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## Agricultural Utilization Research Institute

## Agency Profile

[www.auri.org/](http://www.auri.org/)

### AT A GLANCE

The Agricultural Utilization Research Institute (AURI) helps create a thriving economic environment by developing new Minnesota food and agricultural business opportunities. Clients served between state fiscal years 2019 and 2023 reported the following impacts resulting from AURI programs and services:

- Created and retained 451 jobs
- Over \$147 million of capital investment in new plants or equipment in Minnesota
- Increased gross sales revenue for client businesses by \$262 million annually

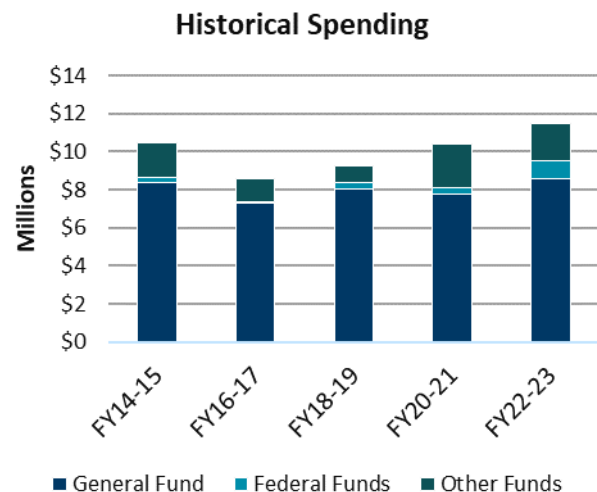
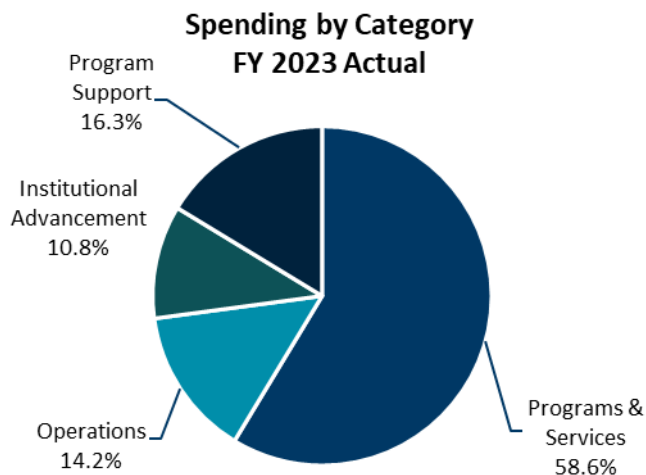
These results, reported by clients of AURI-assisted projects between state fiscal years 2019-2023, represent 48 percent of AURI's client projects and 59 percent of total client project hours during this 5-year timeframe.

### PURPOSE

The purpose and mission of the Agricultural Utilization Research Institute (AURI) is to accelerate the expansion of the agricultural economy by empowering expanded uses and markets of agriculturally derived products. It accomplishes this by offering a unique mix of applied research and industry development, hands-on scientific assistance, and opportunities for creating or expanding industry networks.

AURI helps Minnesota producers, businesses, and entrepreneurs identify and develop new markets for agricultural commodities and byproducts, strengthening Minnesota's agriculture industry and economy.

### BUDGET



*Source: AURI Microsoft GP Accounting System, Netsuite Accounting System, and Annual Audited Financial Statements*

Past funding came from three general sources:

1. Minnesota's General Fund
2. Federal funds such as the U.S. Department of Agriculture.
3. Other funds include project funds from commodity research and promotion councils, grants, fee-for-service, contracts, and research partnerships with the University of Minnesota.

## STRATEGIES

AURI utilizes strategies to spur innovation and grow Minnesota’s economy when working with producers, entrepreneurs, and agricultural processors. The following strategies, resources and services effectively help AURI clients to successfully bring new and enhanced agricultural products and processes to market:

- **Applied research and industry development** to identify opportunities for innovation and commercialization in collaboration with commodity organizations, industry, higher education institutions, federal agencies, and research organizations. This public-domain research de-risks emerging opportunities and spurs innovation in new uses and value-added agriculture.
- **The AURI Connects Program develops and enhances professional, innovation-based networks** by convening in-person and online events for various individuals, including producers, entrepreneurs, business representatives, industry leaders, and academic researchers. This program offers access to extensive knowledge and insight into Minnesota’s agricultural industry, commercialization pathways and business development resources. AURI Connects disseminates value-added opportunities to a wide audience.
- **Hands-on scientific assistance** to overcome technical challenges provides entrepreneurs and small—to medium-sized businesses with access to laboratories, equipment, and scientific expertise, which are critical aspects of product and process development that may otherwise be prohibitively expensive.
- **Commercialization services** help producers, entrepreneurs, and businesses develop their products or services for market launch. This includes economic or feasibility assessments, assistance to best position innovation ideas to scale opportunities, and referrals to additional experts.

