

FY2024  
**AURI**  
ANNUAL REPORT



Agricultural  
Utilization  
Research  
Institute



“

AURI plays a critical role in advancing Minnesota's agricultural sector by bringing together industry leaders, innovators, and entrepreneurs to explore new opportunities and overcome challenges. We look forward to continuing our partnership with AURI to help strengthen and grow Minnesota's agricultural industry.”

T. Marc Schober, Director, CRM & Specialized Agriculture Solutions, Bremer Bank

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## FROM THE EXECUTIVE DIRECTOR

It's with a proud sense of accomplishment that I look back upon AURI's last fiscal year. Very few organizations get to work so closely with producers, researchers, businesses, and corporate leaders in advancing innovation and opportunity.

AURI conducted 210 projects and helped deliver \$187 million in new annual sales, \$85 million in new capital invested, and 717 jobs created or retained to the Minnesota economy. The future impacts this work is estimated to have for Minnesota include 797 jobs created or retained and an additional capital investment of \$266 million.

The multiple projects ranged from small-scale technical assistance with businesses to multi-year initiatives to focused webinars and large events.

We recognized the Eiyneck family with our Ag Innovator of the Year award. Eiyneck Farms is a producer and small business that has scaled an oat goating facility in a short period of time. They now incorporate thousands of acres of oats into a value-added product for the pet food industry.

One key initiative concluded this fiscal year was a two-and-a-half-year partnership with the United States Department of Agriculture's Agriculture Marketing Service (USDA-AMS) to build resiliency within the local and regional meat processing sector. The project identified some of the financial barriers facing small meat and poultry processors, produced a needs assessment to guide technical assistance and business development, and presented multiple forward-looking solutions to assist the industry in overcoming barriers. More information about AURI's collaboration with the USDA-AMS, as well as the complete catalog of briefs, reports, and tools, is available at <https://bit.ly/AMS-Resources>.

AURI also opened its new Bioindustrial Innovation Center in early 2024, roughly doubling AURI's pilot lab footprint. With financial support from the state of Minnesota, AURI invested in new space and equipment to catalyze the commercial market expansion of ag-derived products. The center has capabilities in anaerobic digestion, biomass drying, decortication, and oilseed pressing, as well as densification and processing operations. Minnesota Department of Agriculture Commissioner Thom Petersen attended the grand opening of the Bioindustrial Innovation Center in Waseca, Minnesota. He shared this congratulatory message from Governor Tim Walz: "As a hub of cutting-edge research and development, I am excited to see how AURI will use this center to revolutionize the commercial market expansion of agriculturally derived products. I commend your commitment to impacting the lives of Minnesotans through the development and distribution of value-added agricultural products."

AURI is well-positioned to drive key sectors of Minnesota's agriculture industry. In the year ahead, I look forward to even greater engagement with stakeholders and partners across the value chain to support and advance the agricultural and rural economies. The future is bright for innovation in our sector, and I believe agriculture is well-positioned to help solve problems and capitalize on emerging opportunities.



**Shannon M. Schlecht**  
Executive Director



“

I have referred many people to AURI over the years. They are experts and they really know the kinds of challenges and questions that businesses face day to day. The team at AURI really goes the extra mile. You can tell they really care about their clients and take a lot of pride in the businesses they work with. They are wonderful.”

**Troy Lightfield, Owner & Founder, Lightfield BBQ**

## MESSAGE FROM AURI'S BOARD CHAIR

I have had the pleasure of leading AURI's board of directors for a third year and am pleased to share my perspective on AURI's recent accomplishments.

At a high level, the organization advanced our strategy from paper to practice in the past year, ascertaining baselines and building frameworks to achieve our shared vision to positively impact Minnesota's agricultural economy. AURI welcomed two new board members during the year, Mikayla Tabert, representing the Minnesota Wheat Research and Promotion Council, and Ted Winter, representing the Minnesota Farmers Union. Our board members have continued to show their commitment to our strategic direction over the past year. Their contributions representing broad sectors of our State's agri-food stakeholders have been invaluable. AURI continues to prioritize resources to achieve maximum impact, raise brand awareness, increase stakeholder engagement, build capabilities, and advance efforts to be a high-performing organization.

