

AURI's Role & Impact on Minnesota Agriculture

House Agriculture Finance & Policy
January 2021



Agricultural innovation from
idea to reality.

Mission and Establishment



- ▶ To foster long-term economic benefit for MN through value-added agricultural products.
- ▶ Conduct onsite and applied research, promote the **establishment of new products and product uses** and the **expansion of existing markets** for the state's agricultural commodities and products, including direct financial and technical assistance for entrepreneurs in MN and bordering states.
- ▶ **Must establish or maintain facilities** and work w/ private and public entities to **leverage the resources** available to **achieve maximum results for MN agriculture.**

Board of Directors

- AURI's Board consists of farmers, agribusiness, at-large representatives and MN legislators
- These leaders guide AURI's efforts
- 11 directors



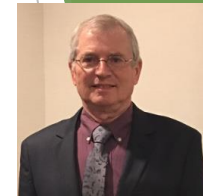
Ron Obermoller
Minnesota
Soybean



Jerry Hasnedl
Minnesota
Farmers Union



Federico Tripodi
Blacktop Holdings
At-Large



Ken Asp
Minnesota
Wheat



Carolyn Olson
Minnesota
Farm Bureau



Jon Veldhouse
Agribusiness
Cargill



John Schafer
Minnesota Beef
Council



Jeff Grev
At-Large
Hormel Foods



Gene Dornink
Minnesota
Senate



Mike Sundin
Minnesota
House of
Representatives



Erin Heitkamp
Agribusiness

AURI Focus Areas



**Biobased
Products**



Coproducts



Food



**Renewable
Energy**

Statewide Locations and Staffing

Crookston
Corporate Office

Metro
UMN St. Paul

Marshall
Meat and Food lab
Biobased and Renewable Energy
Analytical
Product Evaluation/Sensory

Waseca
Coproducts lab

31 full and part time staff

AURI Client Projects Worked On | July 2010 - June 2020

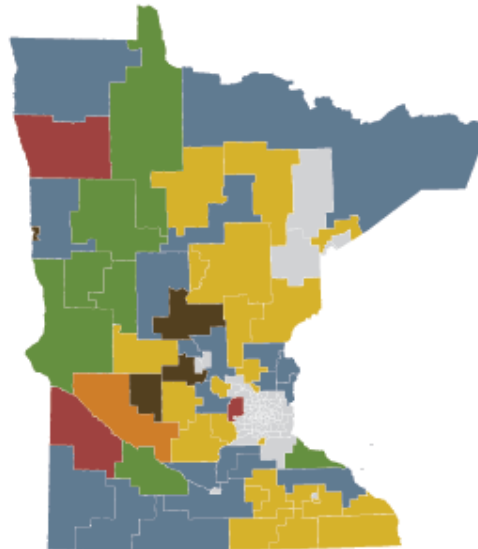
AURI is proud to partner with producers, businesses and entrepreneurs throughout Minnesota. As the map below shows, AURI worked on client projects in most of Minnesota's 87 counties between July 1, 2010 and June 30, 2020. The impact of these collaborations were significant to communities throughout the state. AURI also conducted several state-wide initiatives throughout the year.

- 1 to 5 Projects
- 6 to 10 Projects
- 11 to 15 Projects
- 16 to 20 Projects
- 21 to 25 Projects
- 26+ Projects

