

**Agency Purpose**

The Agricultural Utilization Research Institute (AURI) was created by the Minnesota legislature (M.S. 116V.01) to foster long-term economic benefit by increasing business and employment opportunities to rural Minnesota through:

- Research and development of innovative new uses or value improvements for Minnesota agricultural commodities and products, including the identification and expansion of new and existing markets;
- Implementation of basic and applied research to support innovation, technology and growth of the agricultural (ag) industry; and
- The development of renewable energy and biobased opportunities from Minnesota agricultural commodities and co-products.

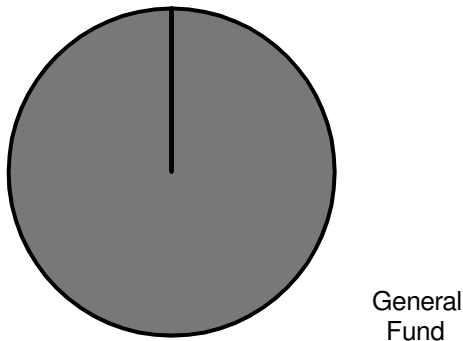
**At a Glance**

AURI provides technical and scientific assistance to Minnesota’s agricultural processing industry in the areas of food processing, renewable energy, biobased products, and co-product/waste product utilization.

This unique asset helps provide the Minnesota agri-processing industry with a competitive advantage by assisting in the development and feasibility analysis of new innovations and market advancements. During the last two years, AURI has:

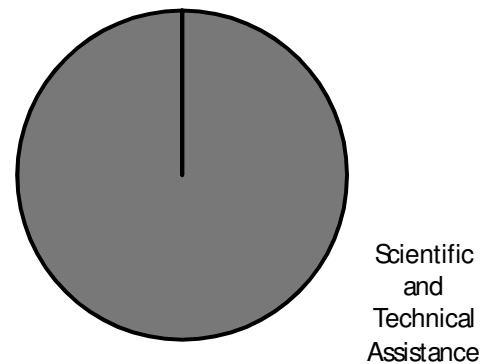
- Assisted in the development of over 325 unique projects and initiatives;
- Brought 143 new or improved ag based products to the market;
- Leveraged \$2.478 million of outside funds for projects; and
- Helped bring \$123.075 million in capital investment to Minnesota.

**Est. FY 2010-11 Expenditures by Fund**



Source: Consolidated Fund Statement.

**Est. FY 2010-11 Expenditures by Program**



Source: AURI Budget

**Strategies**

AURI provides Minnesota businesses and entrepreneurs with access to high quality industry-driven research, unique rural laboratory facilities, and scientific and project management professionals with expertise in food, renewable energy, biobased products, and co-product and waste product utilization.

AURI supports value-added agricultural innovation as a means to grow Minnesota's economic, employment, and business base in communities throughout the state. With significant focus on the green economy, renewable energy, petroleum replacement and many other ag-based possibilities, opportunities for Minnesota abound. AURI creates wealth in Minnesota through:

- Research and development of innovative new uses or value improvements for Minnesota agricultural commodities and products, including the identification and expansion of new and existing markets by researching feasibility and implementing agricultural product or processing innovations;
- Implementation of basic and applied research to support innovation, technology and growth of the agricultural industry; and
- The development of renewable energy and biobased opportunities from Minnesota agricultural commodities and co-products.

### Operations

AURI serves Minnesota businesses, entrepreneurs, small to medium-sized ag processors, grower organizations, cooperatives, and others interested in adding value to Minnesota agricultural commodities and products. AURI's services are designed to support the entire value chain as it provides seamless service from idea to implementation.

AURI provides scientific technical assistance, feasibility assessments and access to laboratories, and pilot plants on an individual basis to clients as they seek to develop new value added ventures. Unique assets available to clients include:

- USDA Inspected Meats Lab, Marshall
- Analytical Lab, Marshall
- Food Product Development Lab, Crookston
- Microbiology and Fermentation Lab, Crookston
- Coproduct Utilization Lab, Waseca
- Accessible PhD scientists in chemistry, microbiology, cereal science, experts in meat processing and product development, renewable energy, co-product and waste product utilization

AURI clients benefit from comprehensive project management services that bring the client from idea to implementation. Project management staff has 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.

The organization seeks to identify, educate and inform agricultural stakeholders about emerging value-added agricultural opportunities through the development of industry wide applied research initiatives, industry focused technology forums, and annual stakeholder meetings. This combination of research and initiative dissemination is key to ensuring findings are implemented by industry, industry needs are being met, and research resources are properly targeted.

Additionally, AURI facilitates innovation and collaboration among key stakeholders, businesses, and non-ag public interested in food, renewable energy, biobased products, or co-product and waste product utilization. AURI works closely with various state agencies, the University of Minnesota, Minnesota State Colleges & Universities, federal agencies, national organizations, the agricultural industry, and countless others to ensure that the Institute's research, services, and expertise meets the emerging needs of Minnesota's entrepreneurs and businesses. For example, AURI facilitates Minnesota's Renewable Energy Roundtable to help eliminate barriers to development of new renewable energy sources in the state through a coordinated and collaborative network. The Roundtable has over 525 participants, representing over 217 organizations.

