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**AGENCY OVERVIEW****638 Northern Crops Institute****Date:** 12/23/2014**Time:** 13:15:29

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**Statutory Authority**

North Dakota Century Code Chapter 4-14.2.

**Agency Description**

The Northern Crops Institute (NCI) is a cooperative effort between North Dakota, Minnesota, Montana and South Dakota to support the promotion and market development of crops grown in this four-state region. NCI is an international meeting and learning center that brings together customers, commodity traders, technical experts, agricultural producers, and food and industrial processors for education, discussion and technical services. NCI provides technical and marketing assistance through specialized training courses and technical services that facilitate domestic and international market development and expanded sales of northern grown crops. Representatives from more than 128 countries have visited NCI since its inception. It is located on the campus of North Dakota State University.

**Agency Mission Statement**

NCI supports regional agriculture and value-added processing by conducting educational and technical programs that expand and maintain domestic and international markets for northern-grown crops.

**Agency Performance Measures**

NCI provides status reports to the Northern Crops Council (per North Dakota Century Code Section 4-14.2-02 and 4-14.2-03). The latest meeting was held on June 23, 2014.

**Major Accomplishments**

1. Offered a full array of educational short courses designed to educate foreign buyers about our crops.
2. Conducted seminars at the Culinary Institute of America, both in New York and California. Educated chefs on how to incorporate peas, lentils, and other pulses into their food menu items. According to the Northern Pulse Growers Association, these efforts helped generate additional interest leading to the eventual expansion of operations in two pulse processing plants in North Dakota potentially employing 75 additional people.
3. Completed a major equipment upgrade to the NCI Feed Production Center in 2014. The upgrade included the installation of a new mixer, a new automation system, and the facility's first micro-ingredient system. The nearly \$800,000 project began with an initial \$100,000 appropriation from the 2013-15 legislative assembly followed by major equipment donations from the feed industry and additional funding from the ND soybean and corn councils. Approximately 90 percent of the costs were donated through this collaborative effort. The Feed Center teaches feed training courses for customers around the world and serves as a training facility for regional undergraduate and graduate students. In addition, the center is a working feed mill, producing livestock feed for the Ag Experiment Station. The upgrade enhanced our worldwide reputation as a provider of high quality feed technology programming using soybeans, corn, dried distillers grains, barley, and other crops grown in this region.

**Future Critical Issues**

Since its inception in 1983 the Northern Crops Institute has achieved remarkable success by evolving into a first class facility recognized throughout the world. Agriculture in the 21st century is changing rapidly and by cooperating with the entire food chain from farmers all the way to the dinner table the NCI can help provide further impetus for change. The visionary role that the NCI plays will help shape agriculture's future for the next generation.

The U.S. farmer has witnessed unbelievable technological changes in just the last few short years. Despite the high risks of farming, American agriculture is filled with tremendous profit opportunity. As nations around the world continue to evolve in their economies, they will demand better diets. That means demand for more and better high quality food, and more demand for U.S. farm products.

In 2009 the four state region of Montana, Minnesota, South and North Dakota exported nearly \$11.00 billion worth of farm products. It is clear, the NCI's mission statement is more important than ever before, and that is to promote our northern region crops to our customers around the world by providing the best possible technical education and support for them.

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The role of the NCI is an ambassador's role—showcasing our region's agriculture while building relationships based on trust and integrity. The NCI will continue to promote that we are reliable and consistent suppliers of the highest quality. We will make sure we are in command and on the cutting edge of latest technology as it evolves in the industry. While interacting regularly with buyers and processors from all over the globe it is critical that our staff maintain the level of excellence that our customers have come to expect. We will continue to build and enhance our relationships with other scientists and researchers in the University system and the private sector.

North Dakota farmers are shifting to more alternative, specialty and IP crops. Besides the recent explosive growth in corn and soybean production, North Dakota leads the nation in at least 12 crops including hard red spring wheat and durum. Our state is in a strategic position to supply many markets, due to our transportation logistics, excellent storage conditions, and buyer preference for our superb quality and versatility.

The need to communicate this information to the rest of the world becomes abundantly clear. The Northern Crops Institute will meet the challenge by providing increased services in quality evaluation, technical expertise, alternative course offerings, and education.

**REQUEST SUMMARY**

638 Northern Crops Institute  
Biennium: 2015-2017

Bill#: HB1020

Date: 12/23/2014

Time: 13:15:29

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>By Major Program</b>					
Farm Product Development, Mktg. and Util	2,846,885	4,688,993	(968,833)	3,720,160	0
<b>Total Major Program</b>	<b>2,846,885</b>	<b>4,688,993</b>	<b>(968,833)</b>	<b>3,720,160</b>	<b>0</b>
<b>By Line Item</b>					
Accrued Leave	0	42,195	(42,195)	0	0
Northern Crops Institute	2,846,885	4,646,798	(926,638)	3,720,160	0
<b>Total Line Items</b>	<b>2,846,885</b>	<b>4,688,993</b>	<b>(968,833)</b>	<b>3,720,160</b>	<b>0</b>
<b>By Funding Source</b>					
General Fund	1,692,582	2,064,861	(75,548)	1,989,313	0
Federal Funds					
Special Funds	1,154,303	2,624,132	(893,285)	1,730,847	0
<b>Total Funding Source</b>	<b>2,846,885</b>	<b>4,688,993</b>	<b>(968,833)</b>	<b>3,720,160</b>	<b>0</b>
<b>Total FTE</b>	<b>12.00</b>	<b>12.00</b>	<b>0.00</b>	<b>12.00</b>	<b>0.00</b>

