/ Revocable Permit





## APPENDIX XI

### ND Congressional Delegation Support Letter

**Congress of the United States**  
**Washington, DC 20515**

June 25, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005-1221

Dear Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. Agricultural research is vital to our nation's food security and we have many challenges ahead in providing research funding given our federal budget situation.

That is why we are encouraged by the North Dakota Corn Growers Association bid package to host the National Agricultural Genomics Center at the USDA-ARS Research facility in Fargo, ND on the North Dakota State University campus. This is a very effective way of utilizing existing research infrastructure and an opportunity for collaboration with existing research scientists. Good things come out of collaboration and the ability of your new research facility to collaborate with the regional USDA wheat genomicist is a win-win for us all. We think this collaboration can serve as a model for future federal agricultural research.


We and our staff members have found the research stakeholder meetings that the USDA-ARS conducts to be extremely helpful in understanding the research needs of producers. This process provides producer's significant input in the type of research they want and will use. Based on our experience with USDA-ARS's ability to gather producer input, the work your facility is embarking on would be well grounded at the Fargo USDA-ARS.

North Dakota has the most diverse crop mix of any state in the nation with 42 crops as well as diverse livestock and apiary industries. North Dakota State University is also home to 14 public crop breeding programs and hosts a new BIO Level Security 3 greenhouse that was the vision of farmers and legislative leaders in our region. This diversity would be a great benefit to your new center.

We strongly support the proposed collaboration between the USDA-ARS and the National Agricultural Genomics Center. This collaboration will serve you well in the development and operation of your new center.



Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.



JOHN HOEVEN  
U.S. Senator

Sincerely,



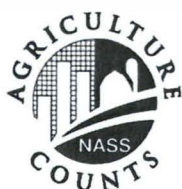
HEIDI HEITKAMP  
U.S. Senator



KEVIN CRAMER  
U.S. Congressman

## APPENDIX XII

### ND Rank of Agricultural Commodities



## Ranking

# North Dakota Agriculture

March 2013

### North Dakota's Top Agricultural Commodities

2012 rank in the U.S.	Commodity	Percent of Nation's production
1	Barley	28%
1	Beans, dry edible, all	37%
1	Beans, navy	45%
1	Beans, pinto	56%
1	Canola	83%
1	Flaxseed	95%
1	Honey	23%
1	Peas, dry edible	41%
1	Sunflower, all	52%
1	Sunflower, non-oil	36%
1	Sunflower, oil	55%
1	Wheat, Durum	52%
1	Wheat, spring	47%
2	Lentils	36%
2	Wheat, all	15%
3	Oats	11%
3	Safflower	9%
3	Sugarbeets	17%
4	Potatoes	6%
7	Soybeans	5%
8	Corn for grain	4%
14	Hay, alfalfa	3%
14	Hay, all	3%
14	Wheat, winter	2%
16	All Cattle and Calves	2%

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USDA, National Agricultural Statistics Service, North Dakota Field Office • P.O. Box 3166 • Fargo, ND 58108-3166  
701-239-5306 • E-mail: [nass-nd@nass.usda.gov](mailto:nass-nd@nass.usda.gov) • Internet: <http://www.nass.usda.gov/nd/>

41-



# Ten Leading States and North Dakota's Rank

Item	1	2	3	4	5	6	7	8	9	10	North Dakota's rank	Percent of nation <sup>1</sup>
<b>Crop production – 2012</b>												
Wheat, all .....	KS	ND	MT	OK	WA	SD	ID	TX	MN	CO	2	15
Spring .....	ND	MT	MN	SD	ID	WA	OR	CO	UT	NV	1	47
Durum .....	ND	MT	CA	AZ	ID	SD					1	52
Winter .....	KS	OK	WA	TX	MT	CO	SD	ID	NE	OR	14	2
Barley .....	ND	ID	MT	WA	CO	MN	WY	AZ	CA	OR	1	28
Oats .....	MN	WI	ND	PA	IA	TX	SD	NY	OH	CA	3	11
Sunflower, all .....	ND	SD	TX	KS	MN	CA	CO	NE	OK		1	52
Oil .....	ND	SD	MN	CA	KS	CO	TX	NE	OK		1	55
Non-oil .....	ND	SD	TX	KS	MN	CO	NE	CA	OK		1	36
Canola .....	ND	OK	ID	MT	MN	WA	OR				1	83
Soybeans .....	IA	IL	MN	IN	NE	OH	ND	MO	SD	AR	7	5
Flaxseed .....	ND	SD	MT	MN							1	95
Safflower .....	CA	MT	ND	UT							3	9
Corn, grain .....	IA	MN	NE	IL	IN	SD	OH	ND	WI	KS	8	4
Silage .....	WI	CA	NY	PA	MN	ID	IA	SD	NE	KS	22	1
Dry edible beans, all .....	ND	MI	NE	MN	ID	WA	CA	WY	CO	MT	1	37
Pinto .....	ND	NE	ID	WY	CO	WA	MN	NM	MT	KS	1	56
Navy .....	ND	MI	MN	ID	SD	OR	NE	WA	WY		1	45
Dry edible peas .....	ND	MT	WA	ID	OR						1	41
Lentils .....	MT	ND	WA	ID							2	36
Potatoes .....	ID	WA	WI	ND	OR	CO	MN	MI	ME	NE	4	6
Sugarbeets .....	MN	ID	ND	MI	NE	MT	CA	CO	WY	OR	3	17
Hay, all .....	TX	CA	MO	KY	ID	OK	KS	MT	SD	NE	14	3
Alfalfa .....	CA	ID	MT	CO	SD	MN	WI	NE	IA	AZ	14	3
Other .....	TX	MO	KY	OK	TN	VA	KS	AL	CA	MS	20	2
Total acreage:												
Principal crops planted .....	IA	KS	IL	ND	TX	MN	NE	SD	MO	IN	4	7
Principal crops harvested .....	IA	IL	ND	KS	MN	NE	SD	TX	MO	IN	3	7
Grain storage, December 1:												
On-farm capacity .....	IA	IL	MN	NE	ND	IN	SD	OH	MO	KS	5	7
Off-farm capacity .....	IL	IA	KS	NE	MN	TX	IN	OH	ND	WI	9	3
<b>Livestock on hand – January 1, 2013</b>												
All cattle and calves .....	TX	NE	KS	CA	OK	IA/SD		MO	WI	CO/MT	16	2
Cattle and calves on feed .....	TX	NE	KS	IA	CO	CA	OK	MN	SD	AZ	22	(Z)
Cows that have calved .....	TX	CA	NE	MO	OK	SD	WI	MT	KS	IA	15	2
Milk .....	CA	WI	NY	ID	PA	MN	TX	MI	NM	OH	34	(Z)
Beef .....	TX	NE	MO	OK	SD	MT	KS	KY	IA	ND	10	3
All sheep and lambs .....	TX	CA	CO	WY	UT	SD	ID/MT		OR	IA	22	1
<b>Livestock on hand – December 1, 2012</b>												
All hogs and pigs .....	IA	NC	MN	IL	IN	NE	MO	OK	OH	KS	27	(Z)
<b>Livestock production – 2012</b>												
Calf crop .....	TX	CA	MO	NE	SD	OK	MT	WI	KS	IA	14	3
Lamb crop .....	TX	CA/WY		UT	SD	MT	ID	CO	IA	OR	19	2
Pig crop .....	IA	NC	MN	IL	MO	OK	NE	IN	SD	OH	19	1
Wool production .....	CA	WY	CO/UT		TX	MT	ID	SD	OR	IA	16	2
Honey production .....	ND	SD	FL	CA	MN	MT	TX	WI	MI	LA	1	23

(Z) Less than 0.5 percent.

<sup>1</sup> North Dakota's percent of Nation's total.



June 30, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. In reviewing the site selection criteria, we want to point out a few things for your consideration as your committee makes its final selection.

Agriculture is the backbone of North Dakota's economy. Our state has the most diverse crop mix in the nation with 42 crops raised as well as diverse livestock and apiary production. Our land grant institution, North Dakota State University, is home to 14 public crop breeding programs and hosts a new BIO Level Security 3 greenhouse born of the vision of farmers and legislative leaders in our region. Our agricultural community and its leaders believe in the value of research collaboration.

The bid package to host the National Agricultural Genomics Center at the USDA-ARS Research facility in Fargo, North Dakota is a very cost effective way of utilizing existing research infrastructure and an opportunity for collaboration with existing research scientists. The ability of the newly formed National Agricultural Genomics Center facility to collaborate with the regional USDA wheat genomicist is a win-win. Based on our experience with USDA-ARS' ability to gather producer input, the work your facility is embarking on would be well grounded at the Fargo USDA-ARS.

USDA-ARS research scientists in Fargo have a rich history of solving agricultural and food safety problems. Below are a few of their many achievements:

- USDA-ARS researchers used chromosome engineering techniques to successfully transfer small segments of chromosomes carrying the wheat stem rust Ug99-resistance gene (Sr47) to durum wheat.
- They have developed and released disease resistance germplasm in sunflowers that combat sclerotinia stalk and head rot, downy mildew and rust.
- USDA-ARS researchers used molecular methods to isolate the Tsn1 gene from wheat, determine its DNA sequence and perform experiments to gain insights as to how Tsn1 functions to elicit disease susceptibility through the recognition of ToxA which will lead to novel methods for developing disease resistant crops.
- USDA-ARS researchers together with scientists at the USDA Food Safety and Inspection Service and NDSU conducted metabolism studies to determine the degree to which Perfluorooctane sulfonate (PFOS) concentrates in the edible tissues of beef cattle and whether PFOS residues may be a concern for human exposure.

- In collaboration with scientists from RIKILT – Institute for Food Safety, a USDA-ARS researcher developed an immunological assay method capable of simultaneously determining three of the most common types of environmental contaminants that are of major food safety concern; polychlorinated biphenyls, polybrominated diphenyl ethers and polycyclic aromatic hydrocarbons. The list goes on, but we want to state that it would be difficult for you to find a better location to collaborate with research scientists.

We also want to point out that every two years the North Dakota State Board of Agricultural Research & Education (SBARE) conducts listening sessions throughout the state to prioritize agricultural research needs. Our number one priority for the 2015-17 Biennium is three Full Time Equivalent (FTE) Bioinformatics personnel at \$1.2 million. The number six priority from SBARE listening sessions is Genetics & Genomics Initiative calling for two FTE's in each Epigenetics, Statistical Genomics and Metagenomics at \$1.3 million. We understand that the bridge from geneticists to plant breeders and other researchers will enhance the efficiencies of our crop breeding programs and increase our knowledge base in animal genomics. North Dakota's agricultural community understands the formidable goals of the newly formed National Agricultural Genomics Center and views the importance of the collaboration with these scientists as a natural attribute North Dakota has to offer.

We firmly believe that the North Dakota Corn Growers Association bid package provides the highest value in terms of maximum collaboration, access to the widest variety of crop and livestock research and the opportunity to expand in the most cost effective manner.

Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.

AmeriFlax  
BioScience Association of North Dakota  
National Sunflower Association  
North Dakota Barley Council  
North Dakota Beef Commission  
North Dakota Beekeepers Association  
North Dakota Corn Growers Association  
North Dakota Corn Utilization Council  
North Dakota Dry Edible Bean Seed Growers  
North Dakota Dry Pea & Lentil Council  
North Dakota Ethanol Council  
North Dakota Ethanol Producers Association  
North Dakota Farmers Union

North Dakota Grain Growers Association  
North Dakota Pork Council  
North Dakota Soybean Growers Association  
North Dakota Stockmen's Association  
North Dakota Wheat Commission  
Northern Canola Growers Association  
Northern Crops Council  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Northarvest Bean Growers Association  
Red River Valley Sugarbeet Growers Association  
US Durum Growers Association

## APPENDIX XIII

### ND Commodity Group Support Letter

June 30, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. In reviewing the site selection criteria, we want to point out a few things for your consideration as your committee makes its final selection.

Agriculture is the backbone of North Dakota's economy. Our state has the most diverse crop mix in the nation with 42 crops raised as well as diverse livestock and apiary production. Our land grant institution, North Dakota State University, is home to 14 public crop breeding programs and hosts a new BIO Level Security 3 greenhouse born of the vision of farmers and legislative leaders in our region. Our agricultural community and its leaders believe in the value of research collaboration.

The bid package to host the National Agricultural Genomics Center at the USDA-ARS Research facility in Fargo, North Dakota is a very cost effective way of utilizing existing research infrastructure and an opportunity for collaboration with existing research scientists. The ability of the newly formed National Agricultural Genomics Center facility to collaborate with the regional USDA wheat genomicist is a win-win. Based on our experience with USDA-ARS' ability to gather producer input, the work your facility is embarking on would be well grounded at the Fargo USDA-ARS.

USDA-ARS research scientists in Fargo have a rich history of solving agricultural and food safety problems. Below are a few of their many achievements:

- USDA-ARS researchers used chromosome engineering techniques to successfully transfer small segments of chromosomes carrying the wheat stem rust Ug99-resistance gene (Sr47) to durum wheat.
- They have developed and released disease resistance germplasm in sunflowers that combat sclerotinia stalk and head rot, downy mildew and rust.
- USDA-ARS researchers used molecular methods to isolate the Tsn1 gene from wheat, determine its DNA sequence and perform experiments to gain insights as to how Tsn1 functions to elicit disease susceptibility through the recognition of ToxA which will lead to novel methods for developing disease resistant crops.
- USDA-ARS researchers together with scientists at the USDA Food Safety and Inspection Service and NDSU conducted metabolism studies to determine the degree to which Perfluorooctane sulfonate (PFOS) concentrates in the edible tissues of beef cattle and whether PFOS residues may be a concern for human exposure.



- In collaboration with scientists from RIKILT – Institute for Food Safety, a USDA-ARS researcher developed an immunological assay method capable of simultaneously determining three of the most common types of environmental contaminants that are of major food safety concern; polychlorinated biphenyls, polybrominated diphenyl ethers and polycyclic aromatic hydrocarbons. The list goes on, but we want to state that it would be difficult for you to find a better location to collaborate with research scientists.

We also want to point out that every two years the North Dakota State Board of Agricultural Research & Education (SBARE) conducts listening sessions throughout the state to prioritize agricultural research needs. Our number one priority for the 2015-17 Biennium is three Full Time Equivalent (FTE) Bioinformatics personnel at \$1.2 million. The number six priority from SBARE listening sessions is Genetics & Genomics Initiative calling for two FTE's in each Epigenetics, Statistical Genomics and Metagenomics at \$1.3 million. We understand that the bridge from geneticists to plant breeders and other researchers will enhance the efficiencies of our crop breeding programs and increase our knowledge base in animal genomics. North Dakota's agricultural community understands the formidable goals of the newly formed National Agricultural Genomics Center and views the importance of the collaboration with these scientists as a natural attribute North Dakota has to offer.

We firmly believe that the North Dakota Corn Growers Association bid package provides the highest value in terms of maximum collaboration, access to the widest variety of crop and livestock research and the opportunity to expand in the most cost effective manner.

Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.

AmeriFlax  
BioScience Association of North Dakota  
National Sunflower Association  
North Dakota Barley Council  
North Dakota Beef Commission  
North Dakota Beekeepers Association  
North Dakota Corn Growers Association  
North Dakota Corn Utilization Council  
North Dakota Dry Edible Bean Seed Growers  
North Dakota Dry Pea & Lentil Council  
North Dakota Ethanol Council  
North Dakota Ethanol Producers Association  
North Dakota Farmers Union

North Dakota Grain Growers Association  
North Dakota Pork Council  
North Dakota Soybean Growers Association  
North Dakota Stockmen's Association  
North Dakota Wheat Commission  
Northern Canola Growers Association  
Northern Crops Council  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Northarvest Bean Growers Association  
Red River Valley Sugarbeet Growers Association  
US Durum Growers Association

## APPENDIX XIV

### MN Corn Support Letter



738 1<sup>st</sup> Avenue East  
Shakopee, MN 55379  
952.233.0333

[mncorn.org](http://mncorn.org)

June 19, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dear Dr. Richard Vierling,

It has been brought to our attention that the National Corn Growers Association (NCGA) is seeking site selection bids by July 1<sup>st</sup>, 2014, for the newly formed National Agricultural Genotyping Center (NAGC). The Minnesota Corn Growers Association (MCGA) is a current member of NAGC and we value the work that will be provided for the agricultural community. Agricultural research at the NAGC is vital to meeting the continued demand for increased production and quality standards that challenge our farmers in a growing world population.

MCGA has been committed to a long history of research that has continually increased the production of corn in the northern region of the United States. The emphasis on crop diversity is important to the corn farmers of Minnesota. We were encouraged to hear of the North Dakota Corn Growers Association bid to host the NAGC at the USDA-ARS Research facility on the North Dakota State University campus. This is an effective way of using existing research infrastructure and an opportunity to collaborate with the USDA-ARS.

We strongly support the proposed collaboration between the USDA-ARS and the NAGC. The collaboration between organizations and researchers means a bright future for all of agriculture. Please consider selecting the North Dakota Corn Growers Association's site bid and thank you for developing the National Agricultural Genotyping Center.

Sincerely,

Ryan Buck  
Minnesota Corn Growers Association  
President  
738 1<sup>st</sup> Ave. E  
Shakopee, MN 55379  
651-764-2164  
E-mail: [ryanbuck2525@yahoo.com](mailto:ryanbuck2525@yahoo.com)



**APPENDIX XV**

**NDSU Land Grant  
Support Letter**



# NDSU NORTH DAKOTA STATE UNIVERSITY

May 15, 2014

North Dakota Corn Council  
Attn: Tom Lilja, Executive Director  
1411 32<sup>nd</sup> Street S, Suite 2  
Fargo, ND 58102

Colleagues:


I am writing in support of your exciting initiative to bring a National Agriculture Genotyping Center (NAGC) to our state. As president of our state's top-ranked and land-grant research university, the opportunity afforded to both NDSU and our state's interest, if a NAGC was sited here, are substantial to say the least.

As you well know, North Dakota's agricultural productivity is at an all-time high. That's due to a number of factors not the least of which has been the industry's ability to stay ahead of threats to our productivity. Much of that ability, candidly, has come from the increasing research and contributions of NDSU. Those contributions extend not only to our own state, but regional and national success in the broadest definition of the agricultural industry. In fact, NDSU's research productivity and subsequent ranking has not surpassed just the other colleges and universities in our state, but those the five state area we are part of.

That said, to maintain our success supporting the industry requires constant vigilance and an aggressive research agenda, geared at getting our research findings in to the hands of agricultural entities. In an environment of declining federal support for doing so through basic research, efficiency and access to cutting-edge technologies will become increasing critical to our maintaining our applied research capacities. A NAGC would represent a substantial contribution toward that goal.

Thank you for your work to bring us the tools to do our work. My hope is that you will be successful in doing so, which will be an important part of our state and nation's future success in feeding not just our own but the world's populations.

