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## **AGENCY OVERVIEW**

**638** NORTHERN CROPS INSTITUTE

**Date:** 12/13/2006

**Time:** 06:31:21

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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. The 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. The 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 125 countries have visited the NCI since its inception. It is located on the campus of North Dakota State University.

## **AGENCY MISSION**

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 VISION STATEMENT**

The Northern Crops Institute leads the effort in North Dakota, Minnesota, Montana, and South Dakota to establish northern-grown U.S. crops as the world's choice for food, feed, and value-added applications.

## **AGENCY PERFORMANCE MEASURES**

NCI provides status reports to the Northern Crops Council three times annually at Council meetings (per NDCC Section 4-14.2-02 and 4-14.2-03). On July 11, 2006, presentations and written documentation on accomplishments during Fiscal Year 2006 and plans for the next fiscal year were provided to the Council. Copies are on file at the NCI office and with Council members. NCI provided verbal and written status reports to the South Dakota Appropriations Committees in February 2006. NCI also gives regular status reports on NCI accomplishments to other agencies that provide Special/Other funds.

NCI performance is based on the NCI Five-Year Strategic Plan (Plan), adopted in June 2004 by the Northern Crops Council, that affirmed NCI's mission and identified priorities for the future. The Plan is being used to help guide NCI's future focus, programs, partnerships, and resource management. A guiding principle was to integrate programs that better serve the broad variety of regional crops in 21<sup>st</sup> century agriculture while continuing to serve our region's more traditional crops. NCI staff has made excellent progress in implementing the actions identified by this Plan which focuses on four areas: Recognized Leadership, Enhanced Programs, Effective Partnerships, and Leveraged Funding.

## **MAJOR ACCOMPLISHMENTS**

- Contributed to state's economy through marketing activities for agricultural crops (increase and maintain crop sales) and by bringing many course participants and processors to North Dakota (hotels, meals, shopping, etc).
- Contributed to market development and global awareness of North Dakota and four-state regional crop quality and availability.
- Hosted and promoted regional agriculture to over 1,500 visitors, short course participants and lecturers from over 50 countries.
- Educated over 500 participants in NCI short courses and numerous trade teams.
- Offered courses in partnership with U.S. Wheat Associates, American Soybean Association, U.S. Grains Council, USA Dry Pea and Lentil Association, American Society for Brewing Chemists, Association of Operative Millers, American Association of Cereal Chemists, Association of Oil Chemists Society, USDA/FAS Cochran Program, USDA Grain Inspection, Packers Stockyards Administration /FGIS, Minneapolis Grain Exchange, NDSU Extension Service, ND Grain Dealers, Midwest Shippers Association, and many commodity check-off organizations.
- Continued strong annual enrollments in basic and advanced grain procurement management courses.
- Provided customized grain procurement courses in soybeans, wheat and corn for regional companies and international buyers.
- Conducted advanced procurement strategies course for U.S. feed corn importers from China.
- Taught wheat and flour quality basics to U.S. wheat breeders, international and domestic buyers and processors of wheat.
- Taught two barley malt quality programs to U.S. and Latin American barley buyers and processors.
- Continued strong enrollment in annual pasta raw materials and processing course.
- Conducted lentil grading and inspection seminar for Algerian grain inspectors.
- Conducted feed safety educational program for domestic and international feed manufacturers.
- Conducted several grain grading workshops for regional grain elevator personnel with ND Grain Dealers Association.
- Offered regional Specialty Soybean seminars for soybean producers that provided information on new market opportunities.
- Conducted wheat quality and milling training for ND milling company.
- Offered international business protocol seminars for commodity groups and regional business.
- Provided lectures and demonstrations for NDSU, SDSU and other regional universities.
- Developed and offered specialized courses/workshops upon request.
- Hosted and provided educational segments for international trade teams regularly.
- Produced complete feeds, concentrates, supplements and custom premixes for use in animal research. Since becoming operational in 1991, the NCI feed production center has manufactured in excess of 28,000 tons of feed. Average yearly feed production is 2,000-2,500 tons, mostly for NDSU Experiment Station and Research and Extension Centers. Feed for main station experimental livestock research is manufactured at NCI feed production center.
- Provided technical expertise in wheat quality and end-uses through crop quality tours in Asia, European Union, and North Africa.
- Held leadership roles in many national/international professional organizations including the American Association of Cereal Chemists International, Wheat Quality Council, Association of Operative Millers, American Feed Industry Association, Analytical Oil Chemists Society, and Institute for Food Technologists.

## **FUTURE CRITICAL ISSUES**

Adjustments for Costs to Continue include the following:

05-07 EQUIPMENT>\$5,000= \$58,000.

**REQUEST SUMMARY**

Date: 12/13/2006

638 NORTHERN CROPS INSTITUTE

Bill#: HB 1020

Time: 06:31:21

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>BY MAJOR PROGRAM</b>					
FARM PRODUCT DEVELOPMENT, MKTG. AND UTIL	1,524,114	1,902,683	454,200	2,356,883	138,346
<b>TOTAL MAJOR PROGRAMS</b>	<b>1,524,114</b>	<b>1,902,683</b>	<b>454,200</b>	<b>2,356,883</b>	<b>138,346</b>
<b>BY LINE ITEM</b>					
NORTHERN CROPS INSTITUTE	1,524,114	1,902,683	454,200	2,356,883	138,346
<b>TOTAL LINE ITEMS</b>	<b>1,524,114</b>	<b>1,902,683</b>	<b>454,200</b>	<b>2,356,883</b>	<b>138,346</b>
<b>BY FUNDING SOURCE</b>					
GENERAL FUND	746,002	910,761	11,545	922,306	138,346
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	778,112	991,922	442,655	1,434,577	0
<b>TOTAL FUNDING SOURCE</b>	<b>1,524,114</b>	<b>1,902,683</b>	<b>454,200</b>	<b>2,356,883</b>	<b>138,346</b>
<b>TOTAL FTE</b>	<b>8.17</b>	<b>8.70</b>	<b>1.50</b>	<b>10.20</b>	<b>1.00</b>

**REQUEST DETAIL**638 NORTHERN CROPS INSTITUTE  
Biennium: 2007-2009

Bill#: HB 1020

Date: 12/13/2006

Time: 06:31:21

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
<b>SPECIAL LINES</b>					
NORTHERN CROPS INSTITUTE	1,524,114	1,902,683	454,200	2,356,883	138,346
<b>TOTAL</b>	<b>1,524,114</b>	<b>1,902,683</b>	<b>454,200</b>	<b>2,356,883</b>	<b>138,346</b>
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FEDERAL FUNDS	0	0	0	0	0
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<b>TOTAL FUNDING SOURCES</b>	<b>1,524,114</b>	<b>1,902,683</b>	<b>454,200</b>	<b>2,356,883</b>	<b>138,346</b>

**CHANGE PACKAGE SUMMARY**  
**638 NORTHERN CROPS INSTITUTE**  
**Biennium: 2007-2009**

**Bill#: HB 1020**

**Date: 12/13/2006**

**Time: 06:31:21**

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b>AGENCY BUDGET CHANGES</b>					
Cost To Continue	1.50	11,545	0	77,655	89,200
5 BASE EQUIPMENT OVER 5000	.00	0	0	365,000	365,000
<b>Agency Total</b>	<b>1.50</b>	<b>11,545</b>	<b>0</b>	<b>442,655</b>	<b>454,200</b>
<b>OPTIONAL REQUEST</b>					
10 OPT 15 PCT INCR	1.00	138,346	0	0	138,346
<b>Optional Total</b>	<b>1.00</b>	<b>138,346</b>	<b>0</b>	<b>0</b>	<b>138,346</b>

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**BUDGET CHANGES NARRATIVE**  
638 NORTHERN CROPS INSTITUTE

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<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 5	<b>Priority:</b> 1
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BASE EQUIPMENT OVER 5000 -

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A detailed listing of the equipment over \$5,000 is included in a separate subschedule.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 100	<b>Priority:</b>
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OMB Technical Support Staff -

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This adjustment provides one technical staff position to assist the two crop quality specialists with processing and laboratory analyses. These services examine quality attributes and processing characteristics of less traditional regional crops such as soybeans, pulses, oilseeds and other crops with potential for specialty markets and broader use. The new position will free up time for professional technical staff to work with producers and processors in crop quality aspects and educational programs, as well as, regional entrepreneurs in assessing the value of new product ideas.

