

Agricultural Innovations

Prototype Grant Guidelines

Technology Grant Guidelines

APUC recognizes that advances in agricultural production, quality, traceability, precision, safety, security, expanded trade and sales to meet evolving markets, and new products are dependent on advances in technologies. APUC is pleased to support the development of technologies that enhance the products of agricultural production and processing, and meet the state goals provided in the Century Code:

4-14.1-01. Legislative policy and purpose. It is hereby declared to be the public policy of the state of North Dakota to protect and foster the prosperity and general welfare of its people by improving the agricultural economy of the state. In furtherance of this policy, it is the purpose of this chapter to provide necessary assistance to the research and marketing needs of the state by developing new uses for agricultural products, byproducts, and by seeking more efficient systems for processing and marketing agricultural products and byproducts, and to promote efforts to increase productivity and provide added value to agricultural products and stimulate and foster agricultural diversification and encourage processing innovations.

APUC provides grants in two areas of agricultural innovation: Prototype Development, and Technology Grants

Definition of Prototype Eligible for Consideration

A huge array of equipment can be useful in conducting the primary and secondary businesses associated with rural living and agricultural economies. Other funding sources may be available for prototype development in these related areas. Because of their legislative charge, APUC restricts prototype development to inventions improving the operations of:

1. Food processing equipment
2. Agricultural equipment

The processes for prototype development which are eligible for funding consideration under this program include:

1. Product design
2. Assembling the prototype
3. Prototype testing
4. Patenting
5. Prototype evaluation or redesign or determination of the need to develop a different prototype
6. Market assessment to refine prototype

Definition of Technology Eligible for Consideration

To encourage innovation, APUC will maintain a broad view of technology. It could include hardware, software, devices, or processes. It is up to the proposer to justify that a device, process, or program constitutes a meritorious technology suitable for consideration as an agricultural or food processing advancement. Because APUC wishes to encourage development of new technologies, it will consider conceptual and unproven technologies as it would prototypes. Proven technologies in new applications are eligible for additional consideration, especially if the adapted technology is moving to commercialization.

APUC will consider proposals for advances in biotechnology as long as those advances improve agricultural product utilization as foods, feeds, fuels, and fibers. APUC does not consider for funding those technical and genetic advances that improve commodity production (varieties, fertilizers, seed systems, storages, etc.) unless there is a clear linkage between the advancement and the utilization of the improved commodity.

Parameters

Funding for prototypes and unproven technologies is normally limited to a one-time award up to \$25,000 per project. Additional awards can be provided if the technology must be substantially modified through its development/acceptance process, the project is moving expeditiously to commercialization within a 5-year period and market indications show strong potential for commercial success. Funding must be matched dollar for dollar. The applicant and/or local entities must provide some of the match dollars. Proven technologies adapted to agricultural uses that are being moved into commercial production are eligible for non-restricted funding, and APUC will consider reasonable and justified expenses. See Allowable Costs below. APUC does not normally fund salaries or standard business operating expenses.

Applications will be considered on a quarterly basis with deadline for applications falling on **December 1, March 1, June 1 and September 1.**

1. Peer reviews from individuals knowledgeable about the particular technology involved in the project will be obtained. Peer review takes approximately one month.
2. Generally grants are for a 1-year time frame.
3. Generally grant funds are limited to North Dakota companies.

Peer Review Process

Proposals are subject to the following review process:

- Upon receipt, the proposals are pre-screened for eligibility based on the applicant's stated intent, compliance with the guidelines, the proposed budget, and uses of funds.
- Independent peer reviewers familiar with the technology will be asked to evaluate the technical merits of the project.
- The applicant may be required to make a presentation to a review committee. The technology must be explained in laymen's terms with technical details provided if asked.

- Should the project receive a favorable peer review, the commission will invite applicants to present their proposals and answer commission members' questions. Presentation/questions and answer periods are limited to thirty minutes. The regularly scheduled meetings of the commission are published at www.growingnd.com/apuc.

Evaluation Criteria for Prototypes and Technologies considered as prototypes

The concept is new technology or a new application of existing technology and appears to work.

- The applicant and/or others have conducted significant market research.
- The applicant has demonstrated the ability to manage the business or fully commercializing the idea.
- There is favorable community or commodity support for the project.
- There are favorable recommendations of local economic development specialists, university-based technical specialists, or other qualified service providers.
- There are favorable collateral contacts to determine the applicant's qualifications and background.
- The applicant demonstrates a personal commitment and a commercialization development plan.
- There is an adequate and realistic budget projection for complete prototype or technology development.

Allowable Costs for Prototypes and Technologies

1. Product design, prototyping costs
2. Patenting costs
3. Pre-approved outside consulting fees
4. University technical assistance
5. Other pre-approved research and development costs.
6. Test marketing and related costs such as advertising, legal, and environmental impact, etc. needed for commercialization.
7. With justification, transient costs associated with start-up (such as short-term space rental).

APUC funds may be used to match Small Business Innovation Research (SBIR) grants, Energy Related Invention Program (ERIP) grants, and other federal, state, or local funding sources.

Confidentiality of Records

Pursuant to North Dakota statutes the following information and records are not subject to the open records laws:

- Patents, trade secrets, and scientific information identified as proprietary and which have been submitted to APUC on a confidential basis for consideration or investment.

- Commercial or financial information, whether obtained by the Corporation directly or indirectly, of any entity to or from which a license is granted, equity to or from which a license is granted, an equity interest is acquired or considered for acquisition by the Corporation.
- Internal or interagency memoranda, working papers, letters, or statements of evaluation, which would not be available by law to a party other than in litigation with the Corporation.
- Records or information pertaining to a prospective location of the business or industry when no previous disclosure has been made of the interest or intent to locate, relocate, or expand within the state of North Dakota.

Applicants should mark each page they believe contains information not subject to open records as “Proprietary.” The Commission, in consultation with its attorney, however, makes the ultimate determination. If confidential information must be presented or discussed during a meeting of the Commission, the Commission will enter “Executive Session” to ensure confidentiality. Executive Sessions are open only to Commission Members, their consultants, and the applicant and his/her consultants.

Contract Negotiations

For successful applicants, the Executive Director of APUC, with direction from the commission members, will negotiate terms for an Agreement, which specifies expected results of the funding and the timeline for completion. Progress of each project will be monitored.

Funds are typically disbursed in the following manner:

1. Some funds will be disbursed at the inception of the project.
2. Additional payments are tied to reporting requirements.
3. The full grant amount is not disbursed until a satisfactory final report has been received and a complete accounting of the use of funds has been provided to the commission.

Should the end results of a project be commercialized in a state other than North Dakota, royalty payments will be collected from the grantee. The royalty payments will be calculated based on a percentage of gross sales and limited to the amount of the grant plus interest.

Instructions

Applications should be limited to 10 typed, single or double-spaced, 8 ½” x 11” pages, including the application form and any supplementary attachments. Submit 4 copies of the application.

Commissioners will consider the first 15 applications received by the deadline, 1st time applicants will be given a preference.