Service Area

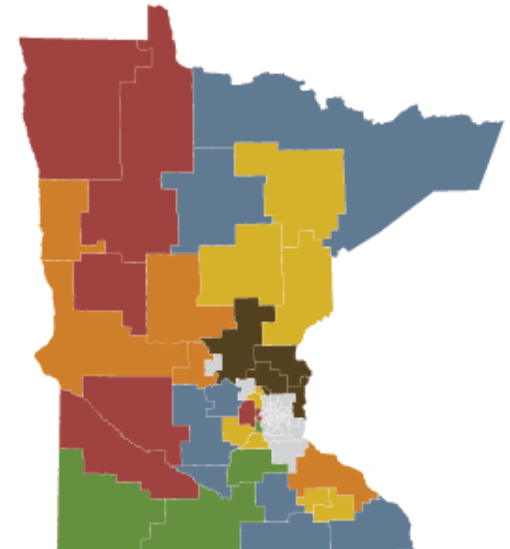
Minnesota House Districts

Statewide

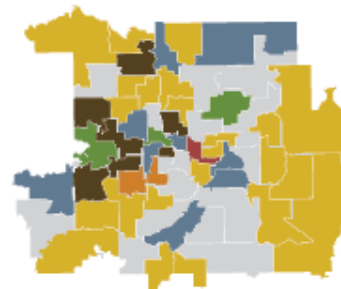


Minnesota Senate Districts

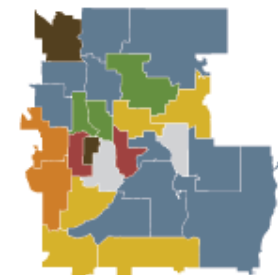
Statewide



Metro



Metro

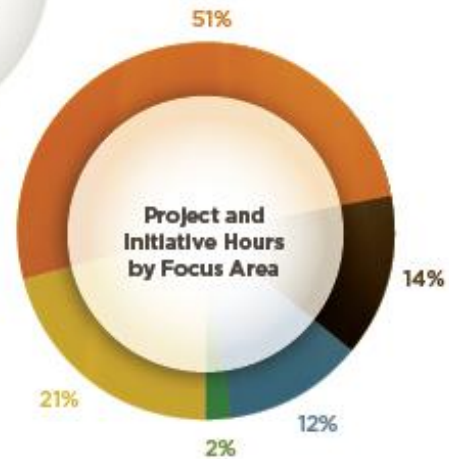
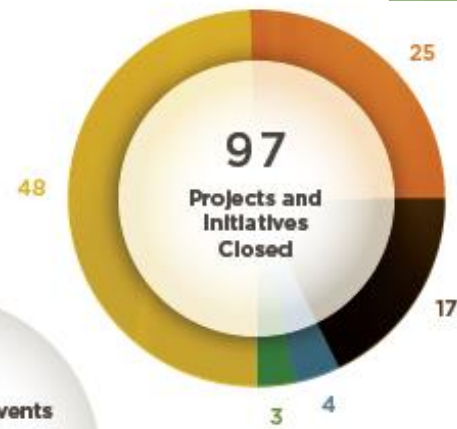


AURI Programs

- ▶ **Commercialization Services**
 - ▶ Business development and feasibility analysis
 - ▶ Hands on Technical Assistance
- ▶ **Public Initiatives**
 - ▶ Applied Research and Development
 - ▶ Ag Innovation Partnership Program
- ▶ **AURI Connects**
 - ▶ Industry Convenings
- ▶ **Research Programs**
 - ▶ Product development
- ▶ **Entrepreneur in Residence**
 - ▶ Laboratory/Equipment sharing



FY20 Activity



● Food ● Multi-Area ● Coproducts ● Biobased Products ● Renewable Energy

610 Total Participants at AURI Industry Events

229 New Participants at AURI Industry Events

Food

87

Total Projects
Worked On

48

Total Projects
Completed

7

AURI Connects
Events

- ▶ Active area
- ▶ Vibrant food ecosystem
- ▶ Diverse clients

- ▶ Free educational tools
 - ▶ Shelf-life guide
 - ▶ Clean label guide
 - ▶ Local Ingredient Sourcing
 - ▶ Packaging Guide

- ▶ Technical assistance
 - ▶ Shelf life
 - ▶ Nutrition labels
 - ▶ Product evaluation
 - ▶ Sourcing
 - ▶ Product development
 - ▶ Process development

- ▶ AURI Connects
 - ▶ Food Thought Leaders

Food Clients and Reports



Coproducts

29

Total Projects
Worked On

17

Total Projects
Completed

1

AURI Connects
Event

- ▶ Growing Activity
- ▶ Sustainability Goals

- ▶ Technical Assistance
 - ▶ Dewatering
 - ▶ Drying
 - ▶ Densification/Pelleting
 - ▶ Hemp decorticator
 - ▶ Oilseed pressing
 - ▶ Product development
 - ▶ Process development

- ▶ AURI Connects
 - ▶ Food/Ag Processing Waste

Coproducts Clients

 MILK SPECIALTIES
GLOBAL



Renewable Energy

2

Total Projects Worked On

3

Total Projects Completed*

3

AURI Connects Events

- ▶ Challenging environment
- ▶ Projects
 - ▶ Ag residues for heat
 - ▶ Anaerobic digestion
- ▶ AURI Connects
 - ▶ Anaerobic Digestion Thought Leaders
 - ▶ Renewable Energy Roundtable



