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2016-17 Governor's Budget - Agriculture Utilization Research Institute

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AT A GLANCE

We help create a thriving economic environment by creating new business opportunities right here in Minnesota. The following are just a few indicators of our economic impact for the state.

- Over \$414 million of capital investment in new plants or equipment
- Over \$218 million in non-AURI dollars towards new projects
- 281,320 tons of commodities used in new products or processes

This information is from an eight-year client survey, with 16% of clients reporting. Given the response rate our actual impact may be higher.

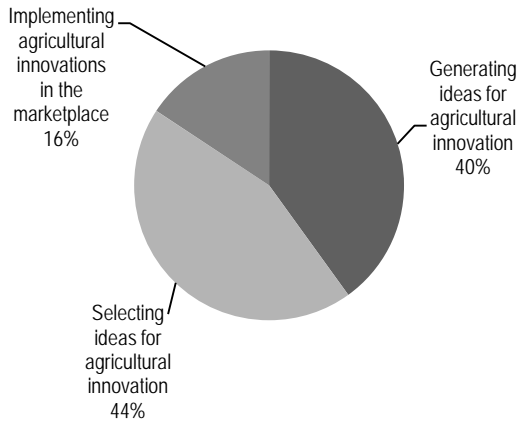
PURPOSE

For 25 years, Minnesota has invested in the Agricultural Utilization Research Institute's (AURI) unique capacities in research and development, hands-on scientific assistance, and innovation networking in order to grow businesses, create jobs, and expand markets for our state's agricultural commodities. We use these skills to help businesses *generate* ideas for new opportunities in agricultural innovation, *select* those opportunities with the best chances for success, and *implement* them in the marketplace in order to create a thriving economy. In addition, our fact-based research and development services are essential to meeting the information needs of potential funders/financers, assuring greater access to capital for growing businesses. These unique services are not found in other businesses or agencies. We support the following statewide outcome:

- **A thriving economy that encourages business growth and employment opportunities**

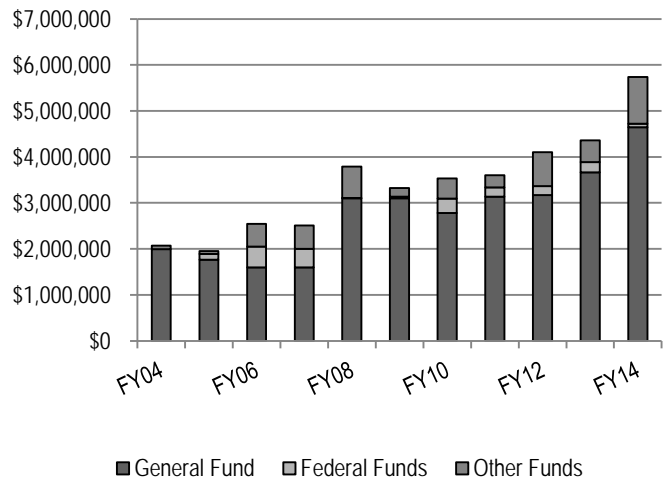
BUDGET

**Spending by Program
FY 14 Actual**



Source: Microsoft Dynamics GP

Historical Spending



Source: Microsoft Dynamics GP

Past funding has come from three general sources:

- 1) Minnesota's General Fund
- 2) Federal funds such as USDA and Department of Energy (DOE) grants
- 3) Other funds including matching project funds from commodity research and promotion councils, grants from Minnesota's initiative foundations, and an Xcel Energy grant.

We use our funding to support three primary program areas:

- 1) Generating ideas for new agricultural innovations that can be brought to the marketplace in order to grow the economy and create new jobs. We do this through applied research and development and innovation networking.
- 2) Selecting the best ideas for agricultural innovation. We work with small businesses, entrepreneurs, stakeholders, industry thought leaders, and other research leaders to select the ideas that are most likely to succeed in the marketplace.
- 3) Implementing the best ideas in the marketplace. We assist small businesses and entrepreneurs with the hands-on scientific assistance and resource networks that are essential to bringing an idea through to reality.

STRATEGIES

We spur innovation and grow Minnesota's economy by providing entrepreneurs and agriculture processors seamless service to bring new and improved products and processes to market. Specifically, we use the following strategies to meet our goals.

- **Applied research and development** identifies opportunities for growth. We partner with commodity organizations, higher education institutions, federal agencies, research organizations, and others to identify, fund, manage and get this research into the hands of businesses who can commercialize these ideas.
- **Innovation networks** bring together the right people at the right time in order to evaluate the feasibility of new products or build relationships necessary for a business to take an idea to commercialization. Project management staff have extensive knowledge of Minnesota's agricultural industry, available state resources for business development, techniques for managing innovation and supporting entrepreneurship, and the dynamics and challenges of rural communities.
- **Hands-on scientific assistance** gives small- and medium-sized businesses access to laboratories and scientists, important aspects of product and process development that can be challenging for smaller businesses. Unique assets of our scientific assistance include:
 - Meat Lab, Marshall
 - Analytical Chemistry Lab, Marshall
 - Bioproducts Lab, Marshall
 - Food Lab, Crookston
 - Microbiology Lab, Crookston
 - Coproducts Lab, Waseca

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	% of clients who reported that "AURI's programs and services have been vital to growing my business."	70%	81%	2011 & 2013
Results	% of clients who reported that "Because of your work with AURI, your business is more successful."	87%	92%	2011 & 2013
Results	% of clients agreed that "AURI connected you to valuable resources/organizations"	79%	82%	2012 & 2013
Quality	% of clients who reported that "AURI has improved your product/process significantly."	77%	78%	2011 & 2013
Quality	% of clients who reported that "AURI significantly helped in addressing business concerns".	67%	86%	2009 & 2013

[M.S. 116V.01](https://www.revisor.mn.gov/statutes/?id=116v.01) (<https://www.revisor.mn.gov/statutes/?id=116v.01>) provides the legal authority for AURI.

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Direct Appropriation	2,643	2,643	2,643	3,643	3,643	3,643	3,643	3,643
Expenditures	2,643	2,643	2,643	3,643	3,643	3,643	3,643	3,643
<i>Biennial Change in Expenditures</i>				1,000		1,000		1,000
<i>Biennial % Change in Expenditures</i>				19		16		16
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

2000 - Restricted Misc Special Rev

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Net Transfers			1,000					
Expenditures	0	0	1,000	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,000		(1,000)		(1,000)
<i>Biennial % Change in Expenditures</i>						(100)		(100)
<i>Gov's Exp Change from Base</i>								0
<i>Gov's Exp % Change from Base</i>								0

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	2,643	2,643	2,643	3,643	3,643	3,643	3,643	3,643
2000 - Restricted Misc Special Rev	0	0	1,000	0	0	0	0	0
Total	2,643	2,643	3,643	3,643	3,643	3,643	3,643	3,643
<i>Biennial Change</i>				2,000		0		0
<i>Biennial % Change</i>				38		0		0
<i>Governor's Change from Base</i>								0
<i>Governor's % Change from Base</i>								0

Expenditures by Program

Program: Ag Utilization Research Institute	2,643	2,643	3,643	3,643	3,643	3,643	3,643	3,643
Total	2,643	2,643	3,643	3,643	3,643	3,643	3,643	3,643

Expenditures by Category

Grants, Aids and Subsidies	2,643	2,643	3,643	3,643	3,643	3,643	3,643	3,643
Total	2,643	2,643	3,643	3,643	3,643	3,643	3,643	3,643