After scanning the landscape to determine where AURI could be most effective, we identified new areas of potential impact. Understanding the landscape of opportunities was a necessary and critical step to find synergies and position resources where we expect growth opportunities to arise that can benefit Minnesota. These areas include coproduct valorization, biomaterials and renewable chemicals, food ingredients, scaling food manufacturing, and advancing renewable natural gas and anaerobic digestion efforts. While we focus on these areas, we will also continue to support many other value-added uses and markets across food, feed, and biobased energy via our expertise and networks to advance innovation.

I also wish to note that I'm especially proud of AURI's new Bioindustrial Innovation Center in Waseca. We held a grand opening event in April 2024, where we showcased the facility's enhanced footprint and capabilities. The Center now provides the State of Minnesota with a new launching pad to advance emerging bioindustrial areas—from feed to fertilizer to fuel—as we, at AURI, work to valorize many different agricultural feedstocks.

One-time funding from the Minnesota legislature helped make this expansion possible, and we are very appreciative of that long-term partnership. Additional funding from the legislature is also enabling AURI to better support Minnesota's vibrant food ecosystem. In the next year, AURI will move multiple initiatives forward to support, grow, and implement future-looking initiatives to best position our food businesses for long-term success.

To close, AURI has an engaged board and talented staff that are tireless in their passion and dedication to accelerating new value-added opportunities to positively impact our agriculture sector and state economy in the years ahead. I am proud of the work accomplished this past year by the board and staff to empower expanded uses and markets for the state's agriculturally derived products.



**Federico A. Tripodi**  
Board Chair



## BOARD OF DIRECTORS

**Federico A. Tripodi, Chair**  
At-Large Board Member

**Ted Winter**  
Minnesota Farmers Union

**Carolyn Olson, Secretary/Treasurer**  
Minnesota Farm Bureau

**Sen. Eric Putnam**  
Minnesota Senate

**Rep. Samantha Vang**  
Minnesota House of Representatives

**Lauren McNamara**  
Agribusiness, SunOpta

**Joe Serbus**  
Minnesota Soybean Research  
& Promotion Council

**John Schafer, Vice Chair**  
Minnesota Beef Council

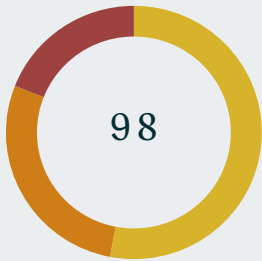
**Jon Veldhouse**  
Agribusiness, Qore

**Mikayla Tabert**  
Minnesota Wheat Research  
& Promotion Council

**Jeff Grev**  
At-Large Board Member, Hormel Foods

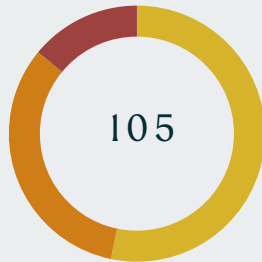
*Fiscal Year Expenses: \$7,335,615*

*Fiscal Year Revenue: \$7,140,174*



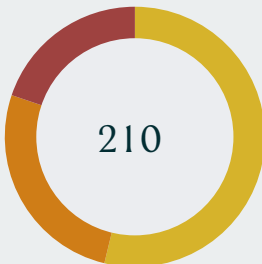
**New Projects and Initiatives Opened**

- 53 Food
- 27 Bioindustrial
- 18 Multi-Area



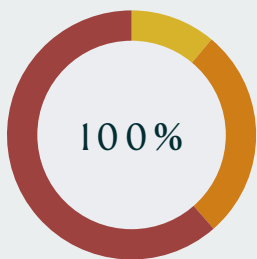
**Projects and Initiatives Closed**

- 57 Food
- 33 Bioindustrial
- 15 Multi-Area



**Total Projects and Initiatives Serviced**

- 114 Food
- 55 Bioindustrial
- 41 Multi-Area



**Project Hours by Focus Area**

- 11% Food
- 25% Bioindustrial
- 64% Multi-Area

## FY24 Events

- 10 Number of events
- 1,009 Number of participants
- 241 New participants
- 730 MN participants
- 36 Number of states represented
- 4 Number of countries represented
- 986 Post-event Youtube views

## EVENTS BY FOCUS AREA

- 8 Food
- 2 Bioindustrial



“

The team at AURI was extremely helpful with creating my nutritional panel. They also provided ideas on how to streamline products and production and assisted with exploring the market to give me a sense of the opportunities that were available.”

