



City of Grand Forks
Staff Report

APPROVED & ACCEPTED
by City Council

01/21/2025

Maureen Storstad
Maureen Storstad
City Auditor

Committee of the Whole - January 13, 2025
City Council - January 21, 2025

Agenda Item: Agristo Working Draft Development Memorandum of Understanding

Submitted by: Todd Feland, City Administrator
Dan Gaustad, City Attorney

Staff Recommended Action – Approve the Agristo Working Draft Development Memorandum of Understanding, subject to review and approval of the City Attorney.

January 13, 2025 - Committee Recommended Action: Motion by Vein, second by Lunski to refer to City Council with a recommendation to approve.
Motion carried unanimously.

January 21, 2025 – Council Action: Motion by Osowski, second by Berg to approve. Motion carried unanimously.

BACKGROUND:

Agristo, a family-owned potato processing company from Belgium, has informed the City of Grand Forks they intend to build their first North American facility in Grand Forks, North Dakota. For the last three years, Agristo has been working with local potato growers on trial plots with European potato varieties. Agristo has been in site discussions with locations in the Midwest. With this decision, their exploration in other states will be paused to focus on negotiations in North Dakota and Grand Forks. The final decision is contingent on certain conditions related to infrastructure, incentives, and finalizing competitive BNSF transportation rates.

The United States, North Dakota, and Grand Forks Agristo project was and is a collaborative public/private partnership to include and not limited to the following: Agristo, Northland Potato Growers Association, Federal, North Dakota, and Local governments, and Grand Forks Region Economic Development Corporation.

Agristo is amid global expansion and sustainable growth in Europe, India, and in the United States (U.S.). Agristo has already established a strong presence in the U.S. market and the U.S. potato processing facility is intended to meet the U.S. market's sustainable and long-term growth. The Grand Forks, North Dakota has been selected as the location for Agristo's U.S. production site due to the following key factors:

- Home to a strong agricultural community with deep expertise in potato farming, offering valuable collaboration opportunities with local stakeholders.
- Vast agricultural land and favorable growing conditions proved ideal during extensive tests of potato varieties. These trials demonstrated exceptional potential for optimal crop yield and quality.
- Expansive land and development-friendly policies in the region provide ample room for future growth and alignment with market growth demand.
- Shared values, sustainable production sites, meaningful collaborations with stakeholders, and creating long lasting benefits for the community.

The Grand Forks site represents an initial investment of at least \$450 million in the first phase of development. In addition, there is an associated and collaborative of \$100-150 million for on-farm or off-

site grower storage. The groundbreaking is set for 2025 with plans to commence operations by the summer of 2028. The investment is expected to create 300-350 direct jobs and stimulate indirect investments in agriculture and supply chains, significantly boosting local and regional economies.

ANALYSIS AND FINDINGS OF FACT:

