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2014-15 Biennial Budget - Agrucultural Utilization Research Institute

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Agricultural Utilization Research Institute

http://www.auri.org

Small Agency Profile

Mission:

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.

Statewide Outcome(s):

Agricultural Utilization Research Institute supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

Agriculture is an integral part of the Minnesota economy, accounting for 20 percent of state GDP and serving as the state's second largest employer with some 367,000 jobs in production and processing. Ensuring continued strength and growth in agriculture is integral to the future of the state's economy.

AURI contributes to the strength of the agriculture industry through innovation and research in value-added agriculture, helping small- and medium-sizes businesses in Minnesota develop new uses for agriculture commodities and improvements in agricultural processing. AURI focuses its work in four core areas: renewable energy, biobased products, food and coproducts. (Coproducts are products left over during processing. For example, glycerin is a coproduct of biodiesel production.)

AURI is funded in part through the state of Minnesota, and then works to leverage those funds through cost-share contributions from client businesses and collaborations with commodity groups, as well as grants with the federal government, foundations and more. Through its work, AURI is creating jobs and improving profitability in the agriculture sector of Minnesota.

Strategies:

AURI helps spur innovation and grow Minnesota's economy in the area of value-added agriculture by providing clients with seamless service to bring innovative products and processes to market. Specifically, AURI employs the following strategies to meet its goals.

- **Applied research and development** identifies opportunities to add value to agriculture products through new or improved products or processes. AURI partners with commodity organizations, higher education institutions, federal agencies, research organizations and countless others to identify, fund, manage and disseminate research in value-added agriculture. This combination of research and dissemination are key to ensuring findings are implemented by industry and that research resources are properly aligned with the greatest needs and opportunities.
- **Innovation networks** bring together the right people at the right time in order to evaluate the feasibility of new products or processes and further the connections and relationships that are necessary for a business to take an idea to commercialization. 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.
- **Hands-on scientific assistance** gives small- and medium-sized businesses access to laboratories and scientists, important aspects of product and process development that can be challenging for smaller businesses. Unique assets of AURI's scientific assistance include:
    - USDA-Inspected Meats Lab, Marshall
    - Analytical Chemistry Lab, Marshall
    - Fats & Oils Lab, Marshall
    - Food Product Development Lab, Crookston
    - Fermentation Lab, Crookston
    - Coproduct Utilization Pilot Lab, Waseca
    - Scientific experts in chemistry, microbiology, food development, meat processing, renewable energy, and coproduct utilization.

More information about AURI's services, research and labs is available at http://www.auri.org.

Results:

AURI measures the success of its strategies in several ways. The nature of the innovation process makes it a challenge to measure success, since many of the long-term results will not be fully realized until 18-24 months or longer beyond project completion. To overcome these challenges, AURI completed a major multi-year survey of clients that provides important information on its success in achieving its mission. Clients from the last eight years have reported the following impacts as a result of AURI's assistance:

- 281,320 tons of commodities used in new products or processes
- $414,055,000 of capital investment in new plants or equipment
- $218,016,000 in non-AURI dollars towards new projects
- Created more than 275 new jobs
- Retained 217 jobs

These numbers are on a 16 percent response rate of AURI's client base. It is likely these results would have been improved with higher response rates.

AURI also does an annual client satisfaction survey as a means to measure success in serving its clients. These numbers do provide important trend information that fits well into the chart below.

Performance Measures	Previous	Current	Trend
Percent of clients who reported that "AURI's programs and services have been vital to growing my business."	61%	70%	Improving
Percent of clients who reported that "AURI significantly helped in addressing business concerns".	67%	95%	Improving
Percent of clients who reported that "AURI has improved your product/process significantly."	50%	77%	Improving
Percent of clients who reported that "Because of your work with AURI, your business is more successful."	52%	87%	Improving

Performance Measures Notes:

The client satisfaction data compares a 2010 survey with a 2012 survey, conducted by the Southwest Marketing Advisory Center of Southwest Minnesota State University. The eight-year client outcomes survey (10/1/2003 – 9/30/2011) mentioned under the results section was also conducted by the Southwest Marketing Advisory Center of Southwest Minnesota State University. Complete survey results are available by contacting AURI at 800-279-5010.