Sincerely,



Dean L. Bresciani  
President

OFFICE OF THE PRESIDENT

NDSU Dept 1000 | PO Box 6050 | Fargo ND 58108-6050 | 701.231.7211 | Fax 701.231.8722 | [www.ndsu.edu](http://www.ndsu.edu)



**NORTH DAKOTA CORN COUNCIL**

1411 32<sup>nd</sup> Street Suite 2 - Fargo, ND 58103 • Phone: 701.364.2250 • Fax: 701.298.7810

[info@ndcorn.org](mailto:info@ndcorn.org) • [www.ndcorn.org](http://www.ndcorn.org)

SB 2009  
2-5-15 #1

# Optional Adjustment Requests

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Description	Amount	Included in Executive Recommendation
Monitoring, surveying and inspecting for Japanese beetle, emerald ash borer and issues impacting the apiary industry	\$ 82,297	Yes
Pride of Dakota Holiday Showcase venues	\$ 50,000	Yes
Information Technology analysis	\$ 150,222	Yes
Department website redesign	\$ 150,000	Yes
ITD Client Technologies Services Desktop Support	\$ 352,912	Yes
National Genomics Center	\$ 800,000	No
Study to assess the economic contributions of the agriculture industry to the ND economy	\$ 242,000	No
North Dakota Centennial Farms	\$ 90,000	No
TOTAL:	\$ 1,917,431	

# Requested Changes to the Executive Recommendation

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Description	Amount
Waterbank Program—budget authority for Outdoor Heritage Fund request	\$ 1,200,000
National Genomics Center	\$ 800,000
Study to assess the economic contributions of the agriculture industry to the ND economy	\$ 242,000
TOTAL:	\$ 2,242,000

1.2



#1

PROPOSED AMENDMENTS TO SENATE BILL NO. 2009

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$10,861,195	\$1,962,467	\$12,823,662
Operating expenses	5,885,262	1,041,807	6,927,069
Capital assets	12,000	(4,000)	8,000
Grants	4,675,828	5,964,946	10,640,774
State board of animal health	2,109,828	(1,296,163)	813,665
Wildlife services	1,417,400	0	1,417,400
Crop harmonization board	75,000	0	75,000
Accrued leave payments	237,295	(237,295)	0
Total all funds	\$25,273,808	\$7,431,762	\$32,705,570
Less estimated income	<u>15,754,591</u>	<u>5,282,679</u>	<u>21,037,270</u>
Total general fund	\$9,519,217	\$2,149,083	\$11,668,300"

Page 2, replace lines 5 through 7 with:

"National genomics center	\$0	\$800,000
Information technology analysis	0	150,222
Department web redesign	0	150,000
Total general fund	\$0	\$1,100,222"

Page 2, line 17, replace "\$6,464,295" with "\$6,414,476"

Page 3, line 4, replace "six thousand five hundred fifteen" with "five thousand four hundred ninety-one"

Page 3, line 5, replace "ten thousand seven hundred seventy-five" with "eight thousand six hundred fifty-six"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$10,861,195	\$1,962,467	\$12,823,662
Operating expenses	5,885,262	1,041,807	6,927,069
Capital assets	12,000	(4,000)	8,000
Grants	4,675,828	5,964,946	10,640,774
State board of animal health	2,109,828	(1,296,163)	813,665
Wildlife services	1,417,400		1,417,400
Crop harmonization board	75,000		75,000
Accrued leave payments	237,295	(237,295)	
Total all funds	\$25,273,808	\$7,431,762	\$32,705,570
Less estimated income	<u>15,754,591</u>	<u>5,282,679</u>	<u>21,037,270</u>
General fund	\$9,519,217	\$2,149,083	\$11,668,300
FTE	77.00	0.00	77.00

Department No. 602 - Department of Agriculture - Detail of Senate Changes

1-1

	Adjusts Base Payroll <sup>1</sup>	Adds Funding for Salary and Benefit Increases <sup>2</sup>	Adds Funding for Japanese Beetle, Emerald Ash Borer, and Other Issues <sup>3</sup>	Increases Funding for Information Technology Expenses <sup>4</sup>	Increases Funding for Pride of Dakota <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	\$1,155,647	\$764,923	\$41,897			298,092
Operating expenses			40,400	353,093	50,000	(4,000)
Capital assets						
Grants					30,000	3,692,946
State board of animal health	(1,296,163)			(21,699)		21,699
Wildlife services						
Crop harmonization board						
Accrued leave payments	(237,295)					
Total all funds	(\$377,811)	\$764,923	\$82,297	\$331,394	\$80,000	\$4,008,737
Less estimated income	(416,531)	311,200	0	181	30,000	3,915,829
General fund	\$38,720	\$453,723	\$82,297	\$331,213	\$50,000	\$92,908
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Waterbank Program <sup>7</sup>	Adds Funding for Agriculture Industry Economic Impact Study <sup>8</sup>	Adds One-Time Funding for an Information Technology Department Analysis <sup>9</sup>	Adds One-Time Funding for a Website Redesign <sup>10</sup>	Adds One-Time Funding for the National Genomics Center <sup>11</sup>	Total Senate Changes
Salaries and wages						\$1,962,467
Operating expenses			150,222	150,000		1,041,807
Capital assets						(4,000)
Grants	1,200,000	242,000			800,000	5,964,946
State board of animal health						(1,296,163)
Wildlife services						
Crop harmonization board						
Accrued leave payments						(237,295)
Total all funds	\$1,200,000	\$242,000	\$150,222	\$150,000	\$800,000	\$7,431,762
Less estimated income	1,200,000	242,000	0	0	0	5,282,679
General fund	\$0	\$0	\$150,222	\$150,000	\$800,000	\$2,149,083
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is added for cost-to-continue 2013-15 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> The following funding is added for 2015-17 biennium performance salary adjustments of 2 to 4 percent per year and increases in monthly health insurance premiums:

	General Fund	Other Funds	Total
Salary increase - Performance	\$263,043	\$178,047	\$441,090
Health insurance increase	190,680	133,153	323,833
Total	\$453,723	\$311,200	\$764,923

<sup>3</sup> Funding of \$82,297 from the general fund is provided for monitoring, surveying, and inspecting for Japanese beetle and emerald ash borer and for the workload increase relating to potential changes in apiary law.

<sup>4</sup> Ongoing funding of \$352,912 from the general fund is provided for Information Technology Department desktop support services and funding information technology operating costs is reduced by \$21,518.

<sup>5</sup> Funding of \$50,000 from the general fund is provided for the costs of the changes in venues in Grand Forks and Fargo for Pride of Dakota showcases. Also an increase of \$30,000 from other funds is provided to assist Pride of Dakota members market and promote North Dakota-made products.

<sup>6</sup> Base level funding is adjusted as follows:

General Fund	Other Funds	Total
--------------	-------------	-------

Base budget capital adjustment	\$0	(\$4,000)	(\$4,000)
Increase operating expenses relating to contracted mediation services and the specialty crop block grant	92,908	226,883	319,791
Agriculture in the classroom grant increase	0	5,000	5,000
Specialty crop block grant increase	0	3,827,946	3,827,946
Organic certification grant reduction	0	(150,000)	(150,000)
Local foods grant increase	0	10,000	10,000
Total	\$92,908	\$3,915,829	\$4,008,737

<sup>7</sup> Funding of \$1,200,000 in grant funding from the outdoor heritage fund is added for the waterbank program.

<sup>8</sup> Funding of \$242,000 of other funds is added for a study of the impact of the agriculture industry on the North Dakota economy.

<sup>9</sup> One-time funding of \$150,222 from the general fund is added for an Information Technology Department analysis of the department's information technology data and application structure.

<sup>10</sup> One-time funding of \$150,000 from the general fund is provided to redesign the department website.

<sup>11</sup> One-time funding of \$800,000 from the general fund is added to assist with operating costs of the National Genomics Center.

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This amendment also:

- Changes the statutory salary for the Agriculture Commissioner to provide for a 3 percent annual increase.
- Changes estimated income from the environment and rangeland protection fund relating to the salary increase adjustment.



COMMISSIONER  
DOUG GOEHRING



NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE  
STATE CAPITOL  
600 E. BOULEVARD AVE. – DEPT. 602  
BISMARCK, ND 58505-0020

Attachment #1  
SB 2009  
3/6/15

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

## North Dakota Mediation Service

Report to the North Dakota House of Representatives Appropriations Committee – Education and Environment Division

Requested by HB 1009, Section 7 (Sixty-third Legislative Assembly of North Dakota)

### Program Overview

The North Dakota Mediation Service (NDMS) was established to help resolve disputes and to help financially distressed farmers and ranchers.

Mediation is a voluntary, confidential process in which a neutral mediator guides the parties involved in a dispute through a thorough examination and discussion of issues. Mediation allows all parties involved in a dispute to speak openly in a confidential manner.

The Sixty-second Legislative Assembly of North Dakota (2011) expanded the program's responsibilities to include mediation of property disputes related to energy development and landowner disputes with the North Dakota Game and Fish Department related to property damage caused by deer depredation.

### Requests for Assistance

Since the mediation law was changed in 2011, NDMS has serviced 41 energy development mediation cases. All energy development mediation work was conducted by a contract mediator.

Credit and energy development mediation cases remain the top service requests. For the 2013-2015 biennium, NDMS has received 86 mediation requests - 71 formal and 15 informal. Credit requests accounted for 45 and energy development requests accounted for 12 of the formal mediation cases. Energy development cases involved surface damage, right-of-way easement, well site location and compensation issues. The balance of the formal mediation requests (14) concentrated on a variety of disputes including wetland, crop insurance, pesticide drift, and rural housing issues. Credit cases accounted for all of the informal mediation requests.

### Mediation Agreement Rate

NDMS' agreement rate remains positive, measuring 70 percent for the current biennium. The agreement rate is calculated by dividing the total mediation agreements involving mediation,



negotiation, and other program involvement by the total mediation requests.

### **Contract Services**

NDMS has a pool of mediation contractors to assist with caseload. The current pool of vendors includes:

- Legal Edge Solutions (Dickinson)
- Camrud, Maddock, Olson, and Larson (Grand Forks)
- Oster Law Office (Fargo)
- Lakeside Professional Services (Dickinson)

### **Program Budget**

For the 2013-2015 budget, NDMS expended \$216,149 (\$123,332 other funds and \$92,817 general funds) through January 2015. NDMS' FY 2015 FSA grant allocation is \$205,539 (\$143,877 federal funds and \$61,662 state match).

Federal law only permits the use of mediation federal grant and state matching funds for seven specific agricultural lending and United States Department of Agriculture (USDA)-related disputes as described under 7 CFR §785.4:

*Covered persons: means producers, their creditors, and other persons directly affected by actions of the USDA involving one or more of the following issues:*

1. Wetlands determinations
2. Compliance with farm programs, including conservation programs
3. Agricultural loans (regardless of whether the loans are made or guaranteed by the USDA or made by a third party)
4. Rural water loan programs
5. Grazing on National Forest System lands
6. Pesticides
7. Other issues the USDA secretary of agriculture may consider appropriate

USDA has indicated that energy development mediation work is not allowable to the federal grant.

### **Credit Review Board**

The six-member North Dakota Credit Review Board establishes policy for NDMS. The current Board members are:

1. David Rustebakke, Chairman (Grand Forks) – Governor's Appointee
2. Paul Burtman (Williams) – Attorney General Appointee
3. Barry Hanson (Pembina) – Attorney General Appointee
4. Gerald Horner (Kidder) – Governor's Appointee

5. Michael Martin (Dickey) – Agriculture Commissioner’s Appointee
6. Gerald Melvin (Cass) – Agriculture Commissioner’s Appointee

### **Program Certification**

USDA requires annual certification of state mediation programs (7 CFR §785.3). NDMS was recertified for Fiscal Year 2015 (October 1, 2014 through September 30, 2015).

### **NDMS Staffing**

NDMS has two full-time/regular positions in Bismarck and two part-time/temporary positions located in remote home offices. NDMS’ current staff roster is the following:

- Kari Doan, Administrator (Bismarck)
- Betty Schneider, Administrative Assistant (Bismarck)
- Jim Hoffert, Mediator/Negotiator (Rugby)
- Jim Jost, Mediator/Negotiator (West Fargo)

### **Mediation Training**

NDMS staff members receive mediation training through the University of North Dakota Conflict Resolution Center. In order to be designated as a qualified mediator, NDMS staff members must attend a minimum of 40 hours of training regarding core mediation knowledge and skills, and complete a minimum of 20 hours of additional training during each two-year period (7 CFR § 785.2).

### **Deer Depredation**

NDMS has not handled an official deer depredation case. NDMS mediated a case involving deer depredation, and was not involved in making any final determinations in the case.

For further program information, please contact:

Ken Junkert  
Acting Administrator  
North Dakota Mediation Service  
701-328-4756  
[kjunkert@nd.gov](mailto:kjunkert@nd.gov)

SB 2009

Attachment #2  
3/6/15



North Dakota  
Department of Agriculture

Doug Goehring, Commissioner

BUDGET  
PRESENTATION  
FOR THE  
2015-17 BIENNIUM

SB 2009

NORTH DAKOTA HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

EDUCATION AND ENVIRONMENT DIVISION

REPRESENTATIVE DAVID MONSON, CHAIRMAN

MARCH 6, 2015

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# Vision

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To provide North Dakota agriculture with the services and leadership necessary to make North Dakota the trusted provider of the highest quality food in the world with prosperous family farms, thriving rural communities, and world class stewardship of resources.

# Mission

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The North Dakota Department of Agriculture fosters the long-term well-being of North Dakota by promoting a healthy economic, environmental and social climate for agriculture and the rural community through leadership, advocacy, education, regulation, and other services. To carry out its mandate, the Department of Agriculture is committed to the following responsibilities:

- Serving as an advocate for family farmers and ranchers and for the rural community.
- Providing services that ensure safe, high-quality, and marketable agricultural products.
- Developing and expanding markets for agricultural commodities and value-added products.
- Reducing the risk of financial loss to agricultural producers and to buyers and sellers of agricultural commodities.
- Ensuring compliance with laws administered by the Department of Agriculture through understandable regulations, information, education, and even-handed enforcement.
- Ensuring human safety and a healthy environment through proper use of pesticides.
- Verifying the contents of pesticides, fertilizers, soil conditioners, animal feeds, and veterinary medicines.
- Reducing agricultural losses from noxious weeds, predatory animals, insects, and diseases.
- Gathering and disseminating information concerning agriculture to the general public.
- Protecting and improving the health, welfare, quality and marketability of livestock and other domestic animals.
- Providing fair and timely dispute resolution services to agricultural producers, creditors, and others.

**AGRICULTURE COMMISSIONER**  
Doug Goehring

**ASSISTANT TO THE COMMISSIONER**  
Jody Reinke

**HUMAN RESOURCES**  
Lindsay Borlaug

**DEPUTY COMMISSIONER**  
Tom Bodine

**ADMINISTRATIVE SERVICES**  
Ken Junkert, Director

**Fiscal Management**

Account Budget Specialist  
Lynette Baumiller

Administrative Officer  
Samantha McGrath

Grant & Procurement Specialist  
Jeannie Jacobs-Kopp

**Policy Development**

Policy Analyst  
Britt Aasmundstad  
Vacant

**North Dakota Mediation Service**

Administrator  
Kari Doan

Negotiators  
Jim Hoffert (non-FTE) Jim Jost (non-FTE)

Administrative Officer  
Betty Schneider

**Emergency Management**

Specialist  
Kent Theurer

**MARKETING & INFORMATION**  
Dana Hager, Director

**Marketing Specialists**

Emily Edlund (non-FTE)  
Jamie Good  
Erin Markestad  
Sarah Tunge  
Kelly Wald  
Vacant

Public Information Officer  
Michelle Mielke

Administrative Assistants  
Hazel Hoger  
Bonnie Sundby

**Information Technology**

Computer & Network Specialist  
Roberta Tjaden

Geographic Information System Specialist  
Jim Hansen

**LIVESTOCK DEVELOPMENT**  
Shaun Quissell, Director

**Dairy Inspection**

Ratings/Surveillance Officer  
John Ringsrud

Dairy Inspectors  
Orville Payne  
Ken Quanbeck

**State Meat & Poultry Inspection**

Director  
Dr. Andrea Grondahl

Senior Inspectors  
Heather Andersen  
Cody Kreft

Compliance Officer  
David Slack

Information Coordinator  
Nathan Kroh

Inspectors  
Joshua Epperly  
Cami Metzger  
Sherlynn Olson  
Joslyn Roadstrom

Shawn Steffen  
Whitney Vogel  
Kayla Wesoloski

Relief Inspector  
Julie Nilges

Livestock Pollution/Age & Source Verification  
Jason Wirtz

Feed Specialist  
Dave Phillips

Livestock Development Specialists  
Amber Boeshans  
Jessie Pfaff

Administrative Assistants  
Becky Gietzen  
Angela Rittmiller

**Wildlife Services\***

State Director  
Phil Mastrangelo

**PESTICIDE & FERTILIZER**  
Jim Gray, Director

Environmental Scientist  
Jerry Sauter

Pesticide Enforcement Coordinator  
Tyler Kralicek

Pesticide Program Specialist  
Jon Krei

Pesticide Outreach Specialist  
Jeremiah Lien

Fertilizer/Anhydrous Specialist  
Eric Delzer

Fertilizer Auditor  
Patrick Hart

**Inspectors**

Sara Beaudrie  
Kevin Coufal  
Andrew Erickson  
Darrell Haseleu

James Jeske  
Brian Kramer  
Derek Woehl  
Vacant

Administrative Assistant  
Brandy Kiefel

**PLANT INDUSTRIES**  
Carrie Larson, Director

Plant Protection Specialists  
Samantha Brunner  
Charles Elhard  
Lane Kozel  
Rachel Seifert-Spilde

Noxious Weed Specialist  
Chelsey Penuel

Administrative Assistant  
Elaine Saylor

**ANIMAL HEALTH**  
Dr. Susan Keller, State Veterinarian

Deputy State Veterinarian  
Dr. Beth Carlson

Assistant State Veterinarian  
Dr. Sara McReynolds

Field Investigator  
Nathan Boehm

Avian Influenza Coordinator  
Jeanne David (non-FTE)

Administrative Assistant  
Tammy Celley

Office Assistants  
Kathy Hoffman  
Kimberly Norton

\* Wildlife Services, a division of the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, operates in North Dakota under a cooperative agreement with the North Dakota Department of Agriculture, the North Dakota Game and Fish Department, and the North Dakota State Water Commission.

# Ken Junkert, Director

## Administrative Services Division

Administrative Services includes the fiscal management, emergency management, policy development, and human resources in the North Dakota Department of Agriculture (NDDA). The division also administers the North Dakota Mediation Service.

### Fiscal Management

- Oversees the development and tracking of the department's budget.
- Processes payroll.
- Pays all bills and deposits all revenues.
- Reviews and approves contracts.
- Ensures compliance with state and federal laws relating to the department's finances; including expenditure tracking and filing of required reports to federal agencies.
- Responsible for procurement of goods and services for the department.

### Emergency Management

- Plan, implement, and evaluate strategic emergency management plans.
- Develop and conduct training and education on risk management, loss control, and general safety issues.

### Policy Development

- Researches and analyzes agricultural policy for the commissioner.
- Responds to public information requests.

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$2,624,113	\$2,481,690
Operating	789,613	842,632
Grants	0	242,000
Total	\$3,413,726	\$3,566,322
General	\$2,601,438	\$2,859,069
Federal	468,328	295,931
Special	343,960	411,322
Total	\$3,413,726	\$3,566,322

### North Dakota Mediation Service

- Offers negotiation and mediation services to resolve differences among creditors, farmers, and others.
- Offers assistance for beginning farmer loan applications and farm program paperwork.
- Provides financial counseling.
- Offers mediation to address energy-related issues.
- Offers conflict resolution services to resolve deer depredation disputes.

### Human Resources

- Responsible for human resource activities, including recruitment and training.

# Carrie Larson, Director Plant Industries Division

Plant Industries includes the noxious weeds, plant protection, waterbank, industrial hemp, and apiary programs.

## Noxious Weeds

- Distributes state and federal funds for noxious weed control to weed boards.
- Manages federal grants for noxious and invasive weeds.
- Coordinates statewide biological weed control and obtains and distributes biological weed agents.
- Assists county and city weed boards in field days and weed management.
- Assists the general public with weed identification and control.
- Trains and assists weed boards with GPS/GIS mapping technology.
- Administers the Weed Seed Free Forage program.

## Plant Protection

- Surveys for exotic pests such as exotic moths, nematodes, and emerald ash borer that threaten North Dakota agriculture and horticulture.
- Surveys for pests, various diseases, insects, and nematodes including: Japanese beetle, Karnal bunt, dwarf bunt, cereal leaf beetle, soybean cyst nematode, and potato cyst nematode, to enable export of agricultural products.
- Licenses and inspects nursery dealers and growers.
- Provides export certification/phytosanitary services for export of agricultural products.
- Reviews biotechnology permits.

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$1,172,564	\$1,211,307
Operating	801,277	841,677
Capital Assets	12,000	0
Grants	1,450,274	3,450,274
Total	\$3,436,115	\$5,503,258
General	\$782,211	\$1,729,416
Federal	730,961	727,252
Special	1,922,943	3,046,590
Total	\$3,436,115	\$5,503,258

## Special Programs

- Conducts the State Waterbank program.
- Registers ginseng growers.
- Administers industrial hemp program.

## Apiary

- Licenses beekeepers.
- Registers and maps apiary locations.
- Inspects bees and issues health certificates for migratory movement.
- Investigates and responds to bee complaints.
- Visits apiaries and ensures compliance with the bee law.
- Administers North Dakota Honey Promotion program.
- Pollinator plan enhances communication and emphasizes best management practices for stakeholders.



# Shaun Quissell, Director Livestock Development Division

Livestock Development includes livestock licensing, dairy/poultry, livestock pollution prevention, wildlife services, state meat & poultry inspection, livestock development, and feed.

## Livestock Licensing

- Licenses and establishes bonds for livestock dealers and auction markets.
- Monitors financial conditions of dealers and auction markets, and discovers unlicensed dealers.

## Dairy/Poultry

- Inspects dairy farms for equipment, facilities, water purity, sanitation, and proper drug usage and storage.
- Inspects dairy processing plants and milk transfer stations four or more times annually.
- Inspects distribution facilities, milk bulk trucks, and samplers/haulers.
- Monitors financial conditions of milk buyers.
- Conducts Grade A survey work.
- Inspects manufacturing grade plants and transfer stations under agreement with USDA.
- Inspects licensed commercial egg producers.
- Licenses and sets bonds for hatcheries.

## Livestock Pollution Prevention

- Helps livestock producers install manure containment systems through cost-share funding assistance.
- Advises producers on nutrient management, project planning, manure containment, and regulations.

## Wildlife Services

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

## State Meat & Poultry Inspection

- Trains, certifies, and inspects meat processing companies participating in the program.
- Inspects custom-exempt processing plants.

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$3,563,198	\$3,535,047
Operating	1,594,489	1,594,489
Wildlife Services	1,417,400	1,417,000
Grants	1,050,000	1,050,000
<b>Total</b>	<b>\$7,625,087</b>	<b>\$7,596,936</b>
General	\$2,852,581	\$2,992,695
Federal	3,053,462	2,945,314
Special	1,719,044	1,658,927
<b>Total</b>	<b>\$7,625,087</b>	<b>\$7,596,936</b>

- Inspects retail outlets for country-of-origin labeling.
- Enforces meat and poultry processing regulations.
- Grades livestock carcasses at official state and/or federal establishments as requested.
- Provides consultation and education to the meat and poultry industry.
- Ensures proper label use by the industry.