Akalat Thao, Founder, Sushi Zen

## Client Impact:

JULY 2019-JUNE 2024

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797

Estimated Future Jobs  
Created/Retained

\$266,532,780

Estimated Future Capital  
Investment

\$187,200,952

Estimated New Gross  
Annual Sales

\$85,419,229

Estimated New Capital  
Investment

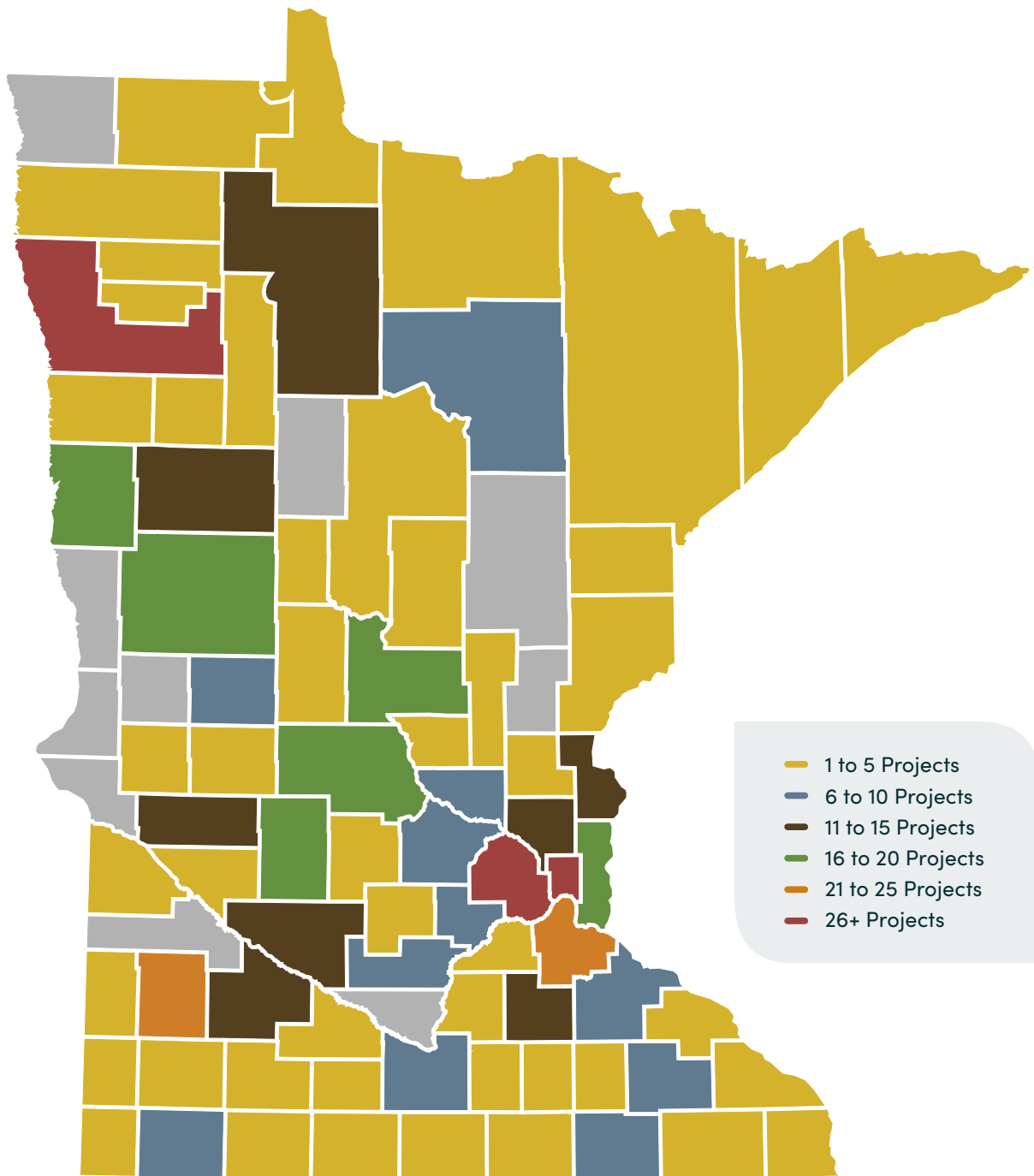
717

Estimated Jobs  
Created/Retained

## CLIENT PROJECTS WORKED ON

July 2014-June 2024

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, 2014 and June 30, 2024. The impact of these collaborations was significant to communities throughout the state. AURI also conducted several statewide initiatives throughout the year.







