

PROGRAM NARRATIVE**Date:** 12/07/2012**475 ND Mill and Elevator Association****Time:** 14:48:39**Program:** Flour Mill and Grain Terminal Operations**Reporting level:** 00-475-100-00-00-00-00000000**Program Performance Measures**

The North Dakota Mill:

- (1) seeks to be the leader in quality and service for the milling industry
- (2) manufactures flour to bakery specifications from hard red spring wheat
- (3) manufactures durum flour and semolina to pasta manufacturer's specifications from hard amber durum
- (4) seeks to develop new, value added products to enhance the growth and profitability of the North Dakota Mill

Program Statistical Data

The North Dakota Mill:

- (1) purchases and mills 25,000,000 bushels of spring wheat and durum
- (2) produces and sells 12,000,000 hundred weights of finished product of which approximately 80% is bulk and 20% is bagged
- (3) will provide employment for approximately 131 people

Explanation of Program Costs

A major part of the budget is wages and benefits for the 131 employees to mill 25,000,000 bushels of grain into 12,000,000 hundred weights of flour and semolina. Costs of repairs and operating supplies are those required to keep the terminal and mill running at peak efficiency. Utilities are the next largest expense category. Electrical useage is high as several motors of various sizes are used in running the terminal and mill. Other expense includes advertising and promotion expense, data processing expense, interest expense, insurance, communications, employee expense, and postage. Agriculture promotion is money spent on general promotion that is not tied specifically to mill products. All funds are generated through operations, and when necessary bank loans from the Bank of North Dakota are used. No General Funds are required.

Program Goals and Objectives

The North Dakota Mill will:

- (1) purchase and mill 25,000,000 bushels per year of North Dakota grown spring and durum wheat.
- (2) realize profits in order to maintain the facilities in top operating condition.
- (3) return a portion of the profits to the General Fund.

REQUEST DETAIL BY PROGRAM

475 ND Mill and Elevator Association

Bill#: SB2014

Date: 12/07/2012

Time: 14:48:39

Biennium: 2013-2015

Program: Flour Mill and Grain Terminal Operations	Reporting Level: 00-475-100-00-00-00-00000000
--	--

Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Salaries and Wages					
Salaries - Permanent	10,876,901	12,019,278	602,605	12,621,883	445,476
Salaries - Other	3,282,120	3,646,800	1,380,120	5,026,920	0
Temporary Salaries	167,368	456,000	60,600	516,600	0
Overtime	2,810,882	3,678,000	465,361	4,143,361	0
Fringe Benefits	5,200,194	6,217,930	255,824	6,473,754	177,202
Salary Increase	0	0	0	0	0
Benefit Increase	0	0	0	0	0
Total	22,337,465	26,018,008	2,764,510	28,782,518	622,678

Salaries and Wages

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	22,337,465	26,018,008	2,764,510	28,782,518	622,678
Total	22,337,465	26,018,008	2,764,510	28,782,518	622,678

Operating Expenses

Travel	402,252	601,500	13,500	615,000	0
Supplies - IT Software	51,877	71,000	104,000	175,000	0
Supply/Material-Professional	130,700	362,400	0	325,000	0
Miscellaneous Supplies	1,673,234	1,974,756	53,244	2,028,000	0
Office Supplies	158,962	215,000	6,000	221,000	0
Postage	57,807	105,500	0	80,000	0
IT Equip Under \$5,000	63,211	119,500	0	125,000	0
Utilities	4,935,004	7,979,600	0	8,625,000	0
Insurance	1,571,175	2,171,000	0	2,325,000	0
Repairs	4,294,383	5,743,664	0	6,065,000	0
IT - Communications	150,253	238,750	0	252,000	0
IT Contractual Svcs and Rprs	154,003	166,650	0	225,000	0
Professional Development	198,538	241,749	0	280,000	0
Operating Fees and Services	186,648	221,550	0	225,000	0
Fees - Professional Services	62,406	231,250	0	230,000	0
Total	14,090,453	20,443,869	176,744	21,796,000	0

Operating Expenses

General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	14,090,453	20,443,869	1,352,131	21,796,000	0
Total	14,090,453	20,443,869	176,744	21,796,000	0

REQUEST DETAIL BY PROGRAM

475 ND Mill and Elevator Association

Bill#: SB2014

Date: 12/07/2012

Biennium: 2013-2015

Time: 14:48:39

Program: Flour Mill and Grain Terminal Operations		Reporting Level: 00-475-100-00-00-00-00000000			
Description	Expenditures 2009-2011 Biennium	Present Budget 2011-2013	Budget Request Change	Requested Budget 2013-2015 Biennium	Optional Request 2013-2015
Agriculture Promotion					
Non-Operating Expenses	74,950	210,000	0	210,000	0
Total	74,950	210,000	0	210,000	0
Agriculture Promotion					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	74,950	210,000	0	210,000	0
Total	74,950	210,000	0	210,000	0
Contingency					
Non-Operating Expenses	0	400,000	0	400,000	0
Total	0	400,000	0	400,000	0
Contingency					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	400,000	0	400,000	0
Total	0	400,000	0	400,000	0
Total Expenditures	36,502,868	47,071,877	4,116,641	51,188,518	622,678
Funding Sources					
General Fund					
Total	0	0	0	0	0
Special Funds					
475 Mill and Elevator Fund	36,502,868	47,071,877	4,116,641	51,188,518	622,678
Total	36,502,868	47,071,877	4,116,641	51,188,518	622,678
Total Funding Sources	36,502,868	47,071,877	4,116,641	51,188,518	622,678
FTE Employees	131.00	131.00	0.00	131.00	4.00

CHANGE PACKAGE DETAIL
475 ND Mill and Elevator Association
Biennium: 2013-2015

Bill#: SB2014

Date: 12/07/2012

Time: 14:48:39

Program: Flour Mill and Grain Terminal Operations			Reporting Level: 00-475-100-00-00-00-00000000			
Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds

Base Budget Changes

Ongoing Budget Changes

A-A 1 Inflation adjustment and production increases		0.00	0	0	1,352,131	1,352,131
Base Payroll Change		0.00	0	0	2,764,510	2,764,510
Total Ongoing Budget Changes		0.00	0	0	4,116,641	4,116,641
Total Base Budget Changes		0.00	0	0	4,116,641	4,116,641

Optional Budget Changes

Ongoing Optional Changes

A-C 5 Add 1 FTE Second Shift Supervisor position	1	1.00	0	0	194,488	194,488
A-C 3 Add 1 FTE Information Analyst position	2	1.00	0	0	144,413	144,413
A-C 2 Add 1 FTE car checker position	3	1.00	0	0	121,374	121,374
A-C 4 Add 1 FTE Sales Representative position	4	1.00	0	0	162,403	162,403
Total Ongoing Optional Changes		4.00	0	0	622,678	622,678
Total Optional Budget Changes		4.00	0	0	622,678	622,678