## RESULTS

<i>Measure name</i>	<i>Measure type</i>	<i>Measure data source</i>	<i>Historical trend</i>	<i>Most recent data</i>
Percent of clients who agreed that “AURI’s programs and services have been vital to growing my business.”	Results	Client reported	Increase of 1%	83%
Percent of clients agreed, “Because of your work with AURI, your business is more successful.”	Results	Client reported	Holding steady	86%
Percent of affected clients agreed that “AURI connected you to valuable resources/organizations.”	Results	Client reported	Holding steady	80%
Percent of affected clients who agreed that “AURI improved your product/process significantly.”	Quality	Client reported	Increase of 4%	76%
Percent of clients agreed that “AURI significantly helped in addressing business needs.”	Quality	Client reported	Increase of 2%	97%

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M.S. 116V.01 provides the legal authority for AURI.

# Agricultural Utilization Research Institute

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27

## Expenditures by Fund

1000 - General	4,543	4,043	6,143	4,568	4,343	4,343	4,388	4,434
2050 - Environment & Natural Resources	200							
<b>Total</b>	<b>4,743</b>	<b>4,043</b>	<b>6,143</b>	<b>4,568</b>	<b>4,343</b>	<b>4,343</b>	<b>4,388</b>	<b>4,434</b>
Biennial Change				1,925		(2,025)		(1,889)
Biennial % Change				22		(19)		(18)
Governor's Change from Base								136
Governor's % Change from Base								2

## Expenditures by Program

Agricultural Utilization Research Institute	4,743	4,043	6,143	4,568	4,343	4,343	4,388	4,434
<b>Total</b>	<b>4,743</b>	<b>4,043</b>	<b>6,143</b>	<b>4,568</b>	<b>4,343</b>	<b>4,343</b>	<b>4,388</b>	<b>4,434</b>

## Expenditures by Category

Grants, Aids and Subsidies	4,743	4,043	6,143	4,568	4,343	4,343	4,388	4,434
<b>Total</b>	<b>4,743</b>	<b>4,043</b>	<b>6,143</b>	<b>4,568</b>	<b>4,343</b>	<b>4,343</b>	<b>4,388</b>	<b>4,434</b>

# Agricultural Utilization Research Institute

# Agency Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base		Governor's Recommendation	
					FY26	FY27	FY26	FY27
<b>1000 - General</b>								
Balance Forward In				225				
Direct Appropriation	4,543	4,043	6,368	4,343	4,343	4,343	4,388	4,434
Balance Forward Out			225					
<b>Expenditures</b>	<b>4,543</b>	<b>4,043</b>	<b>6,143</b>	<b>4,568</b>	<b>4,343</b>	<b>4,343</b>	<b>4,388</b>	<b>4,434</b>
Biennial Change in Expenditures				2,125		(2,025)		(1,889)
Biennial % Change in Expenditures				25		(19)		(18)
Governor's Change from Base								136
Governor's % Change from Base								2

## 2050 - Environment & Natural Resources

Direct Appropriation	200							
<b>Expenditures</b>	<b>200</b>							
Biennial Change in Expenditures				(200)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

# Agricultural Utilization Research Institute

# Agency Change Summary

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2025 Appropriations</b>	<b>4,343</b>	<b>4,343</b>	<b>4,343</b>	<b>8,686</b>
<b>Forecast Base</b>	<b>4,343</b>	<b>4,343</b>	<b>4,343</b>	<b>8,686</b>
<b>Change Items</b>				
Operating Adjustment		45	91	136
<b>Total Governor's Recommendations</b>	<b>4,343</b>	<b>4,388</b>	<b>4,434</b>	<b>8,822</b>

## Agricultural Utilization Research Institute

### FY 2026-27 Biennial Budget Change Item

#### Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	45	91	91	91
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	45	91	91	91
FTEs	0	0	0	0

#### Recommendation:

The Governor recommends additional funding of \$45,000 in FY 2026 and \$91,000 in each subsequent year from the general fund to help address operating cost increases at the Agricultural Utilization Research Institute (AURI).

#### Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery.

This recommendation provides additional resources to help address these cost pressures and pay for agency operations.

#### Proposal:

The Governor recommends increasing agency operating budgets to support current services. For AURI, this funding will help cover expected growth in employee compensation and insurance, rising rents, lab supplies, and other operating costs.

#### Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	45	91	136	91	91	182
<b>Total All Funds</b>	<b>45</b>	<b>91</b>	<b>136</b>	<b>91</b>	<b>91</b>	<b>182</b>

On January 24, 2025, the Minnesota Supreme Court held that 68 members are necessary to constitute a quorum of the House.  
This document reflects proceedings that occurred before that decision was issued and are no longer active.  
See *Simon v. Demuth*, No. A25-0066 (Minn. Jan. 24, 2025) (consolidated with *Hortman et al. v. Demuth et al.*, No. A25-0068) .

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
GF	Operating Costs	45	91	136	91	91	182

**Results:**

This recommendation is intended to help AURI address rising cost pressures and mitigate impacts to current levels of service and information to the public.