## Livestock Development

- Conducts age/source verification.
- Assists producers and processors in expanding and promoting the state's livestock industry.
- Works with the North Dakota Dairy Coalition to expand the state's dairy industry.

## Feed

- Registers all pet food sold in the state.
- Maintains a label file of commercial feeds sold in the state.
- Licenses commercial feed manufacturers retailers.
- Samples feed products to ensure that nutritional content matches label claims.
- Inspects medicated feed plants.
- Verifies manufacturer and producer compliance with federal requirements to prevent bovine spongiform encephalopathy (BSE).

# Dana Hager, Director

## Marketing & Information Division

Marketing and Information provides education, promotion, and market enhancement programs to increase sales of North Dakota agricultural commodities, and value-added agricultural products in international, domestic, and local markets.

### Marketing

- Administers the Pride of Dakota (POD) program, including Holiday Showcases, annual meeting, and other events.
- Provides trade show assistance to companies.
- Oversees wine development and promotion.
- Administers North Dakota Turkey Federation.
- Conducts and participates in international trade events.
- Supports and coordinates with Food Export-Midwest Association.
- Conducts market research for companies to help them expand their business domestically and internationally.
- Conducts Exporter Training programs around the state for companies.
- Administers community orchard grants.
- Administers local foods initiative.
- Administers farm-to-school programs.
- Operates the mobile food processing unit.
- Administers specialty crop block grants.
- Administers organics program.
- Administers organic certification reimbursement grants.
- Organizes the annual meeting of the agriculture commissioner and the commodity councils.
- Organizes an annual local foods conference.

### Public Information

- Writes and edits department publications, including news releases, brochures, and reports.
- Responds to public information requests.

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$1,503,147	\$1,843,623
Operating	1,185,657	2,021,569
Capital Assets	0	8,000
Grants	2,175,554	5,898,500
<b>Total</b>	<b>\$4,864,358</b>	<b>\$9,771,692</b>
General	\$1,822,854	\$2,543,415
Federal	2,411,684	6,284,653
Special	629,820	943,624
<b>Total</b>	<b>\$4,864,358</b>	<b>\$9,771,692</b>

### Agriculture in the Classroom

- Helps K-12 teachers integrate agriculture information into science, math, social studies, and language curricula.
- Supports Project Food, Land & People which provides hands-on lessons to help students better understand the relationships between the world's environment, agriculture, and people.
- Publishes the Ag Mag—each issue of which focuses on an agriculture topic—three times a year for 3rd, 4th and 5th graders at no charge.
- Underwrites FFA Foundation mini-grants for agriculture-related projects, units, and lessons for school-age children.

### Information Technology

- Maintains desktop support contract with ND Information Technology Department.
- Maintains all desktop and wireless phones.
- Maintains department websites, email, and intranet.

# Dr. Susan Keller, State Veterinarian

## Animal Health Division

Animal Health protects the health of domestic animals and non-traditional livestock, and administers all rules and orders of the State Board of Animal Health (BOAH).

- Monitors and regulates animal imports and exports.
- Traces animal movements as part of disease investigations.
- Issues and maintains records of official USDA tags and official state certificates of veterinary inspection.
- Conducts a John's disease control program.
- Conducts the National Scrapie Eradication programs.
- Investigates suspected cases of foreign animal diseases and emerging diseases.
- Responds to complaints of inhumane treatment of animals.
- Coordinates pet sheltering during disasters.
- Conducts tuberculosis, brucellosis, and other disease investigations.
- Reviews testing information and granting status for tuberculosis-accredited herds, brucellosis-certified herds statuses, and Brucella ovis-free flocks.
- Administers non-traditional livestock and farmed elk regulations.
- Issues permits to possess, propagate, or domesticate live animals and protected birds for ND Game and Fish Department.
- Provides chronic wasting disease testing training and oversight.
- Oversees feral swine investigations.
- Works with ND Department of Health on zoonotic disease issues.
- Provides oversight on proper carcass disposal.
- Inspects auction markets and approves veterinarians to provide market services.
- Monitors for novel swine enteric coronavirus diseases.

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$0	\$1,442,040
BOAH	2,169,876	813,665
Total	\$2,169,867	\$2,255,705
General	\$1,465,033	\$1,543,705
Federal	450,684	437,054
Special	254,159	274,946
Total	\$2,169,876	\$2,255,705

- Provides inspection services at the ND State Fair.
- Registers feedlots.
- Licenses rendering facilities.
- Registers veterinary medicines used in the state.
- Licenses dealers of modified live vaccines.
- Conducts avian influenza testing through USDA Avian Health Co-op Agreement.
- Coordinates the National Poultry Improvement Plan in the state.
- Trains and coordinates a Reserve Veterinary Corps to assist in emergency situations.
- Participates in animal emergency preparedness and response on state, regional, and national levels.
- Cooperates with other state and federal animal health officials regionally and nationally to guide national animal health policy.
- Monitors and reports diseases on state and national levels.
- Provides education and outreach for practicing veterinarians and the livestock industry.
- Maintains the state's animal traceability database.

# Jim Gray, Director

## Pesticide & Fertilizer Division

The Pesticide and Fertilizer Division regulates pesticides, fertilizers, and anhydrous ammonia to protect human health and the environment.

### Pesticides

- Conducts inspections of pesticide dealers, users, and repackaging facilities to ensure compliance with laws and regulations.
- Provides outreach to inform the public of state and federal pesticide requirements.
- Prepares and submits emergency exemption requests to ensure North Dakota producers have access to necessary pest management tools.
- Registers all pesticides—herbicides, fungicides, rodenticides, insecticides, avicides, and disinfectants—sold in ND and approves product labeling.
- Conducts Project Safe Send; an annual, statewide collection of unusable pesticides.
- Works with EPA on national pesticide regulatory and policy issues.
- Conducts risk assessments, takes public input, compiles data, makes recommendations to EPA to mitigate risk of pesticides to threatened and endangered species as part of the ND Endangered Species Protection Plan.
- Investigates and responds to pesticide contamination of groundwater and surface water resources.
- Investigates complaints of pesticide misuse and other violations.
- Administers and enforces the federal Worker Protection Standard to protect workers who handle and use pesticides.
- Samples fertilizer products to ensure claims match labels.
- Licenses anhydrous ammonia storage facilities.
- Conducts inspections of anhydrous ammonia storage facilities and nurse tanks to ensure compliance with state laws and rules.
- Administers the Risk Management Program for agricultural anhydrous ammonia facilities and inspects facilities to ensure compliance with federal requirements.
- Provides outreach and compliance assistance to the fertilizer industry and anhydrous ammonia users.
- Audits fertilizer distributors to ensure compliance with annual fertilizer tonnage reporting.

### Fertilizer

- Licenses fertilizer distributors.
- Registers fertilizer products and approves product labeling

	2013-2015 Budget	Senate Version 2015-17 Budget
Salaries	\$2,180,320	\$2,309,955
Operating	1,514,226	1,626,702
Harmonization Bd	75,000	75,000
<b>Total</b>	<b>\$3,769,546</b>	<b>\$4,011,657</b>
General	\$0	\$0
Federal	1,029,271	833,143
Special	2,740,275	3,178,514
<b>Total</b>	<b>\$3,769,546</b>	<b>\$4,011,657</b>



# Additional Considerations

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## **Engrossed HB 1409**

Section 2: (Powers and duties of commission)

2. Place conditions on an offer or a grant including a limit on the duration of an offer, a requirement of matching funds, and limit the source of the matching funds, and the commission shall exclude any money appropriated from the state general fund from use as matching funds unless the legislative assembly authorizes the use of state general fund money as matching funds;

SB 2009 includes \$1.2 million of special fund authority to provide grants to landowners to manage excess water on their land and be compensated for inundated crop areas. Funding of the program is provided through an Outdoor Heritage Fund grant approved by the Industrial Commission.

### **Additional Consideration #1:**

**Provide authorization in SB 2009 for the agriculture commissioner to use \$50,000 of general fund salaries as match for the grant provided through the Outdoor Heritage Fund for the Waterbank program.**

---

SB 2009 includes \$242,000 of special fund authority (Agriculture Commissioner's Operating Fund—Fund 308) to provide a grant to the NDSU Department of Agribusiness and Applied Economics to study the economic contribution of the agriculture industry in greater detail. The study will include animal and crop commodity production, farm input manufacturing such as agriculture machinery, production inputs, value-added agriculture processing, commodity handling and transportation, and crop insurance indemnities and federal payments.

### **Additional Consideration #2**

**Fund the economic contribution of the agriculture industry to ND study from the Environment and Rangeland Protection Fund (Fund 376).**

# Summary

## Agriculture Commissioner's Budget

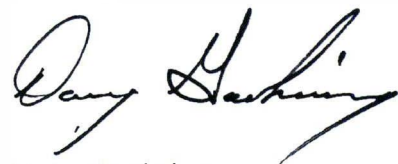
	2013-2015 Budget	Senate Version 2015-17 Budget
General	\$9,524,117	\$11,668,300
Federal	8,144,390	11,523,347
Special	7,610,201	9,513,923
Total	\$25,278,708	\$32,705,570
FTEs	77	77

The work of the North Dakota Department of Agriculture is vital to our state's most important industry. Although the department is one of the smallest of its kind in the United States, its personnel administer and deliver a wide variety of programs and services for the benefit of the state's 30,000 family farmers and ranchers and all of our citizens.

This budget presentation was designed to help members of the North Dakota Legislature determine spending priorities for the 2015-2017 biennium.

My staff and I welcome the interest and questions of the Legislature and all North Dakota citizens regarding the work of the North Dakota Department of Agriculture.

Sincerely,



Doug Goehring  
Agriculture Commissioner

Good Morning Chairman Monson and members of the House Education & Environment Appropriations Committee.

For the record my name is Tom Lilja and I am the Executive Director of the North Dakota Corn Growers Association.

In March of 2014 the National Corn Growers Association (NCGA) and Los Alamos National Laboratory (LANL) solicited bids for a location for the newly formed National Agricultural Genotyping Center (NAGC). You may remember back in the mid 1990's when President Bill Clinton led a ceremony congratulating the medical community for successfully mapping the human genome. Since that time the genomes of different crops have been mapped. In 2009 the corn plant was successfully mapped at an investment of over \$32 million dollars. NCGA developed a relationship with Los Alamos to put to practical use this new roadmap for corn and other crops. Los Alamos developed a new method of genotyping that is more accurate, quicker, cheaper and can be constructed to detect over 20 pathogens in one test. The vision of the NCGA / LANL partnership is to make this technology readily available for multiple crops and livestock breeds. The potential impacts to food safety are profound. The National Agricultural Genotyping Center is what has resulted from this vision.

I wish to place into the record the 65 page bid proposal that was submitted by The North Dakota Corn Growers Association on July 1, 2014.

I will highlight the strong degree of support from North Dakota's agricultural community including 26 commodity, livestock and biosciences groups that all see the promise this new technology holds. Upon being selected as one of two finalists for this new lab, the lead consultant for the site selection process stated to me that "I'd like to compliment your well thought out proposal. You guys really viewed this as a state asset."

The financial commitments that were included in the July 1<sup>st</sup> proposal include:

\$1,000,000	North Dakota Corn Council
\$100,000	North Dakota Ag Products Utilization Commission

\$200,000 Northern Corn Development Corporation  
\$200,000 North Dakota Soybean Council  
\$800,000 North Dakota Dept. of Agriculture  
\$2,300,000

Additionally, upon receiving notice that North Dakota was one of two finalists we were able to secure additional funding by our August 5<sup>th</sup> & 6<sup>th</sup> site visit. Those financial commitments include:

\$100,000 North Dakota Farmers Union  
\$100,000 CHS Foundation  
\$200,000

All of these funds totaling \$2,500,000 were contingent upon NAGC being sited in North Dakota. On August 29, 2014, Fargo was selected as the site for NAGC.

I want to state that this selection would not have been possible without the support of this legislative body. The site selection committee that visited Fargo was very impressed with the new state of the art \$33.5 million dollar greenhouse facility and the \$2.64 million dollar Beef Cattle Research Complex, both recent investments. They were even more impressed with the quality of crop, livestock and food safety scientists and the collaborative nature of research being conducted in this region.

In the end I'm convinced that it was our people that the site selection committee chose. It was the people on all the above mentioned boards who made commitments to make this siting possible. In particular, Commissioner Goehring who showed tremendous leadership as we were finalizing our bid package.

This technology shows great promise for all of American agriculture, particularly in food safety. I would ask that you support Commissioner Goehring's request to include this \$800,000 in the ND Ag Department budget.

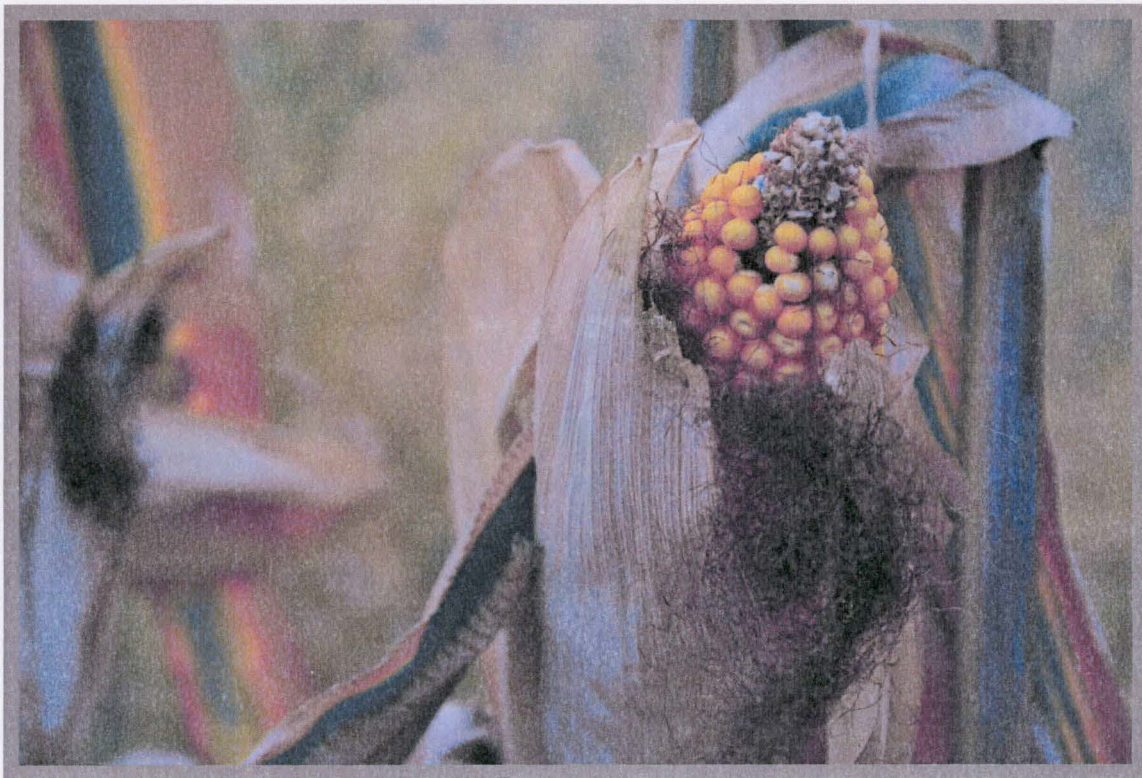
I would be happy to answer any questions that you may have.





## NATIONAL AGRICULTURAL GENOTYPING CENTER

A SITE PROPOSAL





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## EXECUTIVE SUMMARY

The National Agricultural Genotyping Center (NAGC) is invited to make its home in North Dakota. Specifically, this proposal is a compilation of North Dakota-based government, public, and private entities who are collectively inviting the NAGC to launch its facility and operations in Fargo, N.D. This proposal confidently addresses all of the important required criteria, defined by the National Corn Growers Association and the Los Alamos National Laboratory, and offers a sturdy partnership that will ensure a successful launch and provide for the long sustainability of the NAGC.

Through the leadership of the North Dakota Corn Utilization Council and the North Dakota Corn Growers Association, this proposal identifies committed and requested funds for the NAGC Measured Growth Business Plan. Committed funds total \$1.5 million from the North Dakota Corn Utilization Council, the North Dakota Agricultural Products Utilization Commission, Northern Corn Development Corporation, and the North Dakota Soybean Council. An additional amount of \$800,000 has been requested from the North Dakota Department of Agriculture, which plans to include that amount in the Department's biennial budget starting on July 1, 2015, pending legislative approval. Support letters from the North Dakota Congressional Delegation, North Dakota Legislative Leaders, and Commodity Advocacy Organizations add to the North Dakota's commitment toward hosting the NAGC.

The Fargo, ND/Moorhead, Minn. metro area is a vibrant, growing community. The Fargo/Moorhead area boasts three, excellent institutions of higher learning, of which, North Dakota State University is a leading, land-grant, agricultural research and education institution. The Fargo/Moorhead area has a highly educated workforce capable of providing employment services for a Fargo-based NAGC. The number of college students, graduates, and post graduates in the Fargo/Moorhead area is substantial and growing to meet the needs of high technology companies, such as the proposed NAGC.

The Fargo/Moorhead area is home to Hector International Airport, which provides passenger and air freight services. Hector International has five national air carriers that fly into Fargo with up to 25 flights per day, 365 days per year. Hector International has North Dakota's longest runway capable of landing Boeing 747 aircraft. Airfreight parcel delivery, through primarily FedEx and UPS, is handled by contract air carriers daily. Ground transportation in and out of Fargo is efficient due to the benefit of having the intersection of U.S. Interstate highways I-29 and I-94.

This proposal highlights the opportunity to house the NAGC at the USDA, ARS, Red River Valley Agricultural Research Center campus in Fargo. The ARS Fargo campus is shown as an aerial view in Figure 1. The benefits for locating the NAGC at the ARS Fargo campus are; laboratory, office, and storage space is move in ready; simple revocable permit to rent 2,400 sq. ft. of Temporary space at an economical \$15.00/sq. ft./year; utilities and parking included in rent; standard laboratory hookups available; DS3 Internet connection available; permanent Target space is available for expansion; and independent operation of the NAGC is assured.



## NORTH DAKOTA RESOURCES

### Financial Resources

Under the leadership of the North Dakota Corn Utilization Council, entities from the state of North Dakota have unified to provide financial resources to develop a National Agricultural Genotyping Center in Fargo, N.D. The financial resources firmly committed for a Fargo-based NAGC totals \$1.5 million. Additional financial resources have been requested as a one-time, budget item from the North Dakota Department of Agriculture.

The North Dakota Corn Utilization Council has committed \$1 million for a Fargo-based NAGC. The funding breakdown includes \$200,000 for two board seats on the NAGC board of directors and includes \$800,000 in grant funds to be utilized by the NAGC to launch and develop a Fargo-based genotyping laboratory as described in the NAGC business plan. (Table 1) A letter detailing the financial commitment by the North Dakota Corn Utilization Council can be found in Appendix I.

The North Dakota Department of Commerce has committed \$100,000 in the form of a grant for a Fargo-based NAGC. (Table 1) This funding will be provided by the North Dakota Agricultural Products Utilization Commission. The Commission strives to create wealth and jobs within the state of North Dakota through the development of new and expanded uses of North Dakota's agricultural products through a grant program. A letter detailing the financial commitment from the Commission to the North Dakota Corn Growers Association the use of grant funds for the development of a Fargo-based NAGC can be found in Appendix II.

Northern Corn Development Corporation has committed \$200,000 in the form of prepaid research services to a Fargo-based NAGC. (Table 1) Northern Corn Development Corporation (NCDC) was incorporated in 2009 to initiate and develop corn-related research for the benefit of the region's agricultural community. The corporation was formed with participation a2017.nd governance from the North Dakota Corn Utilization Council, Keystone Agricultural Producers (Manitoba Canola Council), the Minnesota Corn Utilization and Promotion Council, and the South Dakota Corn Council. NCDC led the effort to launch Northern Plains Nitrogen, a North Dakota-based ammonia products manufacturing project. A letter detailing the financial commitment from NCDC to a Fargo-based NAGC can be found in Appendix III.

The North Dakota Soybean Council has committed \$200,000 in the form of a soybean research-oriented grant for a Fargo-based NAGC. (Table 1) The funds are to be utilized within one year from July 1, 2014 through June 30, 2015. The funds may be used for salaries, supplies, and laboratory rental fees. Funds must be utilized for soybean research. The soybean research field is rich with opportunities for utilizing genotyping in improved breeding and improved disease prevention. A letter detailing the financial commitment from the North Dakota Soybean Council to a Fargo-based NAGC can be found in Appendix IV.