## FOCUS AREAS

Our work across ag commodities and agricultural derived products focuses on two core areas: Food and Bioindustrial products, as well as Multi-Disciplinary.

The following pages provide an overview of the focus area resources and efforts AURI dedicates to advancing value-added opportunities in each area.

“

AURI's services were critical to my success. AURI is the partner no entrepreneur in the ag sector should be without.”

Mary Hartman, Founder,  
StableFeed

# BIOINDUSTRIAL

27

NEW PROJECTS  
AND INITIATIVES  
OPENED

33

PROJECTS AND  
INITIATIVES  
CLOSED

55

TOTAL PROJECTS  
AND INITIATIVES  
SERVICED

Since its inception more than 30 years ago, AURI has maintained a strong focus on bioindustrial innovation. AURI has long worked to develop non-food value-added uses and market opportunities for Minnesota-grown crops, agricultural-derived products, and processing coproducts. The portfolio of projects AURI has assisted in this sector is long and diverse, ranging from the development of industrial products, building materials, sorbents, and erosion control products to renewable energy opportunities and much more.

AURI's commitment to innovation for industrial uses has not wavered. Instead, the organization is building on decades of experience and expertise to help Minnesota businesses capitalize on opportunities in the emerging bioindustrial space.

## Building Capacity

In recognition of the ongoing demand for technical assistance and expertise, AURI expanded its capacity to support biobased development by opening the Bioindustrial Innovation Center in Waseca. Funding from the State of Minnesota enabled AURI's investment in the Center.

In 2024, AURI opened the 15,000-square-foot space that provides offices, a training center, a food-grade processing area, and a pilot laboratory that will further the current and future needs of Minnesota producers, businesses, and entrepreneurs. The new facility will continue to advance biomass feedstock utilization into various applications for food, feed, fuel, and fertilizer applications, including pelleting, dewatering, drying, decortication, anaerobic digestion, particle sizing, biomass handling, biomass densification, separation, grinding, and more.

The site also incorporates a larger food-grade laboratory for AURI staff to provide services related to small-scale oilseed processing and milling capabilities of emerging crops and traits that can be used for developing new food and feed products.

## Building Businesses

AURI maintains its focus on supporting existing and emerging Minnesota businesses. One such project involved Kasson entrepreneur Mary Hartman, who



started StableFeed, an innovative equine feed and supplement company. The company grew out of Hartman's desire to create healthful treats intended for her own horses. As the benefits of the StableFeed supplements became evident, other horse owners and enthusiasts soon recognized the value of Hartman's products.

Hartman worked with AURI on product formulations and the proper parameters for producing a pellet made from sainfoin, a perennial legume widely acclaimed for its climate-mitigating

**“The partnership between Compeer Financial and AURI to host the New Uses Forum has been valuable in convening innovators in the agricultural value stream to share their ideas and best practices as well as engaging vendors in that space. As a forward-thinking company, Compeer finds value in identifying and understanding new trends and opportunities to position itself to better serve its members.”**

Aaron Knewton, VP Food and Agribusiness, Compeer Financial

properties and contributions to animal health, as well as other novel ingredients. Sainfoin can be grown in Minnesota, but to date, is most widely produced in the western United States.

“AURI’s services were critical to my success,” Hartman says. “AURI is the partner no entrepreneur in the ag sector should be without.”

Hartman grew the company from an in-home sideline to a burgeoning business. StableFeed now operates from a 3,800-square-foot production facility in Kasson with nationwide product distribution. Hartman says the company sold over \$1 million in products in 2024, and more business expansion is expected. In addition to building the StableFeed line of horse feed and supplements, she’s working with AURI on a project to test the potential of sainfoin-based diets in dairy cows to help reduce methane emissions.

### **Building Industries**

In addition to assisting individual businesses, AURI conducts initiatives that have industry-wide benefits. AURI worked for several years to develop a value chain for industrial hemp. A recent effort involved leading a project supported by the Minnesota Department of Transportation (MnDOT) and funded through the Minnesota Environment and Natural Resources Trust Fund. The project explored the potential of using industrial hemp fiber in erosion and sediment control products. Entities like MnDOT seek sustainable, biobased products derived from locally grown sources like hemp to replace plastic and other fossil fuel-based products.

AURI’s Bioindustrial Innovation Center in Waseca processed hemp fibers for testing in mats, hydromulch, erosion control logs, and silt fences. AURI partnered with several private industry partners to develop a variety of erosion control prototypes. Products were tested at several locations, including at MnDOT’s MnROAD test site near Albertville, Minnesota.

“There’s great potential for hemp products,” says Ken Graeve, MnDOT erosion and stormwater supervisor. “Based on the demonstration that we did and the lab testing, the products perform similarly to products we currently use.”

AURI and MnDOT hosted a field day at the MnROAD facility to connect value chain players, ranging from growers and vendors to manufacturers.

Each year, MnDOT-led construction projects use about 4 million pounds of erosion products and sediment control materials, which are valued at \$6 million to \$10 million. This demand could be fulfilled by more environmentally friendly hemp fiber for some or all of its composition. Most hemp processing focuses on the seeds for food and industrial products, but utilizing the hemp fiber would offer growers and processors another potential revenue source that would support the growth of Minnesota’s hemp industry.

### **Building Connections**

The annual AURI New Uses Forum brings industry and thought leaders together to examine pertinent and emerging topics. The 2024 event focused on how bioindustrial products and biomaterials are transforming the agriculture sector and how the Midwest is seizing opportunities in this growing area of innovation.

Minnesota is home to several leading companies and initiatives operating in the bioindustrial space. Many of those innovators participated in the New Uses Forum and shared their insights, including representatives from Cargill, BioMADE, Solugen, and NatureWorks.

“The partnership between Compeer Financial and AURI to host the New Uses Forum has been valuable in convening innovators in the agricultural value stream to share their ideas and best practices as well as engaging vendors in that space,” says Aaron Knewton, vice president of food and agribusiness for Compeer Financial, one of the New Uses Forum’s sponsors. “As a forward-thinking company, Compeer finds value identifying and understanding new trends and opportunities to position itself to better serve its members.”

New Uses Forum sessions focused on activities from commodity producers to entrepreneurial endeavors to end users. Sessions also provided investor perspectives to highlight investment activity and trends. The forum included conversations with leading industry experts on market challenges and opportunities in bioindustrial innovation.

The event also provided participants with a historical perspective on Minnesota’s contributions to the bioindustrial sector and showed how the state is well-positioned to take advantage of an industry at an inflection point.

# FOOD

53

NEW PROJECTS  
AND INITIATIVES  
OPENED

57

PROJECTS AND  
INITIATIVES  
CLOSED

114

TOTAL PROJECTS  
AND INITIATIVES  
SERVICED

AURI's Food Team provides important business consulting and technical services to help food and beverage businesses succeed in a rapidly changing market. The team of scientists and business development experts is committed to transforming Minnesota's diverse agricultural products into sustainable businesses by providing affordable access to consumer and food science expertise and infrastructure.

In FY24, the team worked on 114 projects throughout the state, split between private commercialization projects and public initiatives. As part of its ongoing efforts to serve the local and regional meat processing sector in Minnesota and the Upper Midwest, AURI completed a three-year partnership with the United States Department of Agriculture's Agriculture Marketing Service (USDA-AMS). The goal of this partnership was to build resiliency within the local and regional meat processing sector by identifying the financial barriers for small processors, conducting a needs assessment to guide technical assistance and business development, and developing multiple strategies to assist the industry in overcoming obstacles.

AURI discerned several financial, technical, and operational issues that prevent the local and regional meat processing sector from achieving its full potential. Staff produced a series of research briefs to address specific industry concerns including reports on the financial challenges in the processing sector, cold storage capabilities, industry benchmarking,

waste-reducing applications for animal hides, and an industry needs assessment. AURI also created and curated specific tools and training videos for processors to help catalyze growth among small and very small meat businesses.