- The Preliminary Memorandum of Understanding provides for agreed upon preliminary and working framework to begin and pursue good faith negotiations to arrive at and execute a mutually agreeable development agreement. It is anticipated that from these good faith negotiations, the succeeding development agreement will contain terms and conditions relating to the construction and operation of the Agristo Grand Forks expansion, any public utility or service infrastructure that may be needed to accommodate the Agristo Grand Forks expansion, and incentives Agristo seeks or may seek for this proposed expansion.
- To be competitive with alternative and potential Agristo production locations in the United States, the City of Grand Forks administration has preliminarily presented to Agristo the following incentives for this expansion (subject, however, to the parties reaching a development agreement and subject to required governmental authority approvals):
 - **Forgivable Infrastructure Loan: \$30 million** The North Dakota Legislative Assembly is developing a \$30,000,000.00 (U.S. Dollars) forgivable loan program under the North Dakota Department of Agriculture. The funding will be utilized to assist the Developer's development of infrastructure needs such as water lines, wastewater lines, electricity, gas, roads, and rail. As proposed, fifty percent (50%) of the \$30,000,000.00 (U.S. Dollars) loan will be forgiven upon issuance of a certificate of occupancy of the Agristo Plant, and the remaining amount will be forgiven upon the Agristo Plant achieving fifty percent (50%) production capacity.
 - **20-Year, 90% Property Tax Incentive** The City will consider, and seek approval from Grand Forks County and the applicable public school district, an application from the Developer for a 20-year, 90% real property tax incentive.
 - **Sales and Use Tax Exemption - Construction Materials: \$9.8 million (est.)** Pursuant to North Dakota law (N.D.C.C. §§ 57-39.2-04.4 and 57-40.2-04(15)), the State of North Dakota exempts from sales and use tax any construction materials used to construct the agricultural commodity processing facility in North Dakota. It is anticipated the Developer would be eligible for this tax incentive. The \$9.8 Million (U.S.) Dollar tax savings from such exemption is based upon 7.25% sales and use tax rate for 30% of the estimated \$450 Million (U.S.) Dollar cost and expense to design and construct the Agristo Plant.
 - **Sales and Use Tax Exemption - Manufacturing/Processing Equipment: 8.1 million (est.)** Pursuant to North Dakota law (N.D.C.C. §§ 57-39.2-04.3 and 57-40.2-04(15)), the State of North Dakota exempts any new and expanding plant from paying sales and use tax on machinery and equipment used for manufacturing. It is anticipated the Developer would be eligible for this tax incentive. The \$8.1 Million (U.S.) Dollar tax savings from such exemption is based upon 7.25% sales and use tax rate for 25% of the estimated \$450 Million (U.S.) Dollar cost and expense to design and construct the Agristo Plant.
 - **Corporate Income Tax Exemption: Value to be determined** Pursuant to North Dakota law (N.D.C.C. ch. 40-57.1), the State of North Dakota may exempt from state corporate income tax all income generated from the production facility for a period of 60 months from commencement of operations. It is anticipated the Developer would be eligible for this tax incentive.
 - **North Dakota AdvanceND Loan: \$2.24 million** The North Dakota Development Fund awards "deal closing" low interest loans to companies considering a new industrial project in North Dakota when competing with other states. It is anticipated the Developer will be eligible for up to \$20 Million (U.S.) Dollars at 2% interest rate to utilize for working capital, equipment, permitting, and engineering cost. The \$2.24 Million (U.S.) Dollar amount represents interest savings in comparison to the Developer's described general financing structure on such amount being at a 4% interest rate.
 - **Interest Subsidy Grants: \$1.5 million** The Bank of North Dakota's Participating in

Assisting Community Expansion (PACE) and Agriculture Diversification and Development (ADD) programs provide a total grant up to \$1.5 Million (U.S.) Dollars to reduce interest on a loan used to acquire land, purchase equipment or for working capital. It is anticipated the Developer would be eligible for this PACE and ADD program incentives.

- **Equipment Grant: \$0.5 million** The North Dakota Department of Agriculture provides a total grant of \$500,000 (U.S.) Dollars for the acquisition of processing equipment for new or expanding value added agricultural businesses that demonstrate financial feasibility, enhance profitability for farmers, create jobs and grow North Dakota's economy. It is anticipated the Developer would be eligible for this grant.
- **Engineering Grant: \$0.25 million** The North Dakota Department of Agriculture provides a total grant of \$250,000 (U.S.) Dollars to support engineering and design activity for creating new wealth and employment opportunities the development and expanded use of North Dakota's agricultural products. It is anticipated the Developer would be eligible for this grant.

SUPPORT MATERIALS:

- Working Draft Development Memorandum of Understanding.
- Agristo Letter to the City of Grand Forks and Press Release, dated January 10, 2025.
- City of Grand Forks Press Release, dated January 10, 2025.
- Northland Potato Growers Association Project Overview.

PRELIMINARY MEMORANDUM OF UNDERSTANDING

This Preliminary Memorandum of Understanding is made and entered into this ___ day of _____, 2025, by and between **AGRISTO, NV** whose principal office and mailing address is _____ (herein referred to as the “Developer”) and the **CITY OF GRAND FORKS**, a North Dakota municipal corporation whose principal office and mailing address is 255 North 4th Street, Grand Forks, ND 58201 (herein referred to as the “City”).

RECITALS

1. On January 10, 2025, the Developer announced its intention to conduct exclusive discussions and negotiations with stakeholders in North Dakota, which includes the City, relating to the construction and operation of a potato processing and manufacturing facility in the City, the cost and expense of which is anticipated to be \$450 Million (U.S. Dollars) (herein referred to as the “Agristo Plant”)

2. The City anticipates the Developer’s construction and operation of the Agristo Plant and the anticipated employment resulting therefrom will have a significant positive economic impact upon the City and the residents of the City and the region, including but not limited to creating new and high paying jobs not only at the Agristo Plant, but within the community of Grand Forks and the region, enhance the City’s and the region’s economic climate, enhance the City’s and the region’s property tax base, encourage other capital investment and diversify the City’s and the region’s economy.

3. The Parties recognize that certain public infrastructure improvements may be needed to accommodate the operation of the Agristo Plant.