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 101	<b>Priority:</b>
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OMB Staff Development -

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This adjustment supports staff development/ training on new equipment, newer types of food and industrial processing, and analytical procedures. These funds will be used for attending training programs and hiring training consultants to ensure NCI staff are on the leading edge of industry developments and standards.

<b>Change Group: O</b>	<b>Change Type: A</b>	<b>Change No: 10</b>	<b>Priority: 10</b>
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OPT 15 PCT INCR - \$138,346

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An increase of \$138,346, or 15 percent over the 2005-07 general fund base, would provide funds to address the following priorities of the Northern Crops Institute and related needs of North Dakota agriculture.

Northern Crops Institute *Optional Budget Request 2007 – 2009*

Total: \$138,346

*NCI INITIATIVE: Grow 21: Enhancing ND Economy by Growing Markets for Diverse ND Crops*

Background:

Competition for world market share of agricultural commodities is increasingly challenging. Our neighbors to the north continue to pour enormous resources into market development efforts, expanding their facilities and processing capabilities, and offering new educational opportunities. The number and value of crops produced in North Dakota has increased four-fold during the past twenty-three years (NCI's history). North Dakota now ranks first in production of 14 crops (North Dakota Agriculture 2006, ND Agricultural Statistics and NDDA).

NCI continues to earn consistent success in promoting regional crops and is recognized throughout the world as one of the best U.S. training facilities of its kind. It is the only regional organization of its type. In an increasingly competitive climate for world market share of agricultural commodities, NCI must keep current to meet the needs of international and U.S. grain buyers and processors. Additional staff to focus on expanding products and markets for the changing diversity of crop production in North Dakota and the region is needed. To continue to be recognized as a leader in market development activities, NCI programs, processing and analytical technologies must stay up-to-date to match technology of today and the future.

The 2005 ND Legislature provided funding for three-quarters of a specialist position for Pulse and Oilseed Quality promotion. The ND Dry Pea and Lentil Association (NDDPLA) together with ND Oilseed Council provided new funding for the remainder. The new Pulse and Oilseed Quality Specialist is making excellent strides to serve the current diverse crop production in North Dakota. Work addressing market development promotion of oilseed, pulse and soybean quality is currently underway. In addition, NCI continues its strong focus on traditional crops such as cereal grains.

*Request:*

*Technical Processing Staff Position* *\$100,000*

NCI requests one technical staff position in the optional 2007 – 2009 budget to assist the two crop quality specialists. This technical processing staff position will provide assistance with processing and laboratory analyses. These services examine quality attributes and processing characteristics of less traditional regional crops such as soybeans, pulses, oilseeds and other crops with potential for specialty markets and broader use.

Specialty markets are an increasingly important target for regional crops. Assisting manufacturers in the use of crops produced in North Dakota and regionally is a growth area for NCI. NCI technical processing focuses on development of products that utilize ND crops as a major ingredient and provides assistance to small and large, state, regional and multi-national companies. Many of these products become available in specialty markets.

Current crop quality specialists have expertise in conducting market development activities and short-term investigative studies promoting the broad diversity of crops produced in North Dakota. However, processing for companies has increased and reached full capacity for current staff. This new position could free up time so that professional technical staff can work with producers and processors in crop quality aspects and educational programs. If professional technical staff had time, they could also work with ND and regional entrepreneurs in assessing the value of new product ideas.

*Developing Staff for Enhanced Technical Service*

\$38,346

The remaining portion of this Optional Budget Request is for staff development/ training on new equipment, newer types of food and industrial processing, and analytical procedures. As technology in industry change rapidly, staff must be trained. These funds will be used for registration and travel to training programs, and to bring in experts to work with staff at NCI. New equipment for analyzing and processing oilseed and a wider range of diverse crops is being evaluated and purchased as other funds become available. This new processing equipment and analytical instrumentation is being purchased to maintain leading edge processing, testing capabilities, and delivery systems. Staff needs to be trained to maintain their leading edge.