



Agriculture Diversification and Development Fund Committee Grant Guidelines

Overview

The Agriculture Diversification and Development Fund Committee (the Committee) derives its mission and authority from the North Dakota Century Code (4.1-01.1) which permits approving loans, interest buydowns or grants to support new or expanding value-added agriculture businesses that demonstrate financial feasibility, enhance profitability for farmers and ranchers, create jobs, and grow North Dakota's economy.

Objectives

The fundamental mission of the Committee is to diversify and further develop the state's agriculture industry and create employment opportunities through the development of new and expanding value-added agriculture businesses. Pursuant to this mission, the Committee will review proposals which:

- lead to and result in new and/or expanded uses for the agricultural products of North Dakota;
- are value-added agriculture businesses, such as food production and processing facilities, feed or pet food processing facilities, commodity processing facilities, agriculture product manufacturers, and animal agriculture production facilities;
- diversify agricultural crop and animal industries and collateral uses for agricultural resources;
- focus industry and jobs creation efforts in the state and grow the state's economy.

Program Emphasis

Priority consideration is given to projects most consistent with the mission of the Committee. The Committee actuates the policy and purpose of Century Code section 4.1-01.1 and provides judgments on the extent to which any proposal meets that policy and purpose. Emphasis will be given to those proposals deemed most likely to generate economic returns and support agricultural-based prosperity of a region or sector of the state. Generally, conventional production agriculture is not eligible.

Application Process

Companies¹ registered with the North Dakota Secretary of State (SOS), groups, and individuals interested in creating new wealth and employment opportunities through new and expanded uses of North Dakota agricultural products are encouraged to review the Committee's grant guidelines available at [Agriculture Diversification and Development Fund \(ADD\) | North Dakota Department of Agriculture](#) to determine their eligibility. Applicants are encouraged to visit with ND Department of Agriculture (NDDA) staff prior to their submission.

¹ A Corporate registration number (for in-state owned companies) or a Corporate Certificate of Authority registration number (for out-of-state companies) is provided by the North Dakota Secretary of State (ND SOS). It is required of all companies who are doing business in North Dakota. The Corporate Division of ND SOS can be reached at 701-328-4284 or at 1-800-352-0867, Extension 8-4284.

Applicants are invited to present their proposals to the Commission on a quarterly basis. Applications are available at [Agriculture Diversification and Development Fund \(ADD\) | North Dakota Department of Agriculture](#). Fifteen minutes are allowed for each presentation with an additional five minutes for questions from the Committee. Applications are accepted on an “on-going” basis. If an application is received after the deadline, it will be presented at the following scheduled meeting. The deadlines for submitting applications are: January 1, April 1, July 1 and October 1. The first ten eligible applicants received will be invited to present their proposals to the Committee.

- NDDA may review the application and additional documents. All items need to be included to be considered for review by NDDA and the Committee.
 - A business plan. Items to be included in the plan:
 - Description of proposal
 - Market overview and viability
 - Competition
 - Composition of leadership team
 - Usage of funds
 - Historical financial documents, including a balance sheet, statement of cash flows, and profit and loss statements. Provide 3 years, unless business has not been in existence for 3 years, then provide all years in existence.
 - One to three years of detailed financial projections, including a balance sheet, profit and loss statement, and a cash flow statement (all of which include appropriate footnotes).
 - Footnotes include pricing structure, projected sales volume, employee headcount, etc.

Applications may be submitted on or before the deadline via email to dratajczak@nd.gov, or mailed to:

North Dakota Department of Agriculture
Agriculture Diversification and Development Fund
600 E. Boulevard Ave., Dept 602
Bismarck, ND 58505-0020

A complete application must contain all information and additional attachments requested and have the original signatures of the applicant.

For more information on grants, contact the North Dakota Department of Agriculture at 701-955-0578. For information on loans and interest rate buydowns, contact the Bank of North Dakota (BND) at 701-328-5600. Parties interested in loans and interest buydown opportunities may apply by completing the application on BND’s website at www.bnd.nd.gov.

For reference, grant applications will follow the below process:

1. NDDA receives grant application and reviews for eligibility and completeness.
2. NDDA works with applicant to schedule time to present to Committee.
3. ADD Committee reviews application.
4. ADD Committee makes determination to deny or approve the funding request.
5. NDDA coordinates with approved recipients to determine all requirements are met.

Limitations

Each proposal is considered on its own merits and is evaluated in the context of current Committee resources. Funding of a project should not be considered a precedent for funding of an apparently similar proposal. It is the applicant's responsibility to provide information clearly. Missing, poorly stated, or obscure information can reduce evaluation scores and/or funding allocated to the project. Applicants should follow the provided application format, only including the additional attachments requested.

Generally, applicants are only allowed to apply for one grant at a time, which are limited to a one-year time frame. Completed projects that have advanced can reapply for a second grant. Unless fully justified, uncompleted projects (including final accountability report) will preclude applicants from additional or new funding.

Generally, program funds are limited to companies registered with the North Dakota SOS, groups, and individuals that add value to North Dakota agriculture. Businesses with a majority ownership comprised of North Dakota residents will have priority over majority non-North Dakota resident ownership applications. Companies from outside North Dakota must have an established relationship with a North Dakota partner (individual, company, or agency) to validate the credibility of the proposal and comply with the intent of the Code.

Records directly indicating the credibility of those submitting proposals, including references and general records may be checked.