AURI also worked directly with many small processors in Minnesota. One example is B&T Meats in Waubun, a small town in Mahnomen County. Siblings Mary and Bob Metalek opened the butcher shop and retail store in August 2024 with the goal of bringing economic development to their community and empowering area producers by providing a local processing partner. Emerging from the COVID-19 pandemic, the Metaleks turned to AURI for general business counsel and assistance writing a federal grant request. The grant provided financial support for equipment and construction of the meat processing and retail center.

"AURI is very knowledgeable about what it takes to get a business up and running. They spent time with us and answered our questions about the grant application as well as the technical health and safety considerations," Mary Metalek says. "They were an amazing resource."

In addition to meat processors, AURI's Food Team worked with a number of emerging food companies. These efforts helped entrepreneurs start businesses, launch new product lines, and expand into new markets. Lightfield BBQ Sauce is one example. The family-owned company produces a popular



“AURI was a pleasure to work with, and they are a great asset to small businesses. I really appreciated how they translated the scientific and technical information and presented it in a way that was very easy to understand. I have recommended AURI to a few food business owners that I know, and I am very impressed with the service I received.”

Molly Miller, Founder, Sift Gluten Free Bakery

line of barbecue sauces inspired by the craft beer industry that are available at retail outlets throughout the Upper Midwest. When Lightfield launched five new flavors, AURI developed the labeling information for the new products. AURI also provided recommendations to the company for new shared commercial kitchen space and a copacking partner. Owner Troy Lightfield notes he “didn’t know a thing” about commercial food production when he hatched the idea for the business. The team at AURI answered his many questions and consulted on a number of important issues as the company evolved. Lightfield says it was obvious from the first day that AURI’s staff care deeply about their clients to the ultimate benefit of Minnesota’s food and beverage business economy.

“I have referred many people to AURI over the years. They are experts and they really know the kinds of challenges and questions that businesses face day to day,” Lightfield explains. “The team at AURI really goes the extra mile. They take a lot of pride in the businesses they work with. They are wonderful.”

Nystrom Orchard is an apple orchard in Worthington, Minnesota, offering value-added products, tasting experiences, and apple picking. AURI’s Food Team worked with the business to help scale several of its value-added products for wholesale. AURI provided technical guidance and assistance with packaging, regulations, and labeling

requirements. The team also provided analytical analyses for nutritional content and assisted with drafting label nutrition facts and ingredient declarations. As a result, the business realized efficiencies in production and was able to grow into wholesale and sell apples to a local school for its lunch program.

Owner Kia Nystrom says the orchard’s goal is to have zero waste. To achieve this, the business must be creative in finding new uses for blemished apples, such as apple cider vinegar, apple pie, apple-based dips, and even apple vodka. She believes AURI’s resources, equipment, and its industry network were invaluable for her business.

“AURI is like a resource in my back pocket for when I get stuck on little questions or big issues. They are not the ones to do the work for you, but they are there to guide you to the next step and continue forward. They point you in the right direction,” Kia says. “I do not have a food science background, so when I run into a problem with packaging or buying new calibration equipment or testing for pH in the vinegar, AURI is who I call. They have been great to work with.”

Looking ahead, AURI’s Food Team will continue to anticipate market trends and changes and make strategic decisions that best serve the region’s food and beverage businesses to positively impact the state’s food and agriculture economy.



# AURI CONNECTS

10

AURI CONNECTS  
EVENTS

1,009

TOTAL EVENT  
PARTICIPANTS

241

NEW EVENT  
PARTICIPANTS

730

MN  
PARTICIPANTS

The purpose of AURI Connects branded events is to actively engage partners across the value chain on topics related to value-added agricultural opportunities and challenges. Through increased knowledge of innovations, technologies, and trends, the program's objective is to improve the competitiveness of agricultural producers, businesses, and entrepreneurs and offer purposeful connections and sharing of resources.