**REQUEST DETAIL**638 Northern Crops Institute  
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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>Accrued Leave</b>					
Salaries - Other	0	42,195	(42,195)	0	0
<b>Total</b>	<b>0</b>	<b>42,195</b>	<b>(42,195)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave</b>					
General Fund	0	37,172	(37,172)	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	5,023	(5,023)	0	0
<b>Total</b>	<b>0</b>	<b>42,195</b>	<b>(42,195)</b>	<b>0</b>	<b>0</b>
<b>Northern Crops Institute</b>					
Salaries - Permanent	1,338,800	1,827,096	(201,642)	1,625,454	0
Temporary Salaries	34,121	39,185	247,791	286,976	0
Fringe Benefits	462,462	664,882	(45,816)	619,066	0
Travel	122,482	128,261	0	128,261	0
Supplies - IT Software	15,446	12,515	0	12,515	0
Supply/Material-Professional	38,066	26,689	0	26,689	0
Food and Clothing	30,325	19,255	0	19,255	0
Bldg, Ground, Maintenance	5,471	830	0	830	0
Miscellaneous Supplies	21,939	218,658	0	218,658	0
Office Supplies	2,447	2,639	0	2,639	0
Postage	4,876	3,615	0	3,615	0
Printing	16,132	12,726	0	12,726	0
IT Equip Under \$5,000	9,178	7,696	0	7,696	0
Other Equip Under \$5,000	41,657	34,392	0	34,392	0
Utilities	21,544	119,235	0	119,235	0
Insurance	1,393	698	0	698	0
Rentals/Leases-Equip & Other	23,470	13,512	0	13,512	0
Rentals/Leases - Bldg/Land	4,290	0	0	0	0
Repairs	215,384	124,036	0	124,036	0
IT - Communications	15,686	14,438	0	14,438	0
Professional Development	1,173	1,812	0	1,812	0
Operating Fees and Services	58,772	42,990	0	42,990	0
Fees - Professional Services	58,566	54,667	0	54,667	0
Land and Buildings	5,856	926,971	(926,971)	0	0
Equipment Over \$5000	297,349	350,000	0	350,000	0
<b>Total</b>	<b>2,846,885</b>	<b>4,646,798</b>	<b>(926,638)</b>	<b>3,720,160</b>	<b>0</b>
<b>Northern Crops Institute</b>					
General Fund	1,692,582	2,027,689	(38,376)	1,989,313	0

**REQUEST DETAIL**

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 Biennium: 2015-2017

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Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Federal Funds	0	0	0	0	0
Special Funds	1,154,303	2,619,109	(888,262)	1,730,847	0
<b>Total</b>	<b>2,846,885</b>	<b>4,646,798</b>	<b>(926,638)</b>	<b>3,720,160</b>	<b>0</b>

**Funding Sources**

General Fund	1,692,582	2,064,861	(75,548)	1,989,313	0
Federal Funds	0	0	0	0	0
Special Funds	1,154,303	2,624,132	(893,285)	1,730,847	0
<b>Total Funding Sources</b>	<b>2,846,885</b>	<b>4,688,993</b>	<b>(968,833)</b>	<b>3,720,160</b>	<b>0</b>

**CHANGE PACKAGE SUMMARY**

638 Northern Crops Institute  
 Biennium: 2015-2017

Bill#: HB1020

Date: 12/23/2014

Time: 13:15:29

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>Base Budget Changes</b>						
<b>One Time Budget Changes</b>						
A-E 1 Remove 2013-15 One Time Funding		0.00	(100,000)	0	(826,971)	(926,971)
<b>Total One Time Budget Changes</b>		<b>0.00</b>	<b>(100,000)</b>	<b>0</b>	<b>(826,971)</b>	<b>(926,971)</b>
<b>Ongoing Budget Changes</b>						
A-A 3 Base Funding for Equipment over \$5,000		0.00	0	0	350,000	350,000
A-F 3 Remove Base Funding Equip over \$5,000		0.00	0	0	(350,000)	(350,000)
Base Payroll Change		0.00	24,452	0	(66,314)	(41,862)
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>24,452</b>	<b>0</b>	<b>(66,314)</b>	<b>(41,862)</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>(75,548)</b>	<b>0</b>	<b>(893,285)</b>	<b>(968,833)</b>

**BUDGET CHANGES NARRATIVE**

638 Northern Crops Institute

Bill#: HB1020

Date: 12/23/2014

Time: 13:15:29

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 3	<b>Priority:</b>
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Base Funding for Equipment over \$5,000

This provides an amount equal to the 2013-15 base funding of \$350,000 for equipment > \$5,000, and is equivalent to the amount removed in the cost to continue **change code AF3**.

<b>Change Group:</b> A	<b>Change Type:</b> E	<b>Change No:</b> 1	<b>Priority:</b>
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Remove 2013-15 One Time Funding

To remove **\$100,000** (GF) for feedmill equipment (SB2020, Section 2), and **\$826,971 (OF)** other fund authority, approved by the Budget Section on 12-11-13.

<b>Change Group:</b> A	<b>Change Type:</b> F	<b>Change No:</b> 3	<b>Priority:</b>
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Remove Base Funding Equip over \$5,000

To remove **\$350,000** base funding for equipment > \$5,000. The same amount is being requested for 2015-17, and is reflected in **change code AA3**.