Confidentiality will be maintained to the extent allowed under the statutes of the state of North Dakota. By law, North Dakota Century Code 44-04, the Committee will limit dissemination of designated confidential information, but in any event, does not assume any liability for inadvertent disclosure. Subject to the policies of participating public programs and entities, rights to use products, processes, or services developed under the Committee's program will remain with the awardee.

The decision by the Committee is binding and not subject to review or appeal. Unsuccessful applications cannot be resubmitted for additional review; however, an application on the same topic with revisions in scope, objectives, or relevance may be submitted as a new proposal.

By law, any member of the Committee may not participate in or vote on a decision of the Committee relating to an organization in which that individual has a direct or indirect personal financial interest.

Funding Level

Proposals are limited to \$500,000. The Committee reserves the right to increase or decrease requested funding based on its findings and on its level of available funds. The Committee does not provide salaries or operating expenses normally associated with standard business practices.

The following criteria are considered in the grant funding process; although the committee reserves the right to fund less or more than the stated criteria levels.

| Grant Award Size | Capital Expenditure |
|-------------------------|----------------------------|
| \$100,000 | Up to \$500,000 |
| \$200,000 | \$500,001 to \$1,000,000 |
| \$300,000 | \$1,000,001 to \$1,500,000 |
| \$400,000 | \$1,500,001 to \$2,000,000 |
| \$500,000 | Over \$2,000,001 |

Current funding available for proposals within the ADD fund is 15 million dollars. The amount to be dispersed through loans and interest rate buydowns will be 7.5 million dollars. The amount to be dispersed through grants will be 7.5 million dollars.

Evaluation Process

If applying for a grant, applicants must complete the application posted on the North Dakota Department of Agriculture website at Agriculture Diversification and Development Fund (ADD) | North Dakota Department of Agriculture. The first ten eligible applicants received will be invited to present their proposals to the committee.

Following the Committee's determination, applicants will be promptly notified, and a synopsis of selected projects will be released. The decision by the Committee is based on the best information available at the time of consideration. The Committee's findings are not subject to review or appeal.

Administration and Reporting

Successful applicants are expected to adhere to the conditions outlined in these guidelines. Following approval of the project, a notice of grant award (contract) will be executed between NDDA and the applicant. Generally, grants are funded for one year. Under unusual circumstances, generally beyond the control of the grantee, the funding period can be extended. Three six-month extensions can be negotiated with ADD staff if adequate justification is provided. If the project is extended, a Notice of Grant Award amendment will be issued.

Under the terms of some agreements, the applicant may be required to submit to the NDDA periodic interim reports outlining progress on both timeline and budget compliance, including amount of finance already used, jobs maintained/created and up-to-date revenues and expenses.

Awardees will be required to submit a final written report to the Committee describing the work performed and the results obtained upon completion of the project. The report should also indicate how the project benefited North Dakota's economy and job creation in the state.

Disbursement of Grant Funds

Grantee agrees to reimbursement of expenses on a monthly or quarterly basis, provided all financial documentation found within the reporting requirements has been received.

Reimbursement requests must be made in writing and are due 15 days following the reporting period. Grantee agrees to withholding of the final ten percent of the total compensation until an acceptable final report, including all financial documentation, is received.

Receipt of Items

Grantee agrees that all goods and services must be received within the Grant period.

Audit

To comply with the legislative purpose of the Committee, protect the investment of the Fund and the people of North Dakota, all financial documents, books, receipts, orders, expenditures, electronic data, and accounting procedures and practices of the awardee are subject to examination by or for the Committee. The Committee, as a member of NDDA, is audited by the ND Auditor's Office.

Evaluation and Funding Criteria

Qualified awards are submitted by, or at the request of companies registered with the North Dakota SOS, groups, and individuals developing and marketing new or expanding value-added agriculture-based businesses as noted in NDCC 4.1-01. Applicants receive priority consideration if majority ownership of the project is comprised of North Dakota residents.

Each request and application will be judged on these criteria. Within a framework of 100 points maximum, each of the criteria will be considered as follows:

- **Probability of Success and Extent of New Wealth Creation—Up to 30 Points**

The Committee's objectives and mission are plainly stated. North Dakota is dependent upon the revitalization of the agricultural economy. The creation of new industry, jobs, and wealth are critical to any project award; preference will be given accordingly. Economic Value Added (EVA) is a prime consideration of all requests. *Up to 30 points will be awarded on this criterion.*

- **Current Financing & Owner Equity—Up to 30 Points**

Enhanced consideration will be given to projects which demonstrate a commitment for funding from the applicant or from other private or public sources. Applicants do *not* need to receive financing from a North Dakota financial institution to be eligible for this program. *Up to 30 points will be awarded on this criterion.*

- **Technical Qualification and Competence of Project Principals—Up to 30 Points**

In evaluating the application, strong consideration is given to the technical qualification and competence of project principals. Preference will be given to principals with a strong background and experience related to the proposed project area. Principals will demonstrate an

(Revised 8 / 2025)

understanding of industry trends and their impact on business. *Up to 30 points will be awarded on this criterion.*

- **Committee’s Opinion and Sustainability Efforts—Up to 10 Points**

Committee members are allowed flexibility in scoring projects for merit and for projects that clearly demonstrate scientifically based and researched sustainability efforts. These include evidence of locally or sustainably sourced materials, carbon offsets, sustainable materials management, and sustainable sources of energy. Committee members are provided 10 percent scoring discretion based largely on individual judgment of the likelihood of success of each proposal and/or for the inclusion of sustainability efforts. *Up to 10 points will be awarded on this criterion.*