**Key Goals & Measures**

**GOAL:** Create and retain wealth in Minnesota through the promotion of agricultural innovation.

- **MEASURE:** Leverage outside funds  
During the last two years, AURI leveraged \$2.478 million of outside funds for value-added agriculture projects. In the previous reporting period, AURI projects had leveraged \$1.4 million. This measure is a total of the cash match for all AURI funded projects for a two year period.
- **MEASURE:** Capital investment  
AURI helped bring \$123.075 million in capital investment to Minnesota in FY 2010-2011. This is an increase over the nearly \$71 million of capital investment seen in the previous biennium. This information is captured by project managers at the time of project closure as reported by AURI clients.
- **MEASURE:** Retained wealth  
Approximately \$52.9 million in wealth was retained by clients not investing in projects deemed not currently viable. AURI provided complete and unbiased information to assist clients in making informed decisions, contributing greatly to retained wealth. During the previous biennium, over \$100 million was retained by AURI clients not investing in projects deemed not currently viable. This information is captured by project managers at the time of project closure as reported by AURI clients.

**GOAL:** Expand Minnesota’s ag processing industry.

- **MEASURE:** Number of projects  
AURI assisted in the development of over 325 unique projects and initiatives. This is an increase over the 281 unique projects and initiatives that received help during the previous biennium.
- **MEASURE:** Number of new or improved products brought to the market  
AURI helped bring 143 new or improved ag-based products to the market during the past biennium. This is an increase of 107% over the 69 products brought to the market in the previous biennium. Project management staff monitors the introduction of new products and report totals at the end of the year.
- **MEASURE:** New ag processes development  
AURI helped develop or improve 117 new ag processes. This is an area of growing interest as processors are seeking efficiency improvements to maximize existing or identify new revenue sources.

**GOAL:** Advance Minnesota’s renewable energy industry.

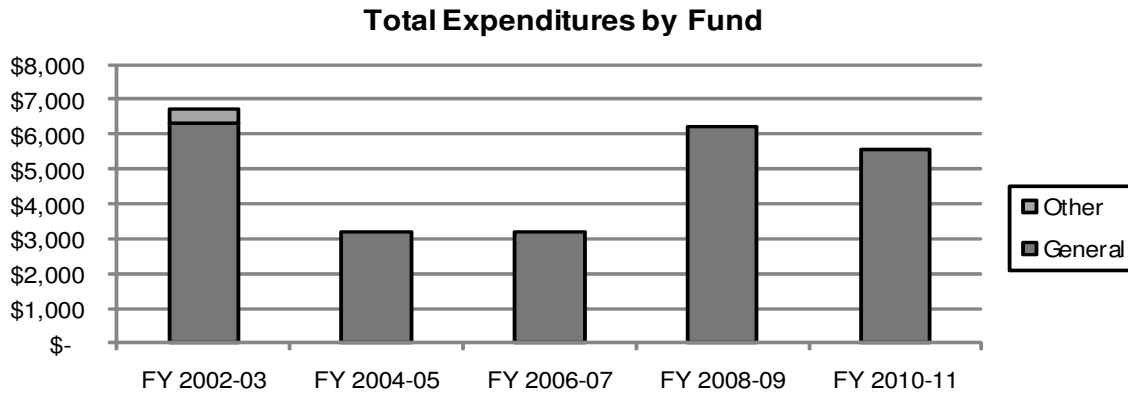
- **MEASURE:** Minnesota Renewable Energy Roundtable participation  
The Minnesota Renewable Energy Roundtable has over 525 participants, representing over 217 organizations. This is an increase of 125 participants and 117 new organizations from the past biennium.
- **MEASURE:** Number of energy related projects  
AURI has provided scientific and technical assistance to 155 energy-related projects in the past two years.

**GOAL:** Provide seamless service from feasibility to implementation of innovations and process improvements for Minnesota agricultural products and co-products.

- **MEASURE:** Percent of AURI clients who feel the organization’s technical expertise meets their needs.  
98% of AURI clients indicate that AURI’s technical expertise met their needs during their working relationship with the organization.
- **MEASURE:** Percent of AURI clients who indicate services were offered in a timely manner.  
88% of AURI clients indicated that AURI’s services were offered in a timely manner that met the needs of their project.
- **MEASURE:** Percent of AURI clients who categorized the services provided as valuable and vital to growing their business.  
93% of clients categorized the services provided by AURI as valuable to their value-added project, with 61% of clients indicating that AURI services were vital to growing their business.

This information was captured as part of a client satisfaction survey.

**Budget Trends**



*\* FY 2010-11 is estimated, not actual. Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 08/10/10.*

Uncertain economic times and limited access to capital has challenged the continued development of capital intensive projects, including many renewable energy ventures. Many Minnesota ethanol and biodiesel facilities are struggling to cash flow current operations. However, increased consumer demand for biobased products is providing opportunities for Minnesota businesses. Additionally, increased consumer interest in locally sourced foods has increased the demand for local food processing. Demand continues to be very high for the co-product utilization lab, the animal products lab, and the food product development facility. In all sectors, businesses are seeking assistance to find efficiency in their process, to develop new products or to identify additional revenue streams. Potential federal legislation, including food handling and carbon regulation, will increase demand for AURI services as Minnesota businesses seeks to comply with new regulations. These factors all align to result in significant increased demand for AURI services and facilities.

**Contact**

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