Biobased

10

Total Projects
Worked On

4

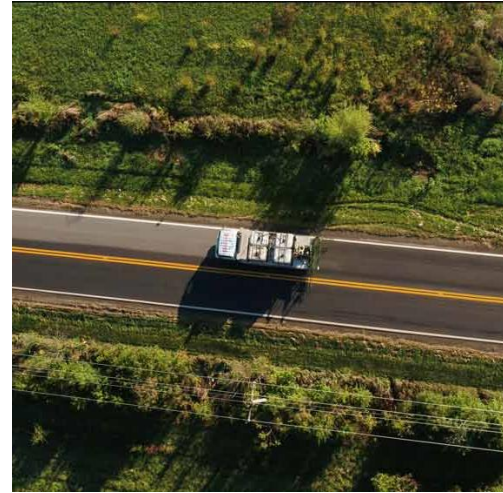
Total Projects
Completed

1

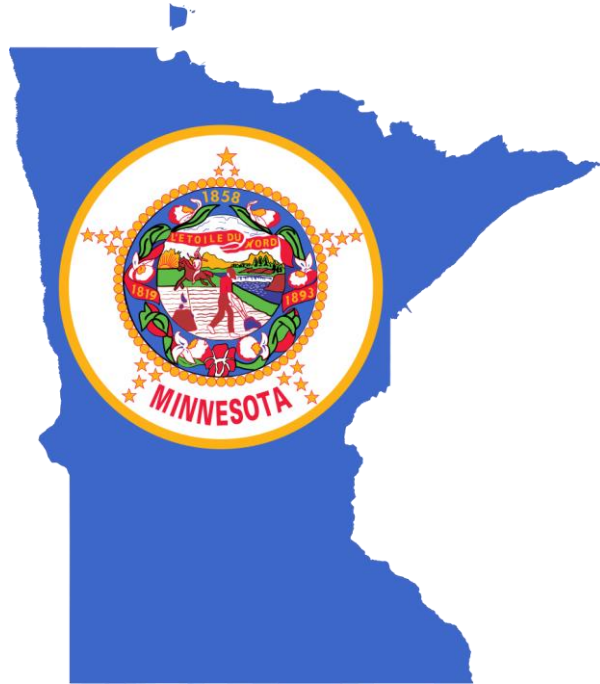
AURI Connects
Event

- ▶ Growing interest
- ▶ Technical Assistance
 - ▶ Life cycle assessment
 - ▶ Feasibility analysis
 - ▶ Technical insight
 - ▶ Product development
- ▶ AURI Connects
 - ▶ Green Build Webinar

Biobased Clients and Initiatives



Client Project Impact



5 Year
July 2016
through
June 2020

606

Estimated Number of Jobs
Created and Retained

\$128 MILLION

Estimated New Capital Invested

\$322 MILLION

Estimated New Gross Annual Sales *

**82:1 return*

864

Estimated Number of Future
Jobs Created and Retained

\$364 MILLION

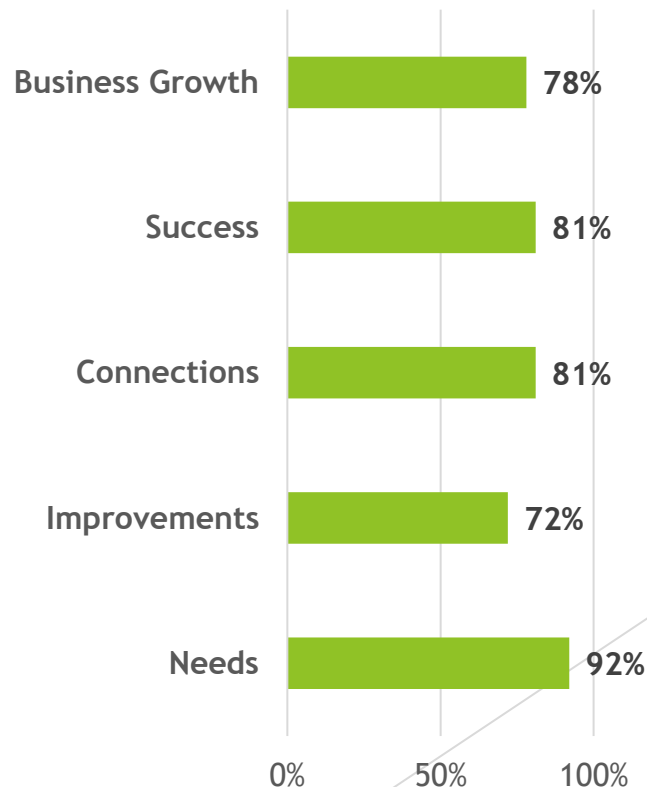
Estimated Potential Future
Capital Investment