The North Dakota Department of Agriculture will be including \$800,000 in grant funding for a Fargo-based NAGC in its department budget for the biennium starting on July 1, 2015, through June 30, 2017. All state government functions submit budgets to the North Dakota state legislature and the North



## NORTH DAKOTA RESOURCES

### Financial Resources

Dakota governor's office prior to the North Dakota state legislative session that occurs for an 80 day period every two years. North Dakota's bicameral legislative session meets every other January and usually wraps up legislation by mid-April. The Governor's budget guidelines and state agencies will be submitting their proposed budgets to the Office of Management and Budget in July, 2014 for the upcoming January 2015 legislative session. Once approved by the legislature and the Governor, appropriations are made starting on July 1<sup>st</sup> following the legislative session. A letter of support from the North Dakota Agricultural Commissioner for a Fargo-based NAGC can be found in Appendix V. A letter of support from the legislative leadership in both the North Dakota Senate and the North Dakota House of Representatives can be found in Appendix VI.

Source of Funds	Type of Funds	Funds Amount	Committed
ND Corn Utilization Council	Grant	\$800,000	Yes
ND Corn Utilization Council	Board Seats	\$200,000	Yes
ND Ag Products Utilization Comm.	Grant	\$100,000	Yes
Northern Corn Development Corporation	Prepaid Research	\$200,000	Yes
ND Soybean Council	Grant/Soy Research	\$200,000	Yes
ND Department of Agriculture	Grant	\$800,000	Requested

Total Funds Identified from ND

\$2,300,000

Table 1: NAGC Funding from North Dakota Entities.

Note: All funds, except board seat funding, are contingent upon Fargo site selected for the NAGC.

If Fargo, N.D. is selected for a site visit, the North Dakota Corn Utilization Council will continue in its efforts to secure additional funding from public and private organizations. At present, the funding secured for the NAGC is adequate to finance the NAGC Measured Growth Business Plan cash needs of \$2.2 million for start-up and operation of the NAGC until it becomes cash-neutral in the third quarter of its third year of operation.

## NORTH DAKOTA RESOURCES

### Financial Resources Summary

The North Dakota proposal to locate the NAGC in Fargo, N.D. has financing committed and requested to be adequate to finance the NAGC Measured Growth Business Plan. The committed portion totals \$1.5 million and the North Dakota Corn Utilization Council has confidence that an additional \$800,000 from the North Dakota Department of Agriculture will be available after the upcoming 2015 North Dakota legislative session based upon receiving the support letter from the North Dakota legislative leaders. (Appendix VI) A Fargo-based NAGC is planned to have \$2.3 million at the minimum upon starting its operation in December 2014.

### Human Resources

Fargo is the largest city in North Dakota with a population of 113,658.<sup>i</sup> Fargo is the seat of Cass County. The city is the focus of a metropolitan statistical area that extends over Cass County, N.D. and Clay County, Minn., where Fargo's sister city, Moorhead, is located on the east side of the Red River border that separates North Dakota and Minnesota. Moorhead, Minn. has a population of 39,398 and is the county seat of Clay County. Both cities were founded by the Northern Pacific Railway, where over time, the combined metropolitan area became an important transportation and marketing hub for the surrounding prolific agricultural commodity growing region.

The Fargo, N.D./Moorhead, Minn. metro area is home to a wide range of biotechnology, engineering, agribusiness, healthcare, and financial services businesses. With business activity at an all-time high, the unemployment rate in the Fargo/Moorhead metro region was at 2.8% as of May of 2014. One year prior, the rate was 3.5%. The Fargo/Moorhead area has a total labor force of 123,202 with 119,797 currently employed. The average annual worker salary in Cass county North Dakota is \$44,252/year and is \$34,632/year in Clay county Minnesota. Average annual worker salaries in both counties saw a 5% increase in wages for the most recent year from 2013.

According to the U.S. Census Bureau, the population in the Fargo/Moorhead metro area is well educated. The Census Bureau reported in 2012 that 94.9% of the population over the age of 25 had graduated from high school, 37.1% had attained a higher education bachelor's degree or higher degree, and 11.4% of the population attained a graduate or professional degree.<sup>ii</sup> In comparison, the United States has 85.7% of its population over the age of 25 that had graduated from high school and had 28.5% of its population that had attained a bachelor's degree or higher degree.<sup>iii</sup>

## NORTH DAKOTA RESOURCES

### Human Resources Continued

Today, the Fargo area is known around the world as an agri-business and agricultural research center. Science, technology, engineering, and mathematics employment in Fargo has increased nearly 40% since 2001, dramatically higher than the 3% rise experienced by the rest of the U.S. Fargo leads all other U.S. metro areas in the growth of mid-skilled jobs to employees with two year and certificate post-secondary degrees.<sup>iv</sup> The Greater Fargo Moorhead Economic Development Corporation conducted a detailed study of the area population and found that in 2010 there are 17,089 individuals in the area with bachelor degrees, 5,432 with master's degrees, 756 with professional degrees, and 698 with doctorate degrees.<sup>v</sup>

The Fargo/Moorhead area is home to three sizeable institutions of higher learning; North Dakota State University, Fargo, Minnesota State University, Moorhead, and Concordia College, Moorhead. Together, these three institutions have nearly 25,000 students studying a wide range of pursuits. North Dakota State University, in particular, has disciplines in the sciences and agriculture that will apply directly toward staffing and augmenting a Fargo-based NAGC. Table 2 shows the number of students enrolled by major in the various disciplines at North Dakota State University.

NDSU Major	Enrolled Students		
NAGC Related Discipline	Undergrads	Masters	Ph.D.
Agricultural and BioSystems Engineering	97	5	6
Animal Sciences	106	18	7
Biochemistry and Molecular Biology	34		
Biotechnology	53		
Botany	3	2	
Chemistry	52	4	24
Crop and Weed Science	95		
Equine Science	47		
Food Safety	2	11	2
Food Science	31		
Horticulture	37	2	
Microbiology	125	11	
Soil Science	7	8	1
Zoology	286	8	5
Total Enrollment	975	69	45

Table 2: NDSU Enrolled Students in NAGC Related Disciplines – 2013-2014 Academic Year



## **NORTH DAKOTA RESOURCES**

### **Human Resources Continued**

North Dakota has established a State Board of Agricultural Research & Education that prioritizes the types of agricultural research that should be funded by the North Dakota State Legislature. The upcoming 2015-17 biennium legislative session will receive the State Board's number one request, a \$1.2 million appropriation for Bioinformatics personnel to be located at North Dakota State University. The number six priority from the State Board is the funding of a \$1.3 million Animal Sciences Genetics and Genomics Initiative for the areas of Epigenetics, Statistical Genomics, and Metagenomics. The North Dakota State Board of Agricultural Research & Education priorities can be found in Appendix VII.

The State Board of Agricultural Research & Education has recommended that a total of 23 new agricultural research science positions be created through program initiatives and funding through North Dakota legislative appropriations. It should be noted that the North Dakota legislature, in its last two sessions, appropriated \$28.5 million for North Dakota State University's new BIO Level Security 2 and 3 Greenhouse and appropriated \$2.64 million for a new Beef Research Center at North Dakota State University. Targeted past appropriations and legislative commitments for future appropriations under consideration demonstrate that the State of North Dakota has the highest degree of confidence that it has and will continue to attract the highest caliber of agricultural researchers who embrace the State's commitment for advancing agricultural research and development.

### **Human Resources Summary**

The Fargo, N.D. region has a highly educated workforce that includes significant numbers of potential NAGC candidates who have the necessary credentials to become qualified, experienced, and competent employees. Also, the land grant university, North Dakota State University, has curricula, staff, and students working and studying within the disciplines that will be required to successfully staff the NAGC. With excellent support from the North Dakota State Government regarding the staffing and funding of agricultural research and development, a Fargo-based NAGC will have the opportunity to secure top quality personnel from the industries and institutions in the area.

### **Sample Shipment Resources**

Hector International Airport property is less than one mile from the proposed Fargo-based NAGC location. The airport has five airlines to service passenger and freight requirements. The airport is the destination for air freight aircraft that service regional hubs for FedEx and United Parcel Service (UPS). FedEx has pickup and delivery service with aircraft at least once per day at Hector International Airport where airfreight shipments from Fargo are shipped to a FedEx regional hub in Grand Forks, N.D., approximately 75 miles north of Fargo.



## **NORTH DAKOTA RESOURCES**

### **Sample Shipment Resources Continued**

UPS has pickup and delivery service using contracted aircraft at Hector International Airport where Air freight shipments from Fargo are shipped to a UPS regional hub in Sioux Falls, S.D., approximately 200 miles south of Fargo. FedEx and UPS also offer ground transportation for freight to and from Fargo, N.D. as well. Other shipment resources include the United States Postal Service and DHL Express.

### **Internet Technologies Resources**

The proposed Fargo-based NAGC location at the USDA, ARS, Red River Valley Research Center has robust, redundant internet connectivity. The location has a DS3 (Digital Signal Level 3) connection, which refers to the digital signal or logical capacity of information traffic of 44.736 Mb/s. The ARS, Red River Valley Research Center DS3 circuit provides reliable, dedicated connection or Internet access as well as other applications including email, web hosting, file sharing, data backup, video, and virtual private network access. DS3 connectivity is superior to cable for DSL access due to higher bandwidth speeds, better uptime, and fewer repairs required. The proposed Fargo-based NAGC location has excellent Internet technological infrastructure.

### **Laboratory Location Resources**

The Fargo-based NAGC preferred location is the USDA ARS Red River Valley Agricultural Research Center Location, Building #5, 2,400 sq. ft. laboratory space. Overhead layout diagrams are provided in Appendix VIII. A very attractive feature of the ARS laboratory space is that the space is ready for occupancy as a laboratory, offices, and storage space. Little if any retrofitting is required to become functional and operational. USDA, ARS management has stated that the 2,400 sq. ft. area can be painted and can have exterior windows installed in the laboratory area. This laboratory, office, and storage space is available for \$15.00/sq. ft. per year.

The USDA, ARS laboratory, office, and storage space in Fargo is available under the terms of a five (5) year, renewable revocable permit. (Appendix IX) The space available is comprised of 70% laboratory space, 15% of office space and 15% of storage space. The revocable permit is remarkably simple and would provide a Fargo-based NAGC facility with economical, functional space with expansion potential.

The laboratories are move-in ready at this time. The USDA, ARS, Red River Valley Agricultural Research Center management has stated that cosmetic improvements can be made to the laboratory spaces along with installing exterior windows for improved natural lighting. The wet laboratory spaces available are designed where chemicals, drugs, or biological materials are tested and analyzed. The laboratories have been built with water; specialized gases; individual air handling and ventilation; and multiple electrical power connections. The laboratories are equipped with fume

## NORTH DAKOTA RESOURCES

### Laboratory Location Resources Continued

laboratory benches, shelf storage, bench storage, and space for analytical equipment along with refrigerators and freezers.

A key facility feature of the USDA, ARS, Red River Valley Agricultural Research Center laboratory space is electrical power sustainability. The Center has a diesel-powered back-up generator to provide emergency electrical power. The back-up generator is tested monthly and is adequate to supply all electrical power needs for the entire Center. Another facility feature is that Internet service at the Center has been designed for the highest reliability and redundancy to ensure maximum connectivity.

The proposed Fargo-based NAGC facility is located on U.S. government property that is located within the North Dakota State University main-campus complex. The northwest corner of NDSU's campus complex is home to the RedHawks baseball stadium and the 22,000 seat FARGODOME stadium. To the north of the proposed Fargo-based NAGC facility are a number of newly-built hotels and restaurants. The main terminal of Hector International Airport is a short drive only minutes northwest of the proposed NAGC facility.

Aesthetically, the Red River Valley Agricultural Research Center campus boasts an attractive building complex, ample parking, and appealing green space. The Center will provide the NAGC staff with available amenities such as conference rooms, smaller meeting rooms, and a common lunchroom. The Center provides for facility maintenance, lawn care, and snow removal. More than adequate parking will be available for NAGC staff just a few steps from the proposed Fargo-based NAGC facility.

The Center's offer to house the NAGC is designed to meet current and future needs for the NAGC. The initial 2,400 sq. ft. space available for the proposed Fargo-based NAGC facility has been designed as Temporary Quarters with Revocable Permit. The Revocable Permit term is for five years. Within that time five-year span, it is contemplated by the North Dakota Corn Growers Association that a Fargo-based NAGC will need to expand due to increased facility requirements. The Red River Valley Agricultural Research Center campus has a free standing 14,000 sq. ft. facility with 6,000 sq. ft. available for NAGC use. The Center expansion space is known as Target Space with Lease and Renovations. (Appendix X)

The proposed Temporary and Target NAGC Fargo-based locations are considered by the North Dakota Corn Utilization Council and the USDA, ARS, Red River Valley Agricultural Research Center to be ideal locations for the NAGC due to the interaction among scientists in the genomics field and other scientific fields within the Fargo ARS and NDSU campuses. It should be emphasized that the Council and Center both recognize that the NAGC will be a self-governing, private, non-profit corporation that operates independently from the USDA, ARS, and from NDSU. However, the NAGC, the USDA, ARS, and NDSU will benefit greatly from mutual scientific interaction, communication, and support.



## NORTH DAKOTA RESOURCES

### Laboratory Location Resources Continued

The North Dakota Congressional Delegation of Senator John Hoeven, Senator Heidi Heitkamp, and Representative Kevin Cramer have provided their collective interest in locating the NAGC at the USDA, ARS campus in Fargo, N.D. (Appendix XI) Agricultural interests in North Dakota have enjoyed the active support of their federal Congressional delegation. The North Dakota Corn Utilization Council believes that a Fargo-based NAGC will have on-going opportunities to communicate directly with the North Dakota Congressional Delegation on matters directly related to the NAGC.

Also, the North Dakota Legislative Leadership has provided its bi-partisan support letter indicating collective interest in locating the NAGC in North Dakota. (Appendix VI) The North Dakota legislature has been very proactive in support of North Dakota-based agricultural research and development. By receiving a letter of interest from the North Dakota Legislative Leadership seeking agricultural research ideas and input from the NAGC, the North Dakota legislature has opened the door of communication for the NAGC for future growth.

A cumulative list of benefits in locating the NAGC within the USDA, ARS, Red River Valley Agricultural Research Center campus is shown in Table 3:

Features	Benefits
Move-in Ready Lab – 2,400 sq. ft.	Minimal Facility and Business Ramp Up Time
Revocable Permit Documentation	Simple, Cost Effective Documentation
Annual Lease Rate of \$15/sq. ft./year	Cost Effective, Competitive Lease Rate
Conference Rooms, Lunch Room, Meeting Areas	Pleasant, User Friendly Environment for Staff
Refrigeration/Freezing Space	Quick, Flexible Installation of Refrigeration/Freezers
Electrical and Water Utilities Provided	Reduces Occupancy Costs/Improves Utility Service
Expansion Room Available – 6,000+ sq. ft.	Minimum Disruption for Expansion/Cost Effective
Adjacent to ARS Wheat Genomics Lab in Complex	Communication with Genomics Colleagues
Robust, Redundant, High Capacity IT Connectivity	Improved Data Communications and Storage
Secure Facility	Secure Intellectual Property and Staff Safety
Lease Only Agreement	Guarantee NAGC Independent Operation
Within NDSU Campus Complex	14 Crop Breeding/6 Animal Breeding Programs
Parking Access	Free Parking for Staff Very Close to Labs

Table 3: Feature and Benefits of a Fargo-based NAGC facility at the USDA, ARS Campus



## NORTH DAKOTA RESOURCES

### Cost of Living Index

The Fargo-area Cost of Living Composite Index as of January 2014 was 94.2. The Cost of Living Index is quarterly compiled by the Council for Community and Economic Research that measures relative price levels for consumer goods and services in areas of the U.S. The average for all of the participating areas equals 100, and the Fargo-area Cost of Living Index is given as a percentage of the average for all measured areas. Table 4 shows the Fargo cost of living index for grocery, housing, utilities, transportation, health care, other services, and overall composite indexes. Table 4 also shows comparative metropolitan area cost of living indexes.

Areas	Indexes						
City, State	Composite	Grocery	Housing	Utilities	Transport	Health Care	Other
Fargo, ND	94.2	102.1	83.6	89.6	95.4	111.3	97.7
Minot, ND	105.3	92.9	113.3	76.8	110.7	111.1	110.2
Mpls, MN	108.8	116	111.7	99	105.7	97.7	109.2
San Jose, CA	152.8	111.6	265.7	119.4	115	113.7	106.2
Chicago, IL	113.4	93.9	134.7	97.9	120.2	96.8	108.4
Denver, CO	105.2	92.8	115.2	102.5	101.9	107.9	103.7
Portland, OR	116.1	101.8	138.1	93.7	116.2	114.6	110.9
Boise, ID	93.4	87.9	86.5	86.6	107.6	106.3	96.4

Table 4: Cost of Living Index for Fargo, ND area and Comparison Areas  
Source: ACCRA Cost of Living Index

The cost of living index in the Fargo area for health care and groceries are higher than the national average, while the cost of living indexes for housing, utilities, transportation, other services, and overall composite scores are lower than the national average. The Fargo, N.D. area has a favorable cost of living index that is lower than the U.S. national average.

### Agriculture's Importance to the Region's Economy

North Dakota is a state with prolific agricultural production. The state has 39,262,613 acres in farmland. Of those farms, 27,147,240 acres were utilized for cropland and the other acres were used primarily for grazing.<sup>vi</sup> North Dakota is the number one producer of hard red spring wheat with production in 2013 of 235,290,000 bushels produced on 5.1 million acres. North Dakota also produced a diverse amount of crop commodities, livestock, turkeys, and honey in 2013 as shown in Tables 5 and 6. Of particular interest is that North Dakota ranks #1 in production output in Spring Wheat, Durum Wheat, Barley, Dry Beans, Canola, Flaxseed, Dry Peas, Sunflowers, and Honey. North Dakota also ranks high in the production of Lentils, Potatoes, Soybeans, Sugar beets, and Beef Cattle.<sup>vii</sup> (Appendix XII)



## NORTH DAKOTA RESOURCES

### Agriculture's Importance to the Region's Economy Continued

Commodity – State Rank	Production	Acres
Spring Wheat - #1	235,290,000 bu	5,100,000
Durum Wheat - #1	29,645,000 bu	795,000
Winter Wheat	8,815,000 bu	220,000
Barley - #1	46,080,000 bu	760,000
Dry Beans - #1	7,095,000 cwt	430,000
Canola - #1	1,665,300,000 lb	920,000
Corn	396,000,000 bu	3,600,000
Flaxseed - #1	2,920,000 bu	150,000
Hay - #14	5,090,000 tons	2,620,000
Lentils - #2	1,764,000 cwt	129,000
Oats - #3	8,370,000 bu	225,000
Potatoes - #4	22,620,000 cwt	81,000
Dry Peas - #1	5,740,000 cwt	295,000
Soybeans - #7	138,600,000 bu	4,650,000
Sugar beets - #3	5,693,999 tons	227,000
Sunflowers - #1	608,000,000 lb	499,000

Table 5: 2013 Major Crop Production in North Dakota

Livestock and Honey – State Rank	Number
Beef Cattle - #16	1,759,000 head
Milk Cows and Heifers	31,000 head
Hogs	135,000 head
Sheep	74,000 head
Bison	9,560 head
Elk	2,065 head
Turkeys	419,319 birds
Honey - #1	29,193,610 lb

Table 6: 2013 Livestock, Turkeys, and Honey Production in North Dakota

Abundant agricultural production in North Dakota has been the impetus for a number of agribusinesses to be established in the state. The North Dakota Trade Office has compiled a list of 45 North Dakota-based companies that are engaged in exporting commodities and manufactured goods to foreign customers.<sup>viii</sup> The state is home to the North Dakota State Mill and Elevator, the largest free standing wheat-based mill in North America. North Dakota is home to four sizeable ethanol producers including Tharaldson Ethanol, Casselton, N.D., Red Trail Energy, LLC, Richardton, N.D., Blue Flint Ethanol, Underwood, N.D., and Hankinson Renewable Energy, Hankinson, N.D. Together, the North Dakota ethanol facilities process 140 million bushels of corn to produce 360 million gallons of ethanol annually.

## NORTH DAKOTA RESOURCES

### **Agriculture's Importance to the Region's Economy Continued**

Food processing is North Dakota's most important manufacturing industry. Major food products include bread, frozen dough, pasta, frozen potato products, sugar, honey, vegetable oils, and meat products. The second most important manufacturing industry is the production of agricultural and construction machinery.<sup>ix</sup> Most of North Dakota's food processors are members of the Pride of Dakota® organization, an initiative of the North Dakota Department of Agriculture. A review of the food processors membership roster that contains members of Pride of Dakota® reveals the wide breadth of commodities grown and processed within the state of North Dakota.<sup>x</sup>

North Dakota is home to Golden Growers Cooperative, owners of the Pro Gold corn wet milling facility located near Wahpeton, N.D. Cargill is the leasehold operator of the facility, which grinds 85,000 bushels of corn per day and produces high fructose corn syrup, corn feed, and corn germ products. Cargill also owns and operates one of the world's largest malting plants that is located in Spiritwood, N.D. Cargill and ADM also own and operate oilseed crush facilities in the state. Cargill recently renovated their West Fargo, N.D. multi-commodity crush facility. ADM operates a sunflower crush facility in Enderlin, N.D. and a canola crush facility in Velva, N.D.