During FY24, the AURI Connects program disseminated information via a variety of events focused on engagement and networking. The Webinar Wednesday and Fields of Innovation series covered multiple subject areas, while signature in-person events, like the New Uses Forum and Minnesota Renewable Energy Roundtable, highlighted AURI's work in the areas of food and bioindustrial products. In total, the AURI Connects program hosted 10 different events and brought together approximately 1,000 people, of which almost 250 attendees were new to AURI Connects. These results are due in large part to the Connects program's commitment to offer high-quality, wide-ranging, informative topics to AURI stakeholders and partners in the food and ag sectors.

Webinar Wednesday is a long-standing AURI platform that offers recurring webinars exploring different aspects of the food and bioindustrial economies in Minnesota – from resources for food entrepreneurs to innovations in coproducts and biobased energy. This past fiscal year, Webinar Wednesday offered an educational protein sustainability series, as well as presentations on how to improve the ecosystem for scaling food businesses.

The Fields of Innovation series hosted both in-person and online events to bring together representatives from across Minnesota's ag and food value chain. The program aims to create awareness, build capacity, and accelerate the commercialization of new and emerging crops and traits, while also highlighting emerging ag opportunities for producers, processors, and entrepreneurs. Topics ranged from transparency about failure and how to shift from setback to success to a three-part novel and specialty crop series. The latter explored contract and market development pathways, post-harvest handling methods, quality control targets, and regional models for aggregation and marketing.

Finally, an equally important component of the AURI Connects effort is hosting the annual Minnesota Renewable Energy Roundtable and New Uses Forum. Both are signature events that offer attendees opportunities to learn about important industry topics and network with other professionals to advance new ideas and products. The December 2023 Minnesota Renewable Energy Roundtable was held in St. Cloud. It focused on how emerging renewable hydrogen technologies can add value to the agricultural and biofuel industries as well as rural economies. The 2024 New Uses Forum was held in Mankato and exclusively focused on the biobased sector, specifically bioindustrial innovations and opportunities. Both events offered a hybrid, interactive experience.

AURI Connects will continue to be a catalyst in developing new opportunities to positively impact the state's ag and food industry for years to come.



36

STATES  
REPRESENTED

4

COUNTRIES  
REPRESENTED

986

POST-EVENT  
YOUTUBE VIEWS

“

I've been in the renewable energy sector for thirty years. Currently, we have more opportunities than in the last thirty years combined. AURI's Renewable Energy Roundtable highlighted and enhanced connections for many of these opportunities that provide a positive impact to rural communities.”

David Kolsrud,  
Founder,  
Agri Energy

## FINANCIAL STATEMENT

### Fiscal Year 2024

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#### Revenue

State Appropriations (General Operations)	\$4,343,000
State Appropriations (Capital Improvements/Asset Purchases)	\$962,829
Federal Grants	\$697,481
Collaboration & Partnership Grants	\$601,062
Interest - Investments	\$382,769
Fee-For-Service	\$64,363
Sponsorships	\$34,927
Project Fees	\$16,635
Royalties	\$14,765
Private Grants	\$10,000
Registrations	\$6,349
Donations	\$5,000
Miscellaneous	\$994
<b>Total</b>	<b>\$7,140,174</b>

#### Expenses

Programs & Services	\$3,565,497
Program Support	\$1,050,532
Operations	\$1,012,725
Capital Improvements/Asset Purchases	\$962,829
Institutional Advancement	\$744,032
<b>Total</b>	<b>\$7,335,615</b>

<b>Net Income or (Loss)</b>	<b>(\$195,441)</b>
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Note: Fiscal Year 2024 Financial Statement was unaudited at time of report



## STATEMENT ON FINANCIAL ACTIVITIES

AURI had a net loss of \$195,441 at fiscal year-end 2024. In addition to AURI's State Appropriation (General Operations) of \$4,343,000, AURI received \$1,800,000 in one-time funding for special projects, equipment purchases, and upgrading its facilities, including a move to a new facility in Waseca, Minnesota. In FY24, AURI spent \$962,829 of the \$1,800,000 on capital improvements and asset purchases. The remainder of the designated funds are deferred and must be used by June 2026. AURI met its revenue goal for the year by exceeding its \$6,158,100 revenue budget. On the expense side, AURI was within 3% of its forecasted expense budget for the year, not including depreciation, capital improvements, and asset purchases. AURI ended the year with a small deficit spend. Overall, AURI generated \$7,140,174 in revenue and had \$7,335,615 of expenses, including capital improvements and asset purchases.