Additional Client Impacts

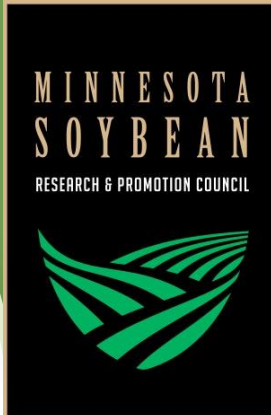
Measure

- ▶ AURI's programs and services have been vital to growing the business
- ▶ Because of working with AURI, the business is more successful
- ▶ AURI connected the business to valuable resources and organizations
- ▶ AURI improved the product/process significantly
- ▶ AURI significantly helped in addressing the business needs

Results - % Agreed



Collaborating and Supporting MN's Ecosystem



COVID-19 Survey Report

Resiliency needs and action steps for food and ag processors and manufacturers

- Crisis management
- Collaborations



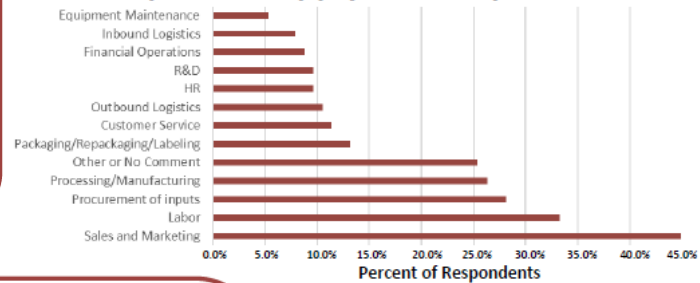
Agricultural Utilization Research Institute



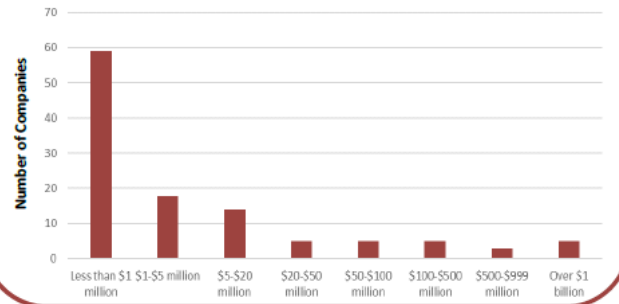
GREENSEAM™

114 Respondents

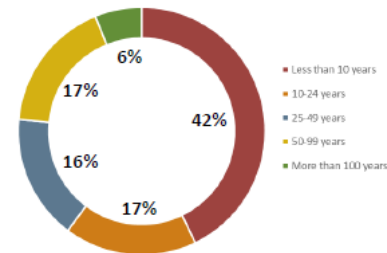
Impacted Supply Chain Operations



Company Revenue



Years in Business



UNIVERSITY OF MINNESOTA

Driven to Discover®



Innovation - Higher Interest Areas

- ▶ Industrial Hemp
 - ▶ Fiber / Decortication
- ▶ Food Entrepreneurs
- ▶ Food and Health
 - ▶ Functional Foods, Digestibility
- ▶ Protein - Livestock, Plant, Alternative
 - ▶ Meat Processing Assistance
- ▶ Drying, Dewatering and Densification
- ▶ Upcycled / Sustainable products - feed, fertilizer, fuel, food
- ▶ Ecosystem Crops - value chain development
- ▶ Aquaculture
- ▶ Biobased products
 - ▶ Industrial applications
 - ▶ Plastic replacement trends



FY20 Financials

- ▶ Note \$270,000 of \$333,257 net income was bonding dollars for new physical assets
(net gain \$63,257)
- ▶ Reduced expenditures due to COVID
- ▶ Helps offset \$229,907 net loss for FY2019