Overall, however, North Dakota is primarily engaged in production agriculture where most of the commodities produced are exported out of the state. The emphasis on crop and livestock production as the state's major industry means that agricultural inputs and processes are extremely important. Therefore, North Dakota hosts dozens of seed, chemical, machinery, and ag-consulting companies headquartered in North Dakota, other states, and around the world.

Attached in Appendix XIII is a support letter signed by all of the state or nationally sponsored commodity advocacy groups active in North Dakota. Individually, the Minnesota Corn Growers Association has supplied its own support letter as shown in Appendix XIV. All of the signatories of the support letter have relationships with growers, traders, exporters, processors, and marketers of North Dakota commodities. The commodity groups listed in the support letter represent and interact with a wide array of potential NAGC clients. It is exciting and gratifying to receive the broad based support of such a variety of commodity organizations.

### **Land Grant University Support**

Attached in Appendix XV is a support letter from the president of North Dakota State University, Dr. Dean Breschiani. North Dakota State University is engaged in all levels of agricultural research. Of note, North Dakota State University recently added a Food Safety curriculum to its array of agricultural and agribusiness studies. North Dakota State University offers bachelor level degrees in Biotechnology that complements the range of agricultural and agribusiness disciplines at the University.



## NORTH DAKOTA RESOURCES

### Airport Proximity

Hector International Airport's entrance road is located to the West-North-West of the USDA ARS site at a distance of approximately 3 miles. Flight departures (and arrivals) average 25 flights per day on five airline carriers; Allegiant, American, Delta, Frontier, and United Airlines. The airport is the destination for air freight aircraft that service regional hubs for FedEx and United Parcel Service (UPS).

FedEx has pickup and delivery service with contracted aircraft at a minimum of once per day at Hector International Airport. FedEx airfreight shipments from Fargo are shipped to a FedEx regional hub in Grand Forks, N.D., approximately 75 miles north of Fargo. UPS has pickup and delivery service using contracted aircraft at Hector International Airport. UPS airfreight shipments from Fargo are shipped to a UPS regional hub in Sioux Falls, S.D., approximately 200 miles south of Fargo. FedEx and UPS offer ground freight transportation in and out of Fargo, N.D. as well. Airfreight shipment resources from Fargo also include the United States Postal Service and DHL Express.

Two sections of land within Hector International Airport, operated by the Fargo Municipal Airport Authority, have been classified as U.S. Foreign Trade Zone No. 267- Fargo. Foreign and domestic merchandise can be moved into the Zone for operations that include storage, exhibition, assembly, manufacturing, and processing to minimize trade duties and taxation. Custom duties and excise taxation are paid when products leave the Zone for consumption.

### Business Development Infrastructure Resources

North Dakota is well known for its business friendly attitude. In 2013, CNBC ranked North Dakota #3, out of 50 states, for friendly business climate by measuring 51 business factors.<sup>xi</sup> Forbes, in September 2013, ranked North Dakota #2 in Best States for Business.<sup>xii</sup> A major strategic focus for the NAGC is the development of for-profit business entities. Resources within the state of North Dakota would be available for business development assistance to attain the necessary supply of human and financial capital necessary to launch and sustain NAGC for-profit businesses.

North Dakota has its Department of Commerce geared to work with start-up enterprises as well as with business expansion projects. The Department of Commerce collaborates with its eight Regional Economic Development Commissions, Community Economic Development Entities, Federal Finance Programs, and with Regional Job Development Authorities within North Dakota to formulate business assistance programs for North Dakota-based enterprises.<sup>xiii</sup> North Dakota also is home to private Economic Development and Business Development Consulting Firms that focus on agribusiness development. North Dakota-based private consulting firms have successfully assisted in the development of dozens of successful agribusinesses, some of whom have grown to be acquired by multinational corporations.

## NORTH DAKOTA RESOURCES

### Business Development Infrastructure Resources Continued

Unique to North Dakota is the state-owned Bank of North Dakota. The Bank of North Dakota participates with lead banks to supply debt financing resources. The Bank of North Dakota has a number of interest buy-down programs to assist in maximizing cash flow at the start-up of new enterprise or expanding enterprise business operations.<sup>xiv</sup> North Dakota has a roster of state tax incentives that are very attractive for North Dakota investors and North Dakota companies. By utilizing tax incentives, North Dakota-based enterprises can attract capital and improve cash flow by lowering tax liabilities compared to most other states.<sup>1</sup>

The NAGC will need the best planning, financial resources, and human resources available to launch, develop, and successfully operate its for-profit businesses. The North Dakota Corn Growers Association, along with its public and private supporters, believe that North Dakota is the optimum state to launch and sustain new non-profit and for-profit business units. Also, the state of North Dakota, the North Dakota Corn Growers Association, and affiliated organizations recognize that the NAGC is an independent entity and will respect and protect independence throughout the development process.

### Summary

North Dakota is a great place to launch a new business. This is especially true for agriculturally-based businesses, due to the intense emphasis that is placed upon agricultural production in the state of North Dakota. The NAGC would have a high degree of visibility in the state of North Dakota due to the NAGC's mission to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy, and national security. As an independently operating entity, the NAGC, based in North Dakota, would have direct communication access with federal and state elected officials, a wide compliment of commodity organizations, the North Dakota University System, private firms in North Dakota operating worldwide, and with the USDA Agricultural Research Service.

The NAGC is invited to base its operations in North Dakota for the opportunity to provide services for the widest range of crop commodities, livestock, and apiary producers, researchers, and commodity groups in the nation. The NAGC is invited to take advantage of the benefits of locating in North Dakota: The Best Value in Agribusiness Development and Sustainability.



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- <sup>xv</sup> North Dakota Tax Department, Incentives, Website, <http://www.nd.gov/tax/taxincentives/toggle.html>

## APPENDIX I

### ND Corn Utilization Council Commitment Letter





Dr. Richard Vierling  
Director of Research and New Uses  
National Corn Grower Association  
632 Cepi Drive  
Chesterfield, MO. 63005

Dear Dr. Vierling;

The North Dakota Corn Utilization Council (NDCUC) is excited about the opportunity to support the submission of a bid package to locate the National Agricultural Genomic Center (NAGC) in Fargo, North Dakota. As a Council we have placed a very high priority on Research and Business Development. We have encouraged and supported our members and state staff to serve on national level committees. We believe in the purpose and the mission of the NAGC and we feel North Dakota is in an excellent position to host and help foster the lab.

As you know the NDCUC had previously committed \$150,000 towards the purchase of a board seat to the NAGC and during our March 19, 2014 board meeting increased that another \$50,000 to acquire a second seat to the board. At the same time the NDCUC Council approved an additional \$800,000 funding to the project if the NAGC is located in North Dakota. The support from our Council and staff is strong in developing the relationship with the NAGC.

We sincerely believe the opportunities in Fargo, North Dakota will work well for siting the NAGC. We believe the relationships that will be developed and fostered will greatly benefit the crop and livestock industries as a whole. North Dakota has a rich history of developing and fostering entities like the NAGC. We look forward to the process and wish you the RBDAT committee making the best decision.

Sincerely,

A handwritten signature in blue ink that reads "Tom Lilja".

Tom Lilja  
Executive Director  
North Dakota Corn Utilization Council

1411 32nd St S, Suite 2 • Fargo, ND 58103

Phone: 701 364 2250 • Toll-free: 800 657 8007 • Fax: 701 298 7810 • Web: [www.ndcorn.org](http://www.ndcorn.org)

## APPENDIX II

### ND Ag Products Utilization Commission Commitment Letter



June 26, 2014

North Dakota Corn Utilization Council  
Tom Lilja, Executive Director  
1411 32<sup>nd</sup> St. S.  
Fargo, ND 58103

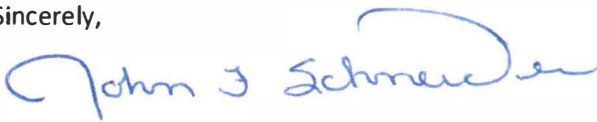
Dear Tom,

The North Dakota Agricultural Products Utilization Commission (APUC) approved a grant for \$100,000 at their May meeting for the development of a National Agricultural Genotyping Center. The funding is for fiscal year 2015 (July 1, 2014 through June 30, 2015).

- This funding is contingent on the center being located in North Dakota
- Grant funds can be used for salaries , equipment, supplies and travel costs.
- Grant funds can't be used for infrastructure costs.
- Funds shall not be used for the purpose of influencing governmental policies or actions.

We will advance the first half of the funds once we have received confirmation that the National Agricultural Genotyping Center will be located in North Dakota.

Sincerely,



John F Schneider  
Executive Director

## APPENDIX III

### NCDC Commitment Letter



June 24, 2014

Kim Swenson  
President, North Dakota Corn Growers Association  
10540 34<sup>th</sup> St. NE  
Lakota, ND 58344

Dear Kim:

I am pleased to confirm Northern Corn Development Corporation (NCDC) at our board meeting on June 24<sup>th</sup>, 2014, has committed \$200,000 for research at the National Genomics Lab should the North Dakota Corn Growers proposal be selected by the National Corn Growers Association.

NCDC is a nonprofit development corporation who's purpose is to help farmers commercialize technology that results from research they have funded through check off dollars. We are pleased that our first effort has resulted in sale of intellectual property to a farmer based group interested in building a nitrogen fertilizer plant in North Dakota that will use natural gas from the Bakken oil field. NCDC aggregated over \$1,000,000 in funding from three states and a Canadian Province to conduct this research. The pay out to farmers will be a dramatic savings in the price per ton of fertilizer based on the reduction of transportation costs.

We hope to bring this same level of innovation and application to research the National Genome Center will conduct. We think we can develop a sturdy working partnership with the National Center that will serve farmers well far into the future.

If you have any questions regarding this commitment, please do not hesitate to contact me or NCDC's consultants Dr. Neil Doty or Bill Patrie.

Sincerely,

Kevin Skunes  
Chairman



## APPENDIX IV

### ND Soybean Council Commitment Letter





1555 43rd Street S, Ste 103 • Fargo, ND 58103 • Tel: 701.239.7194  
Free: 888.469.6409 • Fax: 701.239.7195 • [www.ndsoybean.org](http://www.ndsoybean.org)

June 25, 2014

North Dakota Corn Utilization Council  
Tom Lilja, Executive Director  
1411 32<sup>nd</sup> St. S.  
Fargo, ND 58103

Dear Tom,

The North Dakota Soybean Council has approved funding in the amount of \$200,000 for soybean research at the National Agricultural Genotyping Center. The funding is for fiscal year 2015 (July 1, 2014 through June 30, 2015).

- The funding is contingent on the center being located in North Dakota.
- All funds must be utilized for soybean research.
- Funds may be used for salaries, supplies, and laboratory rental fees.
- No equipment shall be purchased with the funds.
- Funds shall not be used for the purpose of influencing governmental policies or actions.

A funding contract will be initiated upon confirmation that the National Agricultural Genotyping Center being located in North Dakota.

Sincerely,

Kendall Nichols  
Director of Research Programs

## APPENDIX V

### ND Department of Agriculture Support Letter



STATE OF NORTH DAKOTA  
DEPARTMENT OF AGRICULTURE  
600 E BOULEVARD AVE, DEPT 602  
BISMARCK, ND 58505-0020

DOUG GOEHRING  
COMMISSIONER

June 27, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling:

I am writing in support of the National Corn Growers Association bid for the new National Agricultural Genomics Center to be hosted at the USDA-ARS Research facility in Fargo, ND on the North Dakota State University campus. Agriculture is the backbone of North Dakota's economy and our congressional leaders and a vast majority of the agriculture community share our support for this effort.

North Dakota has the most diverse crop mix of any state in the upper Midwest and proudly ranks number one in production of at least 10 of the 42 crops raised. Livestock and apiary production are also major assets to our state and the value this research will bring to both sides of the industry will be extremely significant.

Our legislature meets every other year. We want to help this national center be successful, therefore, I am requesting \$800,000 of pass through dollars in my budget grant line for operations for this new center for the 2015-17 biennium. I have included a breakdown of the funding for your reference below.

Operating Expense	July 1, 2015 – June 30, 2016	July 1, 2016 – June 30, 2017
Lease Rent	\$40,000	\$40,000
Travel	\$70,000	\$90,000
Technology Expenses	\$90,000	\$60,000
Office Maintenance	\$18,000	\$21,000
Utilities, Internet, Phone	\$30,000	\$35,000
Supplies, Postage, Shipping	\$25,000	\$30,000
Professional Fees	<u>\$127,000</u>	<u>\$124,000</u>
Dept. of Ag Funding	\$400,000	\$400,000

I strongly support and encourage the proposed collaboration between the USDA-ARS Fargo facility and the National Agricultural Genomics Center. Best wishes on your continued success and launch of the new center.

Sincerely,

Doug Goehring  
Agriculture Commissioner



## APPENDIX VI

### ND Legislative Leaders Support Letter





## North Dakota Legislative Assembly

State Capitol  
600 East Boulevard Avenue  
Bismarck, ND 58505-0360

June 26, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

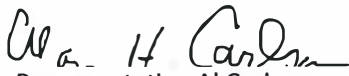
Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. We want to point out that our legislative body has a long history of supporting agricultural research.

Every two years the North Dakota State Board of Agricultural Research & Education (SBARE) conducts listening sessions throughout the state to prioritize agricultural research needs. The number one priority for the 2015-17 Biennium is \$1.2 million for Bioinformatics personnel. The number six priority from SBARE listening sessions is the Genetics & Genomics Initiative, calling for \$1.3 million for the areas of Epigenetics, Statistical Genomics and Metagenomics. The North Dakota legislature will strongly take into consideration these rankings from our citizens when the initiatives are evaluated during our legislative session beginning in January 2015.

We place a high value on both crop and livestock research. During the past two biennium's, the North Dakota legislature approved \$28.5 million in funding the new BIO Level Security 3 greenhouse at North Dakota State University. In that same time frame we approved \$2.64 million for the new Beef Research Center at NDSU. Both of these projects will lead to scientific solutions for agriculture and food safety.

We believe in giving our citizens the right tools to find solutions. If your committee were to select North Dakota as the site for your new center, please know that we would welcome and value your input.



Representative Al Carlson

House Majority Leader



Representative Bill Devlin

Speaker of the House



Representative Kenton Onstad

House Minority Leader



Senator Ray Holmberg

Chairman, Legislative Management



Senator Mac Schneider

Senate Minority Leader

**APPENDIX VII**

**ND SBARE  
Ranking Document**

## North Dakota AES – Programmatic Initiatives Final Ranking

### 1. **Bioinformatics** – (3.0 FTEs, Main Station) (*part of Number 1 Initiative in 2013-15*)

Bioinformatics is the utilization of very large data sets generated by genetic analyses. Bioinformaticists utilize sophisticated computer programs to identify the appropriate genetic codes responsible for desired traits by analyzing extremely large data sets. This important task is a bridge from geneticists to plant breeders and other researchers, with the ultimate goals of enhancing the efficiencies of plant breeding programs, understanding the genetics of disease and insect pests, and increasing the knowledge base in animal genomics.

3.0 FTE, Bioinformaticists .....	\$1,200,000
<b>TOTAL .....</b>	<b>\$1,200,000</b>

**2. Precision Ag** – (2.0 FTE, scientist and technical support staff, Main Station, and operating [system-wide]). Developing UAS-precision agricultural systems would offer agriculturalists in the state and nation increased opportunities to manage their resources for maximum profit. UAS technology, coupled with other precision Ag technologies such as GPS instrumentation, variable rate technology, fertilizer placement options, soil and crop sensors, complemented with ground-based research on the large number of crops grown in the state, will provide needed momentum for ND to become a leader in the field, given that ND was designated as a Federal test site. Operating dollars would be used as a pool of funds to establish a competitive program that would establish research teams to investigate the wide range of areas involving precision agriculture.

2.0 FTE, scientist and technical support .....	\$355,000
Operating. ....	\$2,555,000
<b>TOTAL .....</b>	<b>\$2,910,000</b>

### **Enhancing Research Infrastructure for greater research efficiencies and effectiveness -**

**Graduate student funding** – (Increase pool of funds for additional graduate research assistantships). Graduate research assistantships are critical to ongoing, vibrant research programs. These students are hard working, intelligent, and driven to succeed. They carry out research under the supervision of scientists at the Main Station and RECs, and these research topics broaden the overall research agenda of AES projects. The students work for approved research programs in the AES, attend classes to improve their understanding of their respective disciplines, and also carry out their individual research topics. Access to a small pool of funding to increase the number of students in Agriculture has been very successful, not only in terms of enhancing research activities, but also by leveraging funds from other sources to increase the number of students. In 2011-13, the AES had funds for 20 students; departments and individual scientists were able to leverage these funds to increase the number of students to 36. Of these 36 students, 33 were from either the state (23) or region (10). Because of the strong Ag economy in ND, jobs are plentiful and many students will remain in the state upon graduation. This request is to provide funds for an additional 20 research assistantships.

**Revolving Equipment Fund (REF)** – (Increase fund, make it annual instead of revolving). The Revolving Equipment Funds for the RECs and Main Station have been very successful in allowing units to purchase expensive, but needed, equipment. The cost of field and laboratory equipment continues to increase – a small plot combine can exceed \$300,000 and some specialized laboratory equipment can also exceed that



price. Granting agencies assume that scientists have the equipment necessary to complete the work. Without the appropriate equipment, our scientists cannot be successful as they seek external funds to carry out their research programs. Increasing the REF for the RECs so that each REC will receive \$150,000 each biennium rather than rotating across biennia will allow for more timely purchases and better planning of equipment purchases. Similarly, enhancing the Main Station REF by the same level to allocate funds to each unit every biennium will allow for better management and opportunities to leverage funds for the scientists that exist at the Main Station (allocation to units at Main Station is based on number of Scientist Years [SY] due to the varied size of Main Station units).

Graduate Research Assistantship funding . . . . .	\$800,000
Equipment Fund increase . . . . .	\$1,100,000
<b>TOTAL . . . . .</b>	<b>\$1,900,000</b>

#### **4. Managing Risk and Trade in the Agricultural Economy**

**Risk Management** – (1.0 FTE, support staff, Main Station, and operating) (*part of Number 4 Initiative in 2013-15*). Risk in agriculture has increased 3-4X since 1980 and will continue to grow in importance as a management strategy, given the wide fluctuations in yield, prices, input costs, availability of crop insurance, land costs, and food safety. With the mix of crop commodities in the state (and the importance of these commodities), the need to develop risk management strategies is critical. Commodity trading Room provides a research Lab for marketing information for farmers and outreach groups.

**Center for Ag Policy and Trade Studies (CAPTS)** – (1.0 FTE research scientist, Main Station, and operating) (*part of Number 4 Initiative in 2013-15*). The Center is the premier agricultural policy center in the region, currently evaluates state, domestic, and international policies that affect demand-supply of grains and net farm income. Analyzing farm policy and providing timely information relevant to the state's agricultural industries have been important to crafting farm policies beneficial to the state and addressing issues to increase competition of ND agriculture.

Risk Management – 1.0 FTE support Staff . . . . .	\$160,000
Ctr. for Ag Policy and Trade Studies – 1.0 FTE, res. scientist . . . .	\$160,000
Operating . . . . .	\$100,000

**TOTAL . . . . . \$420,000**

#### **5. Enhancing Research Capacity at the RECs**

**Hettinger REC** – (1.0 FTE, animal science technical support staff, HREC) (*part of Number 3 Initiative in 2013-15*). The HREC is generally well equipped to carry out research activities on crop and livestock issues for southwest North Dakota. However, labor is limited on the animal science effort. The Center has a highly productive animal science research agenda, but the Director currently serves as the only animal scientist at the Center. Additional staffing is needed to help address the needs of the livestock industry and to offset the already high workload of the Center Director.

**Dust issues in western ND** – (1.0 FTE, technical support staff, DREC)  
Dust created by the extensive truck traffic servicing the oil industry in western ND has led to a number of cropping and livestock issues. These include, but are not limited to, reduced yields, inability/ unwillingness to harvest hay, and respiratory issues in livestock. The result is that dust is creating a negative effect on crop and livestock enterprises.

Research to assist livestock and crop producers is necessary to identify ways to minimize this adverse effect on the agricultural industry in this region of the state.

**Livestock Productivity and Protection** – (2.0 FTE technical support, CREC and DREC) (*part of Number 3 Initiative in 2013-15*) North Dakota livestock producers are committed to producing the safest, highest quality food products possible. Increasing demand for our meat products nationally and internationally will require additional emphases on productivity and also will present additional opportunities for specialty markets. Through research, we can identify sustainable, profitable opportunities to improve livestock productivity in North Dakota.

**Plant Pathologist for Western ND** – (2.0 FTE, scientist and technical support, WREC) (*part of Number 2 Initiative in 2013-15*). There is an increasing level of crop disease problems occurring in western North Dakota due to changes in crop diversity, cropping systems, and crop rotation patterns. A plant pathologist is needed to evaluate and research crop diseases and impacts under both dryland and irrigated, no-till, and continuous cropping systems in Northwest North Dakota. The closest plant pathologist to western ND is located at the Carrington REC.