AURI's short-term financial outlook remains positive. The organization continues to have a solid pipeline of grants and contracts which will generate revenue through subsequent fiscal years. AURI's project portfolio had several noteworthy accomplishments in fiscal year 2024, including a Federal Grant award commitment from the U.S Department of Agriculture (USDA) Rural Cooperative Development program of \$198,000, contract with Greater MSP for \$275,000, and several other grant commitments and contracts, including the USDA Ag Marketing Service, USDA Rural Business Development Grant Program, Minnesota Soybean Research & Promotion Council, Environmental Initiative, and the Minnesota Department of Agriculture. In the long term, AURI will continue to leverage the funding it receives from the State of Minnesota to maximize its impact for Minnesota agriculture. AURI looks forward to 2025 and continuing its impactful service to Minnesota's agricultural industry.





## LOOKING FORWARD

AURI prides itself on being future-minded. We continuously strive to explore and identify new opportunities to advance value-added agriculture that benefits the agriculture economy and the State of Minnesota. In the past year, we undertook a thorough review of several value-added agricultural areas and analyzed them for growth potential and alignment with our capabilities and assets. From this process, five areas surfaced to prioritize programs and projects to accelerate the impact AURI can provide to the state's agricultural industry. Those five areas are:

- Scaling up food manufacturing
- Food ingredient support
- Biomaterials and biochemicals
- Coproduct valorization
- Renewable natural gas and anaerobic digestion

While we prioritize the forward-looking programming we offer in these opportunity areas, AURI will continue to support all segments of the state's value-added agriculture through various tools and network connections.

### **A few examples of ways we are already looking forward include:**

**Developing virtual tools.** AURI partnered with the United States Department of Agriculture (USDA) Rural Development to create a unique virtual assistant that provides 24/7 access to AURI's food knowledge and expertise. AURI's virtual assistant (AVA) connects ag producers and entrepreneurs to curated expertise to help expand food businesses. AVA's easy-to-understand, unbiased content is AI-generated but human-powered, offering optimized answers to a range of questions. You can try AVA here: <https://auri.org/ava/>.



**Identifying viable business models.** With support from Compeer Financial, USDA Rural Development, and a special allocation to support food businesses from the Minnesota legislature, AURI is working with our ecosystem partners and consultants to identify viable business models to support scale-up food manufacturing for regional market opportunities. An infrastructure and resource gap is regularly stated for growing food businesses seeking to move from commercial kitchens to traditional contract manufacturing. AURI intends to better understand options to bridge the gap between these ends of the spectrum. This work will support our growing food ecosystem with scale-up opportunities that can have a major economic impact.

**Creating a benchmarking tool for meat processors.** AURI's scale-up food manufacturing focus dovetails with our long-standing support of empowering the local and regional meat processing industry to improve its resiliency through new benchmarking and coproduct valorization programs. A benchmarking tool for meat processors will assist them in advancing operational efficiencies in their businesses on issues like facility optimization, floor layout, and other process flow considerations and improve transparency to make more informed strategic business decisions. We plan to help create that tool and other resources to support this industry segment.

**Supporting small commercial product runs.** AURI will also explore the role it can play in supporting businesses with small commercial product runs. Creating enough product for market testing is often a challenge for smaller value-added food and ag companies, yet critical to the commercialization process. With our new and larger Waseca site, AURI can offer small batch runs to aid product development, derisk future investment, and accelerate sales. By finding synergies and collaborative opportunities with other existing scale-up equipment segments, we can help make Minnesota a destination for growing food and bioindustrial start-ups.

**Advancing a protein sustainability initiative.** Finally, AURI will continue its collaboration with the MBOLD coalition to advance a protein sustainability initiative that aims to scale protein businesses, accelerate the connectivity of our robust protein sector, and accelerate innovation opportunities related to food and feed ingredients. Minnesota has a rich history in protein production, from the crops we produce for food and feed ingredients to the animals raised for traditional protein products. The initiative intends to build upon that historical base and further support value chain partners that are investing in protein sustainability endeavors.

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