Fiscal Year 2020 Financial Statement

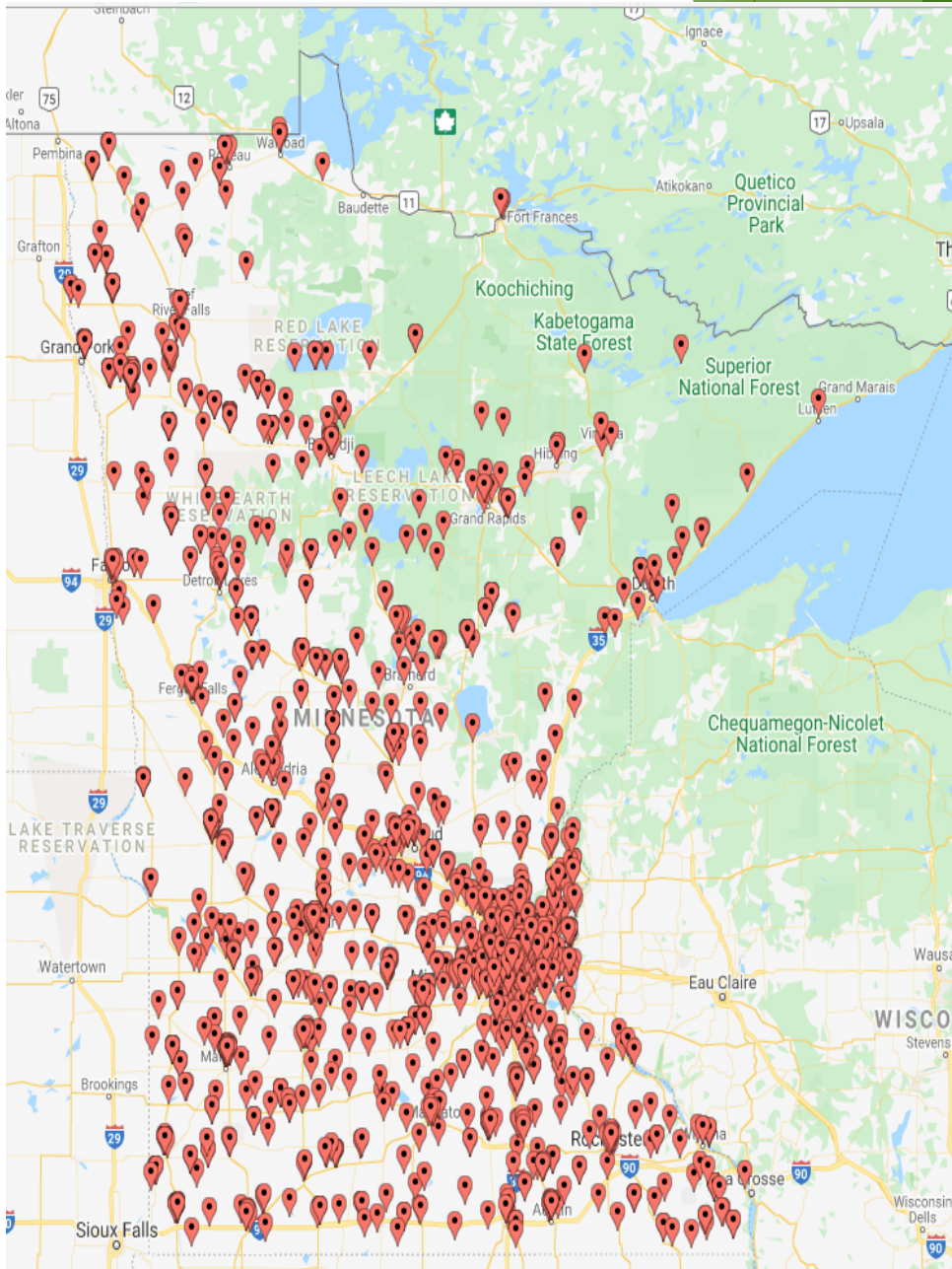
Revenue

State Appropriation	\$3,893,000
Fee-For-Service	\$357,179
Private Grants	\$283,500
Collaborations & Partnerships Grants	\$182,433
Interest/Investment Income	\$111,898
Federal Grants	\$96,920
Project Fees	\$39,482
Royalties	\$36,671
Sponsorships	\$23,000
Donations	\$10,925
Registrations	\$6,350
Miscellaneous	\$1,400
Total	\$5,042,757

Expenses

Programs & Services	\$2,458,981
Program Support	\$924,486
Operations	\$702,545
Institutional Advancement	\$623,489
Total	\$4,709,500

Net Income (Loss) **\$333,257**



Great state for ag and food innovation...

- ▶ Historical AURI
- ▶ Client Projects

- ▶ *1989 to current