1.0 FTE, animal science technical support (HREC) . . . . .	\$130,000
1.0 FTE, technical support, dust issues (DREC) . . . . .	\$130,000
2.0 FTE, technical support, livestock productivity and protection . .	\$260,000
2.0 FTE, scientist and technical support (WREC) . . . . .	\$330,000
Operating . . . . .	\$420,000

**TOTAL . . . . . \$1,270,000**

#### **6. Genetics and Genomics Initiative**

**Epigenetics** – (2.0 FTEs: scientist and technician, and operating, Animal Sciences) (*part of Number 3 Initiative in 2013-15*). Epigenetics is the study of genetic expression modified by external environmental influences. Genetics of an organism codes the potential of the organism – the external environment affects the expression of many genes that influence final phenotypic expression of the organism (e.g., diet of the parents affecting carcass quality of the offspring). Understanding these external influences on gene expression may allow for enhanced benefits and profits to the livestock industry.

**Statistical genomics** – (2.0 FTE, scientist and support staff and operating, PLCS) uses statistical methodologies to determine genetic linkages and markers beneficial to crop improvement programs. Statistical genomics works with bioinformaticists to interpret the data to meaningful information for use by plant breeders and geneticists for desired traits.

**Metagenomics** – (2.0 FTE – scientist and 3 technical support staff, VMS). Metagenomics is the method to study contributions the microbiome makes toward plant, animal, and soil health. It is the interaction of microbial genomics with plant and animal genomics, which may lead to greater efficiencies, less disease, and a greater understanding of epigenetic factors.

Epigenetics – 2.0 FTE scientist and support staff, Main Station . . . . .	\$355,000
Statistical Genomics – 2.0 FTE, scientist and support staff, Main Station .	\$355,000
Metagenomics – 2.0 FTE, scientist and support staff, Main Station . . . . .	\$355,000
Operating . . . . .	\$240,000

**TOTAL . . . . . \$1,305,000**

## **7. Livestock Research to enhance productivity and profitability**

**Microbiome Initiative** – (2.0 FTEs, scientist and technical support, Animal Sciences). The microbiome is the ecological community of commensal, pathogenic, and symbiotic microorganisms that impact livestock production. Animal scientists will study the role of the microbiome in nutrition, disease, and environmental impact and, ultimately, human health.

**Forage Nutrition** – (2.0 FTEs, scientist and technical support, Animal Sciences) (*part of Number 3 initiative in 2013-15*). Forage and hay represent the greatest amount of nutrition received by beef cattle in North Dakota. Differences in the nutritional quality of forages and hay affect growth, development, and productivity of individual animals, thereby affecting profitability of the livestock producer. Developing a program in forage nutrition can assist producers throughout the state on improving forage quality and potentially increase profitability. This will complement existing programs in forage management, nutrition management, and range management.

Microbiome – 2.0 FTE, scientist and support staff, Main Station . . . . .	\$355,000
Forage Nutrition, 2.0 FTE, scientist and support staff, Main Station . . .	\$355,000

<b>TOTAL . . . . .</b>	<b>\$710,000</b>
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**8. Food Safety/Global Institute for Food Security and International Agriculture** – (operating support). Food safety and security are identified as among the most significant topics globally. Each nation is concerned about food security – a food supply to nourish the citizens of a specific country, safe from environmental or created catastrophes, terrorism, and trade disputes. Similarly, food that is free from contamination and is safe to consume is critical to ensure the health of a country's citizens. Food Safety involves research collaboration across disciplines and Extension. The AES has several established food safety research collaborations and seeks to expand its capabilities to enhance the efforts of the new global institute.

Food Safety and Security operating . . . . .	\$500,000
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<b>TOTAL . . . . .</b>	<b>\$500,000</b>
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**9. Soil Health research support** – (Increased operating to build upon the Soil Health Initiative supported in the 2011-13 Legislative Session) (*part of Number 5 Initiative in 2013-15*). The rise of the oil industry in western ND may have long-term impacts on land quality, which may reduce agricultural productivity. Brine spills and soil compaction have reduced land quality and crop productivity in western North Dakota.

Soil Health Research Support operating . . . . .	\$150,000
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<b>TOTAL . . . . .</b>	<b>\$150,000</b>
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## **Also discussed**

**Oakes Irrigation Site** – (1.0 FTE, CREC, and operating). The Oakes Irrigation Site has been funded through the Garrison Conservancy District. This funding will no longer be available in the near future. The facility has been supervised through the Carrington REC, but is entirely grant supported. The facility carries out research on irrigated crops for the SE region of ND.



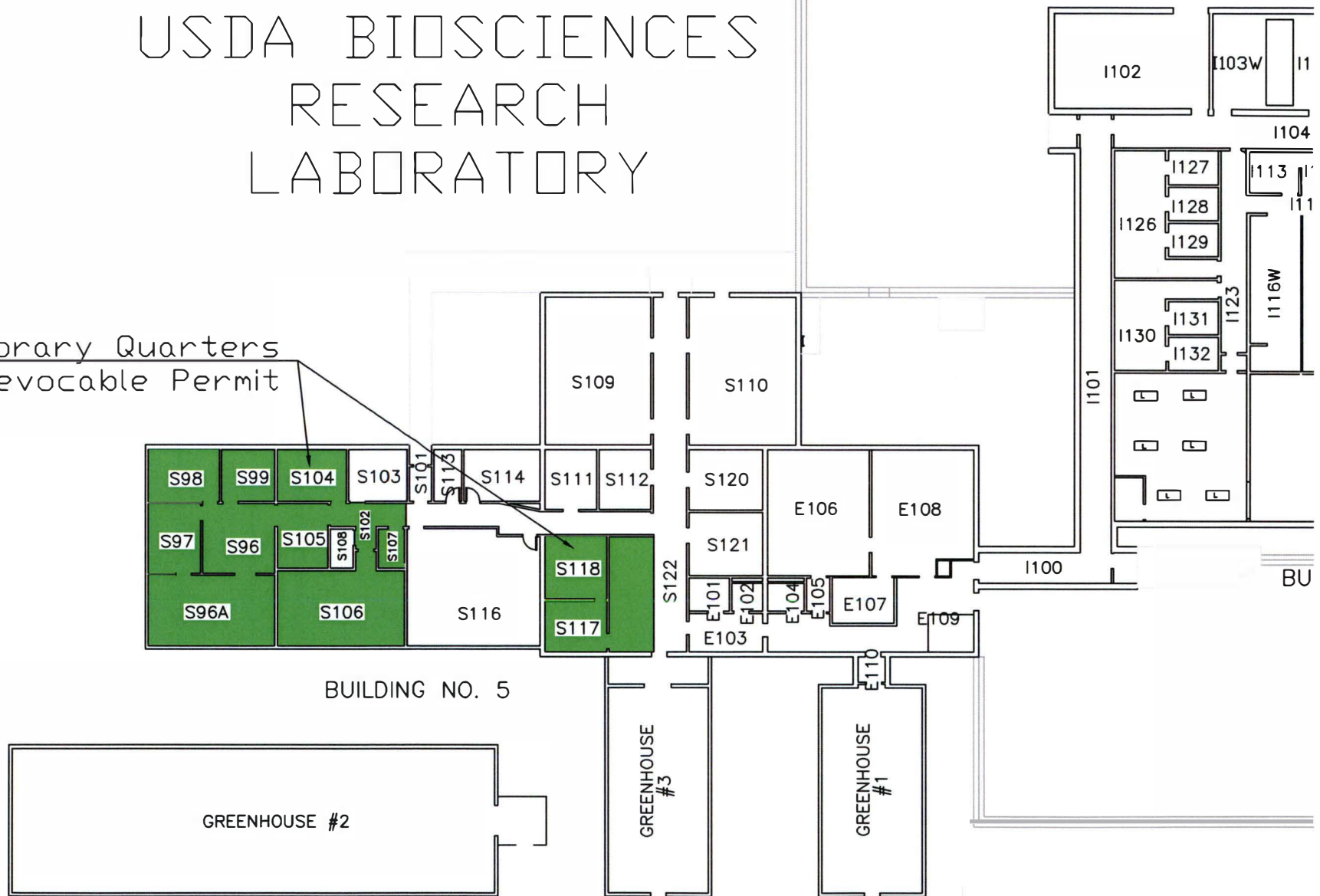
## APPENDIX VIII

### ARS Temp Quarters Map



# USDA BIOSCIENCES RESEARCH LABORATORY

Temporary Quarters  
w/ Revocable Permit









## APPENDIX IX

### USDA ARS Commitment Letter and Revocable Permit



United States Department of Agriculture

Research, Education, and Economics  
Agricultural Research Service

JUN 27 2014

Mr. Tom Lilja  
Executive Director  
North Dakota Corn Growers Association  
1411 32<sup>nd</sup> Avenue South, Suite 2  
Fargo, North Dakota 58103

Dear Mr. Lilja:

Pending confirmation of the receipt of a successful bid submission by the North Dakota Corn Growers Association (Association) for locating a National Agricultural Genotyping Center in Fargo, North Dakota, the Department of Agriculture (USDA)- Agricultural Research Service (ARS) is prepared to execute a Revocable Permit (Permit) allowing you access to and use of approximately 2,400 square feet of office and laboratory space in Building #5 at the USDA-ARS Red River Valley Agricultural Research Center (RRVARC), 1605 Albrecht Boulevard North, Fargo, North Dakota.

The RRVARC's mission is to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy and national security in support of the ARS mission and we believe that the proposed National Agricultural Genotyping Center is complementary to that mission and purpose.

In the attached document, we are providing a draft version of the above mentioned Permit which stipulates the specific terms and conditions, including the anticipated annually adjusted reimbursement fee of \$15 per square foot, as well as specific conditions related to operations – including visitors and information technology requirements associated with a secure facility like the RRVARC.

ARS does not have the authority to make Federally-owned space available on an outlease basis. However, ARS is authorized to issue the Association a Permit for the use requested. These Permits are issued in 5-year increments and can be renewed for additional 5-year periods without limitation.

Office of the Administrator  
Jamie L. Whitten Federal Building, Room 302-A  
1400 Independence Avenue, SW.  
Washington, D.C. 20250-0300  
An Equal Opportunity Employer



Mr. Tom Lilja

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If you have questions regarding the eventual processing of this Permit, please contact Edward Reilly, Deputy Director, Facilities Division, Asset Management (301) 504-1225 or William Kemp, Director, RRVARC (701) 239-1371.

Sincerely,



LAURENCE D. CHANDLER  
Acting Associate Administrator

Enclosure

cc:w/encl.  
J. Park, AFM  
J. Kemp, RRVARC  
N. Fleri, FD  
E. Reilly, FD

United States Department of Agriculture  
Agricultural Research Service  
**REVOCABLE PERMIT**

FROM (Agency and complete mailing address (including ZIP Code))	PERMIT NO.	DATE ISSUED
USDA, ARS, Northern Plains Area	FY - 14 -	
Red River Valley Agricultural Research Center	AMENDMENT NO.	DATE ISSUED
1605 Albrecht Boulevard North	FY -	
Fargo, ND 58102-2765	PERIOD OF USE:	
	FROM	THROUGH
	12/01/2014	11/30/2019
PERMITTEE (Name and complete mailing address (including ZIP Code))	GOVERNMENT REPRESENTATIVE (Name, title, and complete address)	
National Agricultural Genotyping Center	Edward T. Reilly, Real Estate Warrant Officer	
c/o National Corn Growers Association	USDA, ARS	
632 Cepi Drive	5601 Sunnyside Avenue	
Chesterfield, MO 63005	Mail Stop: 5123	
Point of Contact:	Beltsville, MD 20705	
Phone:	PHONE NUMBER 301-504-1225	

PURPOSE (Describe privilege requested in detail)

Provide laboratory and office space for the National Agricultural Genotyping Center. The Center's mission is to translate scientific discoveries into solutions for production agriculture, food safety, functional foods, bioenergy and national security in support of the ARS mission.

DESCRIPTION OF PROPERTY (Specify unit numbers, metes and bounds, etc.)

☐ LAND

☒ BUILDING

Property consists of buildings:

Building Support Lab 005 Insectory (544200B005) of the RRVARC-BRL, approximately 2,400 square Feet.

Floor and/or Rooms

Parking for 20 vehicles will be provided.

SPECIAL CONDITIONS

1. The cost for use of this building will be paid from National Agricultural Genotyping Center c/o National Corn Growers Association to USDA-ARS under a reimbursement agreement with USDA, ARS, NPA Budget and Fiscal Office.
  2. Reimbursement cost will be \$36,000 (\$15.00 per square foot) paid quarterly at a rate of \$9,000 in advance, beginning December 1, 2014. In the successive fiscal years the costs will be reviewed once a year and adjusted to reflect any reasonable increase in costs needed to maintain the property (not to exceed 5%). Breakdown of rent per space/reimbursable agreement:  
Building - Support Lab 005( 544200B005) = \$36,000/year  
Parking = \$0/month
  3. A new revocable permit will be completed for FY2015 and rent will be adjusted accordingly.
  4. ARS will provide utilities (electricity, water, and sewer) and related facility costs including janitorial service, facility maintenance snow removal.
  5. Permittee will be responsible for telephone costs which are to be arranged and paid directly to the vendor.
  6. ARS will issue access cards and parking tags to Permittee employees.
  7. Permittee has read and agreed to the attached Rules and Regulations Governing Conduct on Federal Property.
- See Page 3 for additional Special Conditions 8-10.

REAL ESTATE WARRANT OFFICER OR AUTHORIZED REPRESENTATIVE

SIGNATURE	NAME AND TITLE (Typed or Printed)	DATE ISSUED
	Edward T. Reilly, Real Estate Warrant Officer	

PERMITTEE

This Permit is accepted subject to the terms, conditions, and requirements expressed herein.

SIGNATURE	NAME AND TITLE (Typed or Printed)	DATE ISSUED

\_\_\_\_\_  
Permittee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Revocable Permit No.  
Special Conditions Continued

8. The RRVARC-BRL is a secured facility. All visitors (non-USDA employees) must check into the Administrative building (\_\_\_\_\_) to obtain a visitor's badge.
9. Vehicles must use paved roads and adhere to posted speed limit signs on the campus.
10. The Permittee shall furnish IT equipment, including printers, for the employees. If connected to ARS' infrastructure, all IT equipment must be configured to USDA/ARS standards and specifications.



## GENERAL TERMS AND CONDITIONS

1. **Grant** - This permit is granted by the United States of America, acting by and through the Real Estate Warrant Officer, or duly authorized representative, for the specified purposes, and subject to the conditions and requirements set forth herein.
2. **Use Limitations** - The permittee's use of the described premises is limited to the purposes herein specified. The permit is subject to such easements and rights-of-way in, over, or upon the herein-described lands that have been granted or that may hereafter be granted by the Government and shall be subject further to the right of access by duly authorized Federal Personnel to any part thereof in the performance of official duties.
3. **Damages** - The permittee shall hold the United States harmless from claims, demands, suits in law or in equity of any kind or nature for damage to or loss of property, or of injury to, or death of persons resulting from or attributable to the development, use or maintenance of the herein-described lands of the Government.
4. **Operating Rules and Laws** - The permittee shall keep the premises in a neat and orderly condition at all times, and shall comply with all municipal, county, and State laws applicable to operations under the permit as well as all Federal laws, rules, and regulations governing the area described in this permit.
5. **Responsibility of Permittee** - The permittee, by operating on the premises, shall be considered to have accepted these premises with all the facilities, fixtures, or improvements in their existing condition as of the date of this permit. At the end of the period specified or upon earlier termination, the permittee shall give up the premises in as good order and condition as when received except for reasonable wear, tear, or damage occurring without fault or negligence. Notwithstanding other provisions in this permit requiring reasonable care, the permittee shall be strictly liable for any and all damages to property, real or personal, including, but not limited to, damages or loss caused from fires, or injury to or loss of livestock, resulting from or attributable to the use or operation on the herein-described lands.
6. **Revocation Policy** - This permit may be revoked at the will of the Real Estate Warrant Officer or duly authorized representative. Upon giving of such notice or revocation, this permit shall be null and void and, within a period of not more than 30 days, the property of the permittee shall be removed in such manner as not to endanger property of the Government or to interfere with the use thereof by the Government, and the premises utilized in this permit shall be restored to the same condition as when this permit was first issued, ordinary wear and tear excepted.
7. **Termination Policy** - At the termination of this permit, the permittee shall immediately give up possession to the Government representative, reserving the rights specified in paragraph 8.
8. **Removal of Permittee's Property** - Upon the expiration or termination of this permit, the permittee may, within a reasonable period as stated in this permit or as determined by the Government representative, but not to exceed 30 days, remove all structures, machinery and/or equipment, etc., from the premises for which the permittee is responsible. Upon failure to remove any of the above items within the aforesaid period, they shall become property of the United States.
9. **Transfer of Privileges** - No rights under this permit may be transferred without the advance written approval of the Real Estate Warrant Officer, or duly authorized representative.
10. **Officials Barred from Participating** - No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this permit or to any benefit to arise therefrom. This provision shall not be construed to extent to this permit if made with a corporation for its general benefit.
11. **Non-discrimination** - This permit is made subject to the provisions in "Assurance of Compliance with the Department of Agriculture Regulations under Title VI of the Civil Rights Act of 1964," Form ARS-519. In addition to signing the permit, the permittee is required to sign the attached Form ARS-519 - *not applicable to Government rental of quarters*.
12. **Use of Insecticides** - The permittee shall not use an "Active Ingredient" as defined in Section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, (61 Stat. 163; 7 U.S.C. 136 et seq.) in violation of said Act on the land described in this permit.



# Rules and Regulations Governing Conduct on Federal Property

November, 2005

## Federal Management Regulation Title 41, Code of Federal Regulations, Part 102-74, Subpart C

**Applicability (41 CFR 102-74.365).** The rules in this subpart apply to all property under the authority of GSA and to all persons entering in or on such property. Each occupant agency shall be responsible for the observance of these rules and regulations. Federal agencies must post the notice in the Appendix to this part at each public entrance to each Federal facility.

**Inspection (41 CFR 102-74.370).** Federal agencies may, at their discretion, inspect packages, briefcases and other containers in the immediate possession of visitors, employees or other persons arriving on, working at, visiting, or departing from Federal property. Federal agencies may conduct a full search of a person and the vehicle the person is driving or occupying upon his or her arrest.

**Admission to Property (41 CFR 102-74.375).** Federal agencies must:

- Except as otherwise permitted, close property to the public during other than normal working hours. In those instances where a Federal agency has approved the after-normal-working hours use of buildings or portions thereof for activities authorized by subpart D of this part, Federal agencies must not close the property (or affected portions thereof) to the public;
- Close property to the public during working hours only when situations require this action to ensure the orderly conduct of Government business. The designated official under the Occupant Emergency Program may make such decision only after consultation with the buildings manager and the highest ranking representative of the law enforcement organization responsible for protection of the property or the area. The designated official is defined in Sec. 102-71.20 of this chapter as the highest ranking official of the primary occupant agency, or the alternate highest ranking official or designee selected by mutual agreement by other occupant agency officials; and
- When property or a portion thereof is closed to the public, restrict admission to the property, or the affected portion, to authorized persons who must register upon entry to the property and must, when requested, display Government or other identifying credentials to Federal police officers or other authorized individuals when entering, leaving or while on the property. Failure to comply with any of the applicable provisions is a violation of these regulations.

**Preservation of Property (41 CFR 102-74.380).** All persons entering in or on Federal property are prohibited from:

- Improperly disposing of rubbish on property;
- Willfully destroying or damaging property;
- Stealing property;
- Creating any hazard on property to persons or things; or
- Throwing articles of any kind from or at a building or climbing upon statues, fountains or any part of the building.

**Conformity with Signs and Directions (41 CFR 102-74.385).** Persons in and on property must at all times comply with official signs of a prohibitory, regulatory or directory nature and with the lawful direction of Federal police officers and other authorized individuals.

**Disturbances (41 CFR 102-74.390).** All persons entering

in or on Federal property are prohibited from loitering, exhibiting disorderly conduct or exhibiting other conduct on property that:

- Creates loud or unusual noise or a nuisance;
- Unreasonably obstructs the usual use of entrances, foyers, lobbies, corridors, offices, elevators, stairways, or parking lots;
- Otherwise impedes or disrupts the performance of official duties by Government employees; or
- Prevents the general public from obtaining the administrative services provided on the property in a timely manner.

**Gambling (41 CFR 102-74.395).** (a) Except for the vending or exchange of chances by licensed blind operators of vending facilities for any lottery set forth in a State law and authorized by section 2(a)(5) of the Randolph-Sheppard Act (20 U.S.C. 107 et seq.), all persons entering in or on Federal property are prohibited from:

- Participating in games for money or other personal property;
  - Operating gambling devices;
  - Conducting a lottery or pool; or
  - Selling or purchasing numbers tickets.
- (b) This provision is not intended to prohibit prize drawings for personal property at otherwise permitted functions on Federal property, provided that the game or drawing does not constitute gambling per se. Gambling per se means a game of chance where the participant risks something of value for the chance to gain or win a prize.

**Narcotics and Other Drugs (41 CFR 102-74.400).** Except in cases where the drug is being used as prescribed for a patient by a licensed physician, all persons entering in or on Federal property are prohibited from:

- Being under the influence, using or possessing any narcotic drugs, hallucinogens, marijuana, barbiturates, or amphetamines; or
- Operating a motor vehicle on the property while under the influence of alcoholic beverages, narcotic drugs, hallucinogens, marijuana, barbiturates, or amphetamines.

**Alcoholic Beverages (41 CFR 102-74.405).** Except where the head of the responsible agency or his or her designee has granted an exemption in writing for the appropriate official use of alcoholic beverages, all persons entering in or on Federal property are prohibited from being under the influence or using alcoholic beverages. The head of the responsible agency or his or her designee must provide a copy of all exemptions granted to the buildings manager and the highest ranking representative of the law enforcement organization, or other authorized officials, responsible for the security of the property.

**Soliciting, Vending and Debt Collection (41 CFR 102-74.410).** All persons entering in or on Federal property are prohibited from soliciting alms (including money and non-monetary items) or commercial or political donations, vending merchandise of all kinds, displaying or distributing commercial advertising, or collecting private debts, except for:

- National or local drives for funds for welfare, health or other purposes as authorized by 5 CFR part 950, entitled "Solicitation of Federal Civilian and Uniformed Service Personnel for Contributions to Private Voluntary Organizations," and sponsored or approved by the occupant agencies;
- Concessions or personal notices posted by employees on authorized bulletin boards;
- Solicitation of labor organization membership or dues authorized by occupant agencies under the Civil Service Reform Act of 1978 (Pub. L. 95-454);
- Lessee, or its agents and employees, with respect to space leased for commercial, cultural, educational, or recreational use under 40 U.S.C. 581(h). Public areas of GSA-controlled property may be used for other activities in accordance with subpart D of this part;
- Collection of non-monetary items that are sponsored or approved by the occupant agencies; and
- Commercial activities sponsored by recognized Federal employee associations and on-site child care centers.

**Posting and Distributing Materials (41 CFR 102-74.415).** All persons entering in or on Federal property are prohibited from:

- Distributing free samples of tobacco products in or around Federal buildings, as mandated by Section 636 of Public Law 104-52;
- Posting or affixing materials, such as pamphlets, handbills, or flyers, on bulletin boards or elsewhere on GSA-controlled property, except as authorized in Sec. 102-74.410, or when these displays are conducted as part of authorized Government activities; and
- Distributing materials, such as pamphlets, handbills or flyers, unless conducted as part of authorized Government activities. This prohibition does not apply to public areas of the property as defined in Sec. 102-71.20 of this chapter. However, any person or organization proposing to distribute materials in a public area under this section must first obtain a permit from the building manager as specified in subpart D of this part. Any such person or organization must distribute materials only in accordance with the provisions of subpart D of this part. Failure to comply with those provisions is a violation of these regulations.

**Photographs for News, Advertising, or Commercial Purposes (41 CFR 102-74.420).** Except where security regulations, rules, orders, or directives apply or a Federal court order or rule prohibits it, persons entering in or on Federal property may take photographs of:

- Space occupied by a tenant agency for non-commercial purposes only with the permission of the occupying agency concerned;
- Space occupied by a tenant agency for commercial purposes only with written permission of an authorized official of the occupying agency concerned; and
- Building entrances, lobbies, foyers, corridors, or auditoriums for news purposes.

**Dogs and Other Animals (41 CFR 102-74.425).** No person may bring dogs or other animals on Federal property for other than official purposes. However, a disabled person may bring

a seeing-eye dog, a guide dog, or other animal assisting or being trained to assist that individual.

**Breastfeeding (41 CFR 102-74.426).** Public Law 106-199, Section 629, Division F, Title VI (January 23, 2004), provides that a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

**Vehicular and Pedestrian Traffic (41 CFR 102-74.430).** All vehicle drivers entering or while on Federal property:

- Must drive in a careful and safe manner at all times;
- Must comply with the signals and directions of Federal police officers or other authorized individuals;
- Must comply with all posted traffic signs;
- Must comply with any additional posted traffic directives approved by the GSA Regional Administrator, which will have the same force and effect as these regulations;
- Are prohibited from blocking entrances, driveways, walks, loading platforms, or fire hydrants; and
- Are prohibited from parking on Federal property without a permit. Parking without authority, parking in unauthorized locations or in locations reserved for other persons, or parking contrary to the direction of posted signs is prohibited. Vehicles parked in violation, where warning signs are posted, are subject to removal at the owner's expense. Federal agencies may take as proof that a motor vehicle was parked in violation of these regulations or directives as prima facie evidence that the registered owner was responsible for the violation.

**Explosives (41 CFR 102-74.435).** No person entering or while on Federal property may carry or possess explosives, or items intended to be used to fabricate an explosive or incendiary device, either openly or concealed, except for official purposes.

**Weapons (41 CFR 102-74.440).** Federal law prohibits the possession of firearms or other dangerous weapons in Federal facilities and Federal court facilities by all persons not specifically authorized by 18 U.S.C. 930. Violators will be subject to fine and/or imprisonment for periods up to five (5) years.

**Nondiscrimination (41 CFR 102-74.445).** Federal agencies must not discriminate by segregation or otherwise against any person or persons because of race, creed, religion, age, sex, color, disability, or national origin in furnishing or by refusing to furnish to such person or persons the use of any facility of a public nature, including all services, privileges, accommodations, and activities provided on the property.

**Penalties (41 CFR 102-74.450).** A person found guilty of violating any rule or regulation in this subpart while on any property under the charge and control of GSA shall be fined under title 18 of the United States Code, imprisoned for not more than 30 days, or both.

**Impact on Other Laws or Regulations (41 CFR 102-74.455).** No rule or regulation in this subpart may be construed to nullify any other Federal laws or regulations or any State and local laws and regulations applicable to any area in which the property is situated (40 U.S.C. 121(c)).

# WARNING

## WEAPONS PROHIBITED

Federal law prohibits the possession of firearms or other dangerous weapons in Federal facilities and Federal court facilities by all persons not specifically authorized by Title 18, United States Code, Section 930. Violators will be subject to fine and/or imprisonment for periods up to five (5) years.



Version 1.1.3 User: LYNNE ZEPPEPRD (psaprd2 octo usda.gov) Domain: USPD USDA GOV

Buildings Land Acquisitions Land Use Other Structures and Facilities

**\*Building ID** Name: 544200B001 OFFICE/LAB 001-  
 544200B003 SHOP/OFFICE/G/  
 544200B004 ANIMAL HUSBAN  
 544200B004 CHEMICAL STOR  
 544200B005 SUPPORT/LAB OI  
 544200B006 INSECTARY 006  
 544200B007 GENERAL STOR/  
 544200B008 NORTHERN CROI  
 544200B009 TARE BLDG.  
 544200B010 SUNFLOWER ST/  
 544200B011 GREENHOUSE K  
 544200B012 GREENHOUSE S  
 544200B013 GREENHOUSE-C  
 544200B033 NCSL GREENHOI  
 544200B999 SUGARBEET STC

**Details** Details Cont. Address Utilization Operation/Energy Acquisition Accessibility

Installation ID: 14687 Site: 00 Agency: 03 1205 Agricultural Research Servic  
**\*Building ID**: 544200B001 OFFICE/LAB 001-BIOSCIENCES LAB  
**\*Property Type**: USDA OWNED  
**Predominant Usage**: LABORATORIES LABORATORY (INCL) SA Code: 74  
**\*Status**: EXISTING - ACTIVE  
 Ownership:   
 Gross SqFt: 78,120 at Space SqFt: 60,228 Collocated: ☐  
 Excluded from FRPC: ☐ Dev Rec Site: ☐ Outgrant Indicator: N  
 Mission Dependency: MISSION CRITICAL Mission Dep Using Org: 1205  
 Remarks: Per HQ GSFT should be 78,120 6/10/2011 R  
 Linked Land: Restrictions:

Floor	Room Usage	*Space Usage Type	*Space	*UOM	Shared?	No. of Scientists
ALL	ALL	LABORATORY	31,441 SF		<input type="checkbox"/>	Scientists
ALL	ALL	WAREHOUSE	20,840 SF		<input type="checkbox"/>	Scientists
ALL	ALL	USABLE - GENERAL OFF	7,947 SF		<input checked="" type="checkbox"/>	Scientists
					<input type="checkbox"/>	Scientists
					<input type="checkbox"/>	Scientists
					<input type="checkbox"/>	Scientists

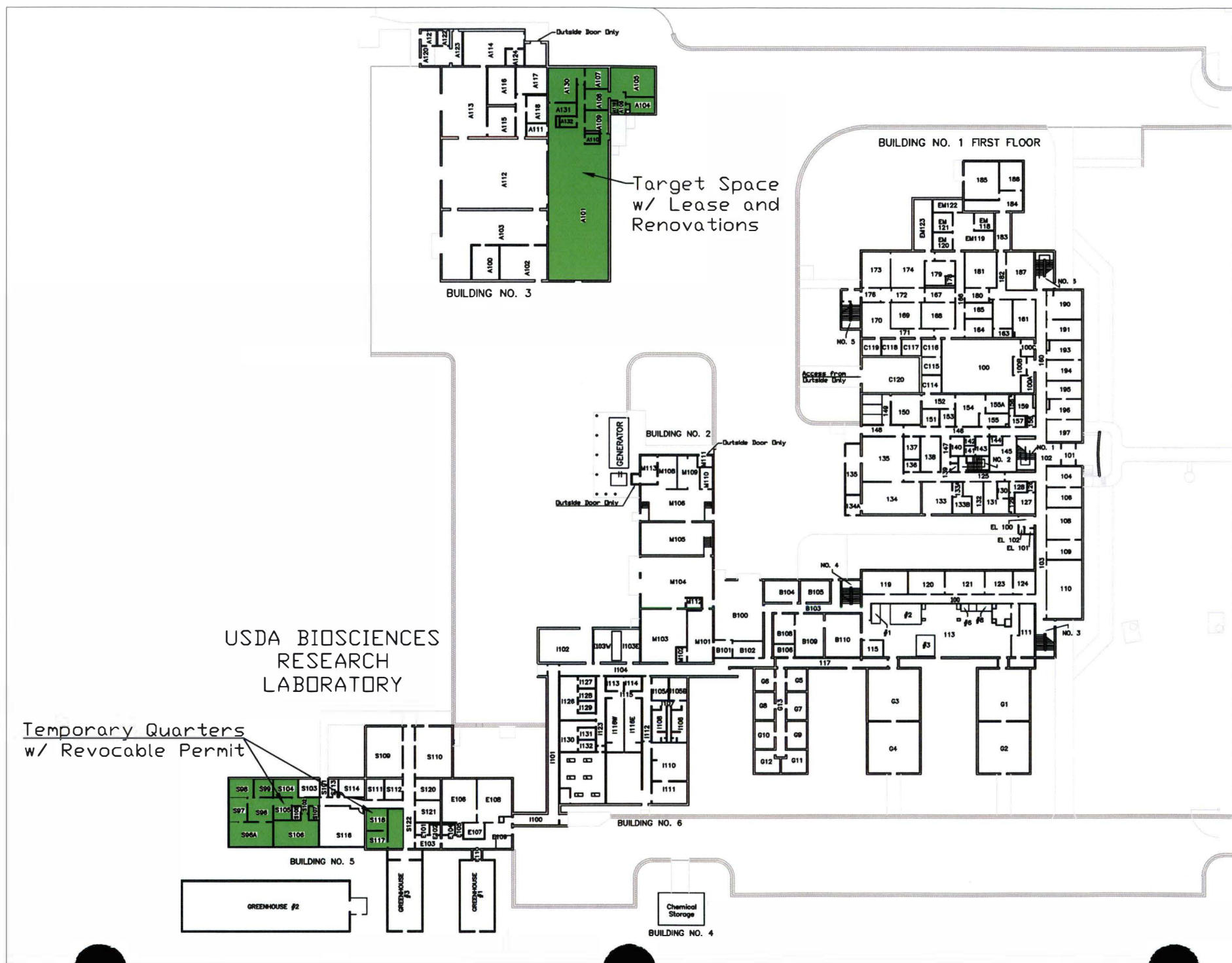




## APPENDIX X

### ARS Target Space Map





## APPENDIX XI

### ND Congressional Delegation Support Letter

**Congress of the United States**  
**Washington, DC 20515**

June 25, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005-1221

Dear Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. Agricultural research is vital to our nation's food security and we have many challenges ahead in providing research funding given our federal budget situation.

That is why we are encouraged by the North Dakota Corn Growers Association bid package to host the National Agricultural Genomics Center at the USDA-ARS Research facility in Fargo, ND on the North Dakota State University campus. This is a very effective way of utilizing existing research infrastructure and an opportunity for collaboration with existing research scientists. Good things come out of collaboration and the ability of your new research facility to collaborate with the regional USDA wheat genomicist is a win-win for us all. We think this collaboration can serve as a model for future federal agricultural research.

We and our staff members have found the research stakeholder meetings that the USDA-ARS conducts to be extremely helpful in understanding the research needs of producers. This process provides producer's significant input in the type of research they want and will use. Based on our experience with USDA-ARS's ability to gather producer input, the work your facility is embarking on would be well grounded at the Fargo USDA-ARS.

North Dakota has the most diverse crop mix of any state in the nation with 42 crops as well as diverse livestock and apiary industries. North Dakota State University is also home to 14 public crop breeding programs and hosts a new BIO Level Security 3 greenhouse that was the vision of farmers and legislative leaders in our region. This diversity would be a great benefit to your new center.

We strongly support the proposed collaboration between the USDA-ARS and the National Agricultural Genomics Center. This collaboration will serve you well in the development and operation of your new center.

Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.



JOHN HOEVEN  
U.S. Senator

Sincerely,



HEIDI HEITKAMP  
U.S. Senator



KEVIN CRAMER  
U.S. Congressman



## APPENDIX XII

### ND Rank of Agricultural Commodities



# Ranking North Dakota Agriculture

March 2013

## North Dakota's Top Agricultural Commodities

2012 rank in the U.S.	Commodity	Percent of Nation's production
1	Barley	28%
1	Beans, dry edible, all	37%
1	Beans, navy	45%
1	Beans, pinto	56%
1	Canola	83%
1	Flaxseed	95%
1	Honey	23%
1	Peas, dry edible	41%
1	Sunflower, all	52%
1	Sunflower, non-oil	36%
1	Sunflower, oil	55%
1	Wheat, Durum	52%
1	Wheat, spring	47%
2	Lentils	36%
2	Wheat, all	15%
3	Oats	11%
3	Safflower	9%
3	Sugarbeets	17%
4	Potatoes	6%
7	Soybeans	5%
8	Corn for grain	4%
14	Hay, alfalfa	3%
14	Hay, all	3%
14	Wheat, winter	2%
16	All Cattle and Calves	2%

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USDA, National Agricultural Statistics Service, North Dakota Field Office • P.O. Box 3166 • Fargo, ND 58108-3166  
701-239-5306 • E-mail: [nass-nd@nass.usda.gov](mailto:nass-nd@nass.usda.gov) • Internet: <http://www.nass.usda.gov/nd/>



# Ten Leading States and North Dakota's Rank

Item	1	2	3	4	5	6	7	8	9	10	North Dakota's rank	Percent of nation <sup>1</sup>
<b>Crop production – 2012</b>												
Wheat, all .....	KS	ND	MT	OK	WA	SD	ID	TX	MN	CO	2	15
Spring .....	ND	MT	MN	SD	ID	WA	OR	CO	UT	NV	1	47
Durum .....	ND	MT	CA	AZ	ID	SD					1	52
Winter .....	KS	OK	WA	TX	MT	CO	SD	ID	NE	OR	14	2
Barley .....	ND	ID	MT	WA	CO	MN	WY	AZ	CA	OR	1	28
Oats .....	MN	WI	ND	PA	IA	TX	SD	NY	OH	CA	3	11
Sunflower, all .....	ND	SD	TX	KS	MN	CA	CO	NE	OK		1	52
Oil .....	ND	SD	MN	CA	KS	CO	TX	NE	OK		1	55
Non-oil .....	ND	SD	TX	KS	MN	CO	NE	CA	OK		1	36
Canola .....	ND	OK	ID	MT	MN	WA	OR				1	83
Soybeans .....	IA	IL	MN	IN	NE	OH	ND	MO	SD	AR	7	5
Flaxseed .....	ND	SD	MT	MN							1	95
Safflower .....	CA	MT	ND	UT							3	9
Corn, grain .....	IA	MN	NE	IL	IN	SD	OH	ND	WI	KS	8	4
Silage .....	WI	CA	NY	PA	MN	ID	IA	SD	NE	KS	22	1
Dry edible beans, all .....	ND	MI	NE	MN	ID	WA	CA	WY	CO	MT	1	37
Pinto .....	ND	NE	ID	WY	CO	WA	MN	NM	MT	KS	1	56
Navy .....	ND	MI	MN	ID	SD	OR	NE	WA	WY		1	45
Dry edible peas .....	ND	MT	WA	ID	OR						1	41
Lentils .....	MT	ND	WA	ID							2	36
Potatoes .....	ID	WA	WI	ND	OR	CO	MN	MI	ME	NE	4	6
Sugarbeets .....	MN	ID	ND	MI	NE	MT	CA	CO	WY	OR	3	17
Hay, all .....	TX	CA	MO	KY	ID	OK	KS	MT	SD	NE	14	3
Alfalfa .....	CA	ID	MT	CO	SD	MN	WI	NE	IA	AZ	14	3
Other .....	TX	MO	KY	OK	TN	VA	KS	AL	CA	MS	20	2
Total acreage:												
Principal crops planted .....	IA	KS	IL	ND	TX	MN	NE	SD	MO	IN	4	7
Principal crops harvested .....	IA	IL	ND	KS	MN	NE	SD	TX	MO	IN	3	7
Grain storage, December 1:												
On-farm capacity .....	IA	IL	MN	NE	ND	IN	SD	OH	MO	KS	5	7
Off-farm capacity .....	IL	IA	KS	NE	MN	TX	IN	OH	ND	WI	9	3
<b>Livestock on hand – January 1, 2013</b>												
All cattle and calves .....	TX	NE	KS	CA	OK	IA/SD		MO	WI	CO/MT	16	2
Cattle and calves on feed .....	TX	NE	KS	IA	CO	CA	OK	MN	SD	AZ	22	(Z)
Cows that have calved .....	TX	CA	NE	MO	OK	SD	WI	MT	KS	IA	15	2
Milk .....	CA	WI	NY	ID	PA	MN	TX	MI	NM	OH	34	(Z)
Beef .....	TX	NE	MO	OK	SD	MT	KS	KY	IA	ND	10	3
All sheep and lambs .....	TX	CA	CO	WY	UT	SD	ID/MT		OR	IA	22	1
<b>Livestock on hand – December 1, 2012</b>												
All hogs and pigs .....	IA	NC	MN	IL	IN	NE	MO	OK	OH	KS	27	(Z)
<b>Livestock production – 2012</b>												
Calf crop .....	TX	CA	MO	NE	SD	OK	MT	WI	KS	IA	14	3
Lamb crop .....	TX	CA/WY		UT	SD	MT	ID	CO	IA	OR	19	2
Pig crop .....	IA	NC	MN	IL	MO	OK	NE	IN	SD	OH	19	1
Wool production .....	CA	WY	CO/UT		TX	MT	ID	SD	OR	IA	16	2
Honey production .....	ND	SD	FL	CA	MN	MT	TX	WI	MI	LA	1	23

(Z) Less than 0.5 percent.

<sup>1</sup> North Dakota's percent of Nation's total.

June 30, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling,

It has come to our attention that the National Corn Growers Association is seeking site selection bids for the newly formed National Agricultural Genomics Center. In reviewing the site selection criteria, we want to point out a few things for your consideration as your committee makes its final selection.

Agriculture is the backbone of North Dakota's economy. Our state has the most diverse crop mix in the nation with 42 crops raised as well as diverse livestock and apiary production. Our land grant institution, North Dakota State University, is home to 14 public crop breeding programs and hosts a new BIO Level Security 3 greenhouse born of the vision of farmers and legislative leaders in our region. Our agricultural community and its leaders believe in the value of research collaboration.

The bid package to host the National Agricultural Genomics Center at the USDA-ARS Research facility in Fargo, North Dakota is a very cost effective way of utilizing existing research infrastructure and an opportunity for collaboration with existing research scientists. The ability of the newly formed National Agricultural Genomics Center facility to collaborate with the regional USDA wheat genomicist is a win-win. Based on our experience with USDA-ARS' ability to gather producer input, the work your facility is embarking on would be well grounded at the Fargo USDA-ARS.

USDA-ARS research scientists in Fargo have a rich history of solving agricultural and food safety problems. Below are a few of their many achievements:

- USDA-ARS researchers used chromosome engineering techniques to successfully transfer small segments of chromosomes carrying the wheat stem rust Ug99-resistance gene (Sr47) to durum wheat.
- They have developed and released disease resistance germplasm in sunflowers that combat sclerotinia stalk and head rot, downy mildew and rust.
- USDA-ARS researchers used molecular methods to isolate the Tsn1 gene from wheat, determine its DNA sequence and perform experiments to gain insights as to how Tsn1 functions to elicit disease susceptibility through the recognition of ToxA which will lead to novel methods for developing disease resistant crops.
- USDA-ARS researchers together with scientists at the USDA Food Safety and Inspection Service and NDSU conducted metabolism studies to determine the degree to which Perfluorooctane sulfonate (PFOS) concentrates in the edible tissues of beef cattle and whether PFOS residues may be a concern for human exposure.