4. The Parties further recognize that certain incentives may be necessary for the construction and operation of the Agristo Plant, including but not limited to property tax incentives that the City may authorize under N.D.C.C. ch. 40-57.1.

5. The Parties further recognize that at this time the plans and specifications for the construction and operation of the Agristo Plant, and any related public utility infrastructure requirements and needs for the Agristo Plant, and the type and amount of incentives have not been finalized or completed.

6. Notwithstanding, the parties wish to enter into this Preliminary Memorandum of Understanding for the purpose of establishing a preliminary and working framework to begin and pursue good faith negotiations between the City and Developer to arrive at and execute a mutually agreeable agreement, (herein referred to as the “Development Agreement”), that will set forth the terms and conditions for the construction and operation of the Agristo Plant and Agristo Infrastructure.

NOW THEREFORE, PARTIES AGREE AS FOLLOWS:

SECTION 1: DEVELOPMENT/CONSTRUCTION OF AGRISTO PLANT

1.1. **Agristo Plant.** Subject to the City and Developer entering into a Development Agreement, as described in Section 2 below, and subject the terms and conditions thereof, the Developer, at the Developer's cost and expense, shall create plans and specifications for and cause the construction and operation of the Agristo Plant.

1.2. **Agristo Infrastructure.**

1.2.1. Subject to the City and Developer entering into a Development Agreement, as described in Section 2 below, and subject the terms and conditions thereof, the City will create plans and specifications for and construct roadway, water, wastewater and other public utility infrastructure (herein referred to as the "Agristo Infrastructure"), as may be necessary to accommodate the operation of the Agristo Plant.

1.2.2. The Parties acknowledge and agree the extent, size, capacity, kind, quality and quantity of the Agristo Infrastructure will be dependent on the Developer's location of the Agristo Plant within City and the existence of roadway water, wastewater or other public utility infrastructure at such selected location.

1.2.3. The payment and financing of the costs, expenses and fees for the design and construction of the Agristo Infrastructure will be set forth in the Development Agreement. The Parties acknowledge and understand the payment and financing of the Agristo Infrastructure may be by special assessment pursuant to N.D.C.C. chs. 40-22, 40-23, 40-24, 40-25, 40-26 and 40-27, the City's ordinances and the City's cost share policy.

SECTION 2: DEVELOPMENT AGREEMENT

2.1. **Development Agreement.**

2.1.1. The City and Developer acknowledge and agree the extent, size, capacity, kind, and quality of the Agristo Plant and Agristo Infrastructure are being reviewed and in the preliminary stage of development and creation, and therefore further work and time is required to review, draft and finalize the same.

2.1.2. Accordingly, the City and Developer are entering into this Preliminary Memorandum of Understanding to establish a preliminary and working framework to commence and pursue good faith negotiations to arrive at a Development Agreement that will contain terms and conditions relating to the construction and operation of the Agristo Plant and Agristo Infrastructure.

2.1.3. Without limiting the negotiation for such Development Agreement or the terms and conditions that may be agreed upon and set forth in the Development Agreement, the City and Developer anticipate the following matters will be addressed by the Development Agreement:

WORKING DRAFT (JANUARY 10, 2025)

- (a) The plans and specifications for the Agristo Plant and Agristo Infrastructure are to be created and reviewed by duly licensed engineers, architects or other qualified professionals.
- (b) Targeted milestones for the commencement and completion of construction, and the commencement of operating the Agristo Plant and Agristo Infrastructure.
- (c) Construction and operation of the Agristo Plant and Agristo Infrastructure complying with and meeting applicable laws and industry standards.
- (d) The Business Incentives, as described in Section 3 below.
- (e) The financing and payment for the design and construction of Agristo Infrastructure, which may include the Developer providing a letter of credit to the City during construction and thereafter such costs and expenses being financed and paid through special assessments.
- (f) Anticipated and estimated utility rates and other fees and charges the City may impose upon the Developer for public infrastructure, public utility services or other public services provided by the City to the Developer and the Agristo Plant.
- (g) Conditions precedent required to be satisfied prior to the performance by Developer or the City of the terms and conditions of the Development Agreement.
- (h) Default and remedy provisions.