- In collaboration with scientists from RIKILT – Institute for Food Safety, a USDA-ARS researcher developed an immunological assay method capable of simultaneously determining three of the most common types of environmental contaminants that are of major food safety concern; polychlorinated biphenyls, polybrominated diphenyl ethers and polycyclic aromatic hydrocarbons. The list goes on, but we want to state that it would be difficult for you to find a better location to collaborate with research scientists.

We also want to point out that every two years the North Dakota State Board of Agricultural Research & Education (SBARE) conducts listening sessions throughout the state to prioritize agricultural research needs. Our number one priority for the 2015-17 Biennium is three Full Time Equivalent (FTE) BioInformatics personnel at \$1.2 million. The number six priority from SBARE listening sessions is Genetics & Genomics Initiative calling for two FTE's in each Epigenetics, Statistical Genomics and Metagenomics at \$1.3 million. We understand that the bridge from geneticists to plant breeders and other researchers will enhance the efficiencies of our crop breeding programs and increase our knowledge base in animal genomics. North Dakota's agricultural community understands the formidable goals of the newly formed National Agricultural Genomics Center and views the importance of the collaboration with these scientists as a natural attribute North Dakota has to offer.

We firmly believe that the North Dakota Corn Growers Association bid package provides the highest value in terms of maximum collaboration, access to the widest variety of crop and livestock research and the opportunity to expand in the most cost effective manner.

Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.

AmeriFlax  
BioScience Association of North Dakota  
National Sunflower Association  
North Dakota Barley Council  
North Dakota Beef Commission  
North Dakota Beekeepers Association  
North Dakota Corn Growers Association  
North Dakota Corn Utilization Council  
North Dakota Dry Edible Bean Seed Growers  
North Dakota Dry Pea & Lentil Council  
North Dakota Ethanol Council  
North Dakota Ethanol Producers Association  
North Dakota Farmers Union

North Dakota Grain Growers Association  
North Dakota Pork Council  
North Dakota Soybean Growers Association  
North Dakota Stockmen's Association  
North Dakota Wheat Commission  
Northern Canola Growers Association  
Northern Crops Council  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Northarvest Bean Growers Association  
Red River Valley Sugarbeet Growers Association  
US Durum Growers Association

## APPENDIX XIII

### ND Commodity Group Support Letter

June 30, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dr. Vierling,

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- USDA-ARS researchers together with scientists at the USDA Food Safety and Inspection Service and NDSU conducted metabolism studies to determine the degree to which Perfluorooctane sulfonate (PFOS) concentrates in the edible tissues of beef cattle and whether PFOS residues may be a concern for human exposure.



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Congratulations on successfully launching the National Agricultural Genomics Center and our best wishes for your future success.

AmeriFlax  
BioScience Association of North Dakota  
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North Dakota Barley Council  
North Dakota Beef Commission  
North Dakota Beekeepers Association  
North Dakota Corn Growers Association  
North Dakota Corn Utilization Council  
North Dakota Dry Edible Bean Seed Growers  
North Dakota Dry Pea & Lentil Council  
North Dakota Ethanol Council  
North Dakota Ethanol Producers Association  
North Dakota Farmers Union

North Dakota Grain Growers Association  
North Dakota Pork Council  
North Dakota Soybean Growers Association  
North Dakota Stockmen's Association  
North Dakota Wheat Commission  
Northern Canola Growers Association  
Northern Crops Council  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Northarvest Bean Growers Association  
Red River Valley Sugarbeet Growers Association  
US Durum Growers Association



## APPENDIX XIV

### MN Corn Support Letter



738 1<sup>st</sup> Avenue East  
Shakopee, MN 55379  
952.233.0333

[mncorn.org](http://mncorn.org)

June 19, 2014

Dr. Richard Vierling  
Director of Research  
National Corn Growers Association  
632 Cepi Drive  
Chesterfield, MO 63005

Dear Dr. Richard Vierling,

It has been brought to our attention that the National Corn Growers Association (NCGA) is seeking site selection bids by July 1<sup>st</sup>, 2014, for the newly formed National Agricultural Genotyping Center (NAGC). The Minnesota Corn Growers Association (MCGA) is a current member of NAGC and we value the work that will be provided for the agricultural community. Agricultural research at the NAGC is vital to meeting the continued demand for increased production and quality standards that challenge our farmers in a growing world population.

MCGA has been committed to a long history of research that has continually increased the production of corn in the northern region of the United States. The emphasis on crop diversity is important to the corn farmers of Minnesota. We were encouraged to hear of the North Dakota Corn Growers Association bid to host the NAGC at the USDA-ARS Research facility on the North Dakota State University campus. This is an effective way of using existing research infrastructure and an opportunity to collaborate with the USDA-ARS.

We strongly support the proposed collaboration between the USDA-ARS and the NAGC. The collaboration between organizations and researchers means a bright future for all of agriculture. Please consider selecting the North Dakota Corn Growers Association's site bid and thank you for developing the National Agricultural Genotyping Center.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Buck", is written over a horizontal line.

Ryan Buck  
Minnesota Corn Growers Association  
President  
738 1<sup>st</sup> Ave. E  
Shakopee, MN 55379  
651-764-2164  
E-mail: [ryanbuck2525@yahoo.com](mailto:ryanbuck2525@yahoo.com)



## APPENDIX XV

### NDSU Land Grant Support Letter

# NDSU NORTH DAKOTA STATE UNIVERSITY

May 15, 2014

North Dakota Corn Council  
Attn: Tom Lilja, Executive Director  
1411 32<sup>nd</sup> Street S, Suite 2  
Fargo, ND 58102

Colleagues:

I am writing in support of your exciting initiative to bring a National Agriculture Genotyping Center (NAGC) to our state. As president of our state's top-ranked and land-grant research university, the opportunity afforded to both NDSU and our state's interest, if a NAGC was sited here, are substantial to say the least.

As you well know, North Dakota's agricultural productivity is at an all-time high. That's due to a number of factors not the least of which has been the industry's ability to stay ahead of threats to our productivity. Much of that ability, candidly, has come from the increasing research and contributions of NDSU. Those contributions extend not only to our own state, but regional and national success in the broadest definition of the agricultural industry. In fact, NDSU's research productivity and subsequent ranking has not surpassed just the other colleges and universities in our state, but those the five state area we are part of.

That said, to maintain our success supporting the industry requires constant vigilance and an aggressive research agenda, geared at getting our research findings in to the hands of agricultural entities. In an environment of declining federal support for doing so through basic research, efficiency and access to cutting-edge technologies will become increasing critical to our maintaining our applied research capacities. A NAGC would represent a substantial contribution toward that goal.

Thank you for your work to bring us the tools to do our work. My hope is that you will be successful in doing so, which will be an important part of our state and nation's future success in feeding not just our own but the world's populations.

Sincerely,



Dean L. Bresciani  
President

OFFICE OF THE PRESIDENT

NDSU Dept 1000 | PO Box 6050 | Fargo ND 58108-6050 | 701.231.7211 | Fax 701.231.8722 | [www.ndsu.edu](http://www.ndsu.edu)





**NORTH DAKOTA CORN COUNCIL**

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3/6/15



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ND Ag Aviation Association  
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ND Agri-Women  
ND Association of Agricultural Educators  
ND Association of Soil Conservation Districts  
ND Barley Council  
ND Beef Commission  
ND Corn Growers Association  
ND Corn Utilization Council  
ND Crop Improvement and Seed Association  
ND Ag Coalition  
ND Department of Agriculture  
ND Dry Bean Council  
ND Dry Edible Bean Seed Growers  
ND Elk Growers  
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ND Irrigation Association  
ND Lamb and Wool Producers  
ND Oilseed Council  
ND Pork Producers  
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ND Wheat Commission  
NDSU Agricultural Affairs  
Northern Canola Growers Association  
Northern Food Grade Soybean Association  
Northern Plains Potato Growers Association  
Northern Pulse Growers Association  
Northwest Landowners Association  
Red River Valley Sugarbeet Growers  
US Durum Growers Association

**Fred Helbling**

North Dakota Ag Coalition Chairman

In Support of SB 2009

March 6, 2015

Chairman Monson and members of the House Appropriations Committee Education and Environment Division, my name is Fred Helbling. I am here today as the chairman of the North Dakota Ag Coalition in support to SB 2009, specifically as it relates to funding for the National Genomics Center and the ag impact study.

The Ag Coalition has provided a unified voice for North Dakota agricultural interests for over 30 years. Today, we represent more than 40 statewide organizations and associations that represent specific commodities or have a direct interest in agriculture. Through the Ag Coalition, our members seek to enhance the climate for North Dakota's agricultural producers. The Ag Coalition takes a position on a limited number of issues, brought to us by our members, which have significant impact on North Dakota's agriculture industry.

We would ask for your favorable consideration in funding the National Genotyping Center. The project has widespread commitment from both the public and private sectors and will be a tremendous asset to North Dakota producers and the ag community as a whole.

The Ag Coalition is also in support of funding for a comprehensive agriculture industry impact study. Now, more than ever, it is important to understand the role the agriculture industry plays in the state's economy. With rapid changes in other sectors, it is easy to lose site of the fact that agriculture is still the primary economic driver in many parts of the state and the degree to which agriculture influences economic activity not only in rural North Dakota, but in urban centers as well. Public and private efforts to diversify the ag economy, make investments in new technologies, and open new agricultural markets would benefit from a research-based estimate of how these activities impact the economy.

We urge your support of SB 2009, specifically as it relates to funding for the National Genotyping Center and the ag impact study.



Attachment #1  
SB 2009  
3/30/15

## Environment and Rangeland Protection Fund - Fund 376

	2015-17 Biennium	
Agriculture Commissioner Appropriation		
Administrative Services Division (rent)	\$ 100,000	
Plant Industries Division (noxious weed control & weed-seed free forage)	1,738,661	
Pesticide & Fertilizer Division (Safe Send, pesticide & fertilizer)	3,103,513	
Marketing & Information Division (GIS, Farmers' market & Ag in the Classroom)	372,326	
Livestock Development Division (LP3, feed, & livestock development)	533,128	
Animal Health Division (salaries & benefits)	107,448	
Wildlife Services	384,400	
Crop Protection Product Harmonization & Registration Board	75,000	
Total estimated expenditures *		6,414,476

\* As shown in Section 4 of SB 2009



Attachment #2  
SB 2009  
3/30/15

# Environment and Rangeland Protection Fund - Fund 376

Including Senate amendments

	2013-15 Biennium		2015-17 Biennium	
Beginning balance		\$ 3,012,852		\$ 2,427,561
Estimated revenues				
Pesticide registration fees	\$ 4,300,000		\$ 4,300,000	
Weed seed-free forage	48,922		48,922	
Fertilizer registration, inspection, & tonnage fees	1,000,000		1,080,850	
Commercial feed registration, inspection, and tonnage fees	727,500		727,500	
Total estimated revenues		6,076,422		6,157,272
Total available		\$ 9,089,274		\$ 8,584,833
Less estimated expenditures and transfers				
Agriculture Commissioner				
Administrative Services Division (rent)	\$ 307,957		\$ 100,000	
Plant Industries Division (noxious weed control & weed-seed free forage)	1,814,882		1,738,661	
Pesticide & Fertilizer Division (Safe Send, pesticide & fertilizer)	2,665,275		3,103,513	
Marketing & Information Division (GIS, Farmers' market & Ag in the Classroom)	148,522		372,326	
Livestock Development Division (LP3, feed, & livestock development)	568,369		533,128	
Animal Health Division (salaries & benefits)	99,998		107,448	
Wildlife Services	384,400		384,400	
Crop Protection Product Harmonization & Registration Board	75,000		75,000	
Minor use pesticide registration	325,000		325,000	
State Department of Health				
Ground water testing	222,310		200,000	
North Dakota Stockmen's Association environmental services program	50,000		50,000	
Total estimated expenditures and transfers		6,661,713		6,989,476
Ending balance		\$ 2,427,561		\$ 1,595,357





**Junkert, Ken S.**

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**From:** Junkert, Ken S.  
**Sent:** Monday, March 30, 2015 10:58 AM  
**To:** Cronquist, Alex J.  
**Cc:** Deichert, Becky J.; Baumiller, Lynette F.; Johnson, Michael C.  
**Subject:** SB 2009 budget potential amendment

Alex,

Rep. Monson is looking for the following language for SB 2009 to address an issue in HB 1409. Please consider the following two examples:

1. "It is the intent of the sixty-fourth legislative assembly that the agriculture commissioner is authorized to expend \$50,000 or so much of the sum as may be necessary, from the state general fund as matching funds for the State Waterbank Outdoor Heritage Fund grant."
2. "The agriculture commissioner may expend \$50,000 or so much of the sum as may be necessary not to exceed \$50,000, from state general fund money as matching funds for the State Waterbank Outdoor Heritage Fund grant."

Thanks,

Ken Junkert

**Agriculture Commissioner - Budget No. 602**  
**Senate Bill No. 2009**  
**Base Level Funding Changes**

*Attachment #1*  
*SB 2009*  
*4/1/15*

	Senate Version				House Version				House Changes to Senate Version			
	FTE Positions	General Fund	Other Funds	Total	FTE Position	General Fund	Other Funds	Total	FTE Positions	General Fund	Other Funds	Total
<b>2015-17 Biennium Base Level</b>	77.00	\$9,519,217	\$15,754,591	\$25,273,808	77.00	\$9,519,217	\$15,754,591	\$25,273,808	0.00	\$0	\$0	\$0
<b>2015-17 Ongoing Funding Changes</b>												
Base payroll changes		\$38,720	(\$416,531)	(\$377,811)		\$38,720	(\$416,531)	(\$377,811)				\$0
Salary increase - Performance		263,043	178,047	441,090		263,043	178,047	441,090				0
Salary increase - Market equity				0				0				0
Retirement contribution increase				0				0				0
Health insurance increase		190,680	133,153	323,833		153,436	113,936	267,372		(37,244)	(19,217)	(56,461)
Monitoring, surveying, and inspecting for Japanese Beetle, Emerald Ash Borer, and other issues		82,297		82,297		82,297		82,297				0
Pride of Dakota holiday showcase		50,000		50,000		50,000		50,000				0
Information Technology Department desktop support		352,912		352,912		352,912		352,912				0
Increase operating expenses relating to contracted mediation services and the specialty crop block grant program		92,908	226,883	319,791		92,908	226,883	319,791				0
Reduce capital assets			(4,000)	(4,000)			(4,000)	(4,000)				0
Information technology operating adjustment		(21,699)	181	(21,518)		(21,699)	181	(21,518)				0
Agriculture in the classroom grant increase			5,000	5,000			5,000	5,000				0
Specialty crop block grant increase			3,827,946	3,827,946			3,827,946	3,827,946				0
Pride of Dakota grant increase			30,000	30,000			30,000	30,000				0
Organic certification grant reduction			(150,000)	(150,000)			(150,000)	(150,000)				0
Local foods grant increase			10,000	10,000			10,000	10,000				0
Total ongoing funding changes	0.00	\$1,048,861	\$3,840,679	\$4,889,540	0.00	\$1,011,617	\$3,821,462	\$4,833,079	0.00	(\$37,244)	(\$19,217)	(\$56,461)
<b>One-time funding items</b>												
Information Technology Department analysis		\$150,222		\$150,222		\$150,222		\$150,222				\$0
Website redesign		150,000		150,000		100,000		100,000		(50,000)		(50,000)
Waterbank program			1,200,000	1,200,000			1,200,000	1,200,000				0
National genomics center		800,000		800,000		800,000		800,000				0
Agriculture industry economic study			242,000	242,000			242,000	242,000				0
Total one-time funding changes	0.00	\$1,100,222	\$1,442,000	\$2,542,222	0.00	\$1,050,222	\$1,442,000	\$2,492,222	0.00	(\$50,000)	\$0	(\$50,000)
<b>Total Changes to Base Level Funding</b>	0.00	\$2,149,083	\$5,282,679	\$7,431,762	0.00	\$2,061,839	\$5,263,462	\$7,325,301	0.00	(\$87,244)	(\$19,217)	(\$106,461)
<b>2015-17 Total Funding</b>	77.00	\$11,668,300	\$21,037,270	\$32,705,570	77.00	\$11,581,056	\$21,018,053	\$32,599,109	0.00	(\$87,244)	(\$19,217)	(\$106,461)

**Other Sections in Senate Bill No. 2009**

	<u>Senate Version</u>	<u>House Version</u>
Environment and rangeland protection fund transfer to minor use pesticide fund	Section 3 provides for a transfer of \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund.	No change
Environment and rangeland protection fund income	Section 4 designates \$6,414,476 from the environment and rangeland protection fund to pay for various department programs.	Increase from \$6,414,476 to \$6,656,476 to provide funding of \$242,000 for the agriculture industry economic study. Reduce by \$10,762 relating to the health insurance adjustment to provide a total of \$6,645,714.
Game and fish funding	Section 5 provides \$499,585 from the game and fish operating fund for the State Board of Animal Health and Wildlife Services Program for the 2015-17 biennium.	No change
State Water Commission funding	Section 6 provides that \$250,000 be transferred from the State Water Commission to the Agriculture Commissioner for the Wildlife Services Program for the 2015-17 biennium.	No change
Agriculture Commissioner's salary	Section 7 includes the statutory changes necessary to increase the Agriculture Commissioner's annual salary by 3 percent per year to \$105,491 beginning July 1, 2015 and \$108,656 beginning July 1, 2016.	No change
Waterbank program		Add a section to state the salaries and wages line item in section 1 of this Act includes \$50,000 from the general fund for matching funds for the outdoor heritage fund grant provided for the waterbank program.



Doug Goehring  
AGRICULTURE COMMISSIONER

Dr. Susan Keller  
STATE VETERINARIAN

Dr. Beth Carlson  
DEPUTY STATE VETERINARIAN

Dr. Sara McReynolds  
ASSISTANT STATE VETERINARIAN

Melvin Leland, Sidney, MT  
PRESIDENT, REG. PUREBRED CATTLE

Dr. Morgan Dallman, Beulah  
SECRETARY, VETERINARIAN

Dr. Michelle Mostrom, Fargo  
CONSULTING VETERINARIAN



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BISON

Shawn Schafer, Turtle Lake  
NONTRADITIONAL LIVESTOCK

April 16, 2015

To: Commissioner Doug Goehring  
From: Susan Keller, State Veterinarian

On April 8th, 2015, Highly Pathogenic Avian Influenza (HPAI) H5N2 was diagnosed in a commercial turkey flock in central Dickey County. HPAI H5N2 is a Foreign Animal Disease which had not previously been diagnosed in North Dakota. Prior to this year HPAI H5N2 had not been identified in North America. It causes extremely high rates of morbidity and mortality, especially in certain species of birds, such as turkeys. The North Dakota Department of Agriculture (NDDA) Animal Health Division staff and the North Dakota State Board of Animal Health, working in cooperation with USDA-APHIS-Veterinary Services is responsible for overseeing the movement control, risk mitigation and the eventual eradication of this disease, the goal of the poultry industry.

USDA-APHIS-Veterinary Services has offered an initial cooperative agreement of \$300,000 available to the state as soon as possible, so we can assist with the expenses associated with our response efforts in the next year. These funds are to cover the cost of staff, equipment, supplies, and other needs to respond to suspected and confirmed cases of HPAI, provide resources to depopulate, clean, and disinfect infected farms and monitor the composting process on site to ensure elimination of the virus. Additionally, surveillance must be done in backyard poultry and privately raised game birds to ensure they are not infected.

The Turkey Industry in North Dakota produces nearly 2 million turkeys valued at ~\$35 million dollars each year. Currently, our neighboring states are dealing with multiple cases. Minnesota has 26 confirmed cases and South Dakota has 5 confirmed cases. Due to the proximity of positive cases in other states, it can create a need for additional surveillance and monitoring in our state. Epidemiologists can not predict at this time how long this particular virus may continue to infect additional poultry premises. The virus has not been detected in humans, however the positive cases are reported to the Department of Health. They provide guidance on personal protective equipment to be used on an infected premises and they monitor those who may have been exposed to the virus.

Unfortunately, should HPAI be identified in additional facilities in North Dakota, additional budget authority may be needed.

Respectfully submitted,

*Susan Keller DVM*  
Susan Keller  
ND State Veterinarian

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2009

Page 1, replace line 12 with:

"Salaries and wages	\$10,861,195	1,986,006	12,847,201
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Page 1, replace line 16 with:

"State board of animal health	2,209,828	(1,276,163)	933,665"
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Page 1, replace line 20 with:

"Total all funds	\$25,373,808	\$7,425,301	\$32,799,109"
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Page 1, replace line 21 with:

"Less estimated income	15,854,591	5,363,462	21,218,053"
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Page 3, after line 3, insert:

**"SECTION 8. EMERGENCY.** The sum of \$100,000 included in the State board of animal health line in Section 1 of this Act is declared to be an emergency measure."

Renumber accordingly

# 2

4-16-15

Conf com  
HB 2009  
1st hearing

2.1