SECTION 3: INCENTIVES AND BUSINESS SUPPORT

3.1. The following incentives and business support programs for the construction and operation of the Agristo Plant in the City were proposed to the Developer prior to its announcement on January 10, 2025, (collectively referred to as the “Business Incentives”):

- (a) **Forgivable Infrastructure Loan: \$30 million** The North Dakota Legislative Assembly is developing a \$30,000,000.00 (U.S. Dollars) forgivable loan program under the North Dakota Department of Agriculture. The funding will be utilized to assist the Developer’s development of infrastructure needs such as water lines, wastewater lines, electricity, gas, roads, and rail. As proposed, fifty percent (50%) of the \$30,000,000.00 (U.S. Dollars) loan will be forgiven upon issuance of a certificate of occupancy of the Agristo Plant, and the remaining amount will be forgiven upon the Agristo Plant achieving fifty percent (50%) production capacity.
- (b) **20-Year, 90% Property Tax Incentive** The City will consider, and seek approval from Grand Forks County and the applicable public school district, an application from the Developer for a 20-year, 90% real property tax incentive.

WORKING DRAFT (JANUARY 10, 2025)

(c) **Sales and Use Tax Exemption - Construction Materials: \$9.8 million (est.)** Pursuant to North Dakota law (N.D.C.C. §§ 57-39.2-04.4 and 57-40.2-04(15)), the State of North Dakota exempts from sales and use tax any construction materials used to construct the agricultural commodity processing facility in North Dakota. It is anticipated the Developer would be eligible for this tax incentive. The \$9.8 Million (U.S.) Dollar tax savings from such exemption is based upon a 7.25% sales and use tax rate for 30% of the estimated \$450 Million (U.S.) Dollar cost and expense to design and construct the Agristo Plant.

(d) **Sales and Use Tax Exemption - Manufacturing/Processing Equipment: 8.1 million (est.)** Pursuant to North Dakota law (N.D.C.C. §§ 57-39.2-04.3 and 57-40.2-04(15)), the State of North Dakota exempts any new and expanding plant from paying sales and use tax on machinery and equipment used for manufacturing. It is anticipated the Developer would be eligible for this tax incentive. The \$8.1 Million (U.S.) Dollar tax savings from such exemption is based upon a 7.25% sales and use tax rate for 25% of the estimated \$450 Million (U.S.) Dollar cost and expense to design and construct the Agristo Plant.

(e) **Corporate Income Tax Exemption: Value to be determined** Pursuant to North Dakota law (N.D.C.C. ch. 40-57.1), the State of North Dakota may exempt from state corporate income tax all income generated from the production facility for a period of 60 months from commencement of operations. It is anticipated the Developer would be eligible for this tax incentive.

(f) **North Dakota AdvanceND Loan: \$2.24 million** The North Dakota Development Fund awards “deal closing” low interest loans to companies considering a new industrial project in North Dakota when competing with other states. It is anticipated the Developer will be eligible for up to \$20 Million (U.S.) Dollars at 2% interest rate to utilize for working capital, equipment, permitting, and engineering cost. The \$2.24 Million (U.S.) Dollar amount represents interest savings in comparison to the Developer’s described general financing structure on such amount being at a 4% interest rate.

(g) **Interest Subsidy Grants: \$1.5 million** The Bank of North Dakota’s Participating in Assisting Community Expansion (PACE) and Agriculture Diversification and Development (ADD) programs provide a total grant up to \$1.5 Million (U.S.) Dollars to reduce interest on a loan used to acquire land, purchase equipment or for working capital. It is anticipated the Developer would be eligible for this PACE and ADD program incentives.

(h) **Equipment Grant: \$0.5 million** The North Dakota Department of Agriculture provides a total grant of \$500,000 (U.S.) Dollars for the acquisition of processing equipment for new or expanding value added agricultural businesses that demonstrate financial feasibility, enhance profitability for farmers, create jobs and grow North Dakota’s economy. It is anticipated the Developer would be eligible for this grant.

(i) **Engineering Grant: \$0.25 million** The North Dakota Department of Agriculture provides a total grant of \$250,000 (U.S.) Dollars to support engineering and design activity for creating new wealth and employment opportunities the development and expanded

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use of North Dakota's agricultural products. It is anticipated the Developer would be eligible for this grant.

3.2. The Developer may seek the incentives described in Section 3.1 above, and/or other incentives and other assistance from governmental authorities regarding the construction and operation of the Agristo Plant. To the extent it does not conflict with or is not prohibited by applicable law, the City will assist the Developer in such efforts, which may include, but is not limited to, taking actions in response to reasonable requests by the Developer or the governmental authority.

3.3. The Parties acknowledge and agree the decision to grant, in part or in total, the Developer's application for property tax incentive, as described in Section 3.1(b), requires certain findings to be made and also other governmental authorities to consent to the same, and accordingly, nothing in herein or by the City agreeing to perform the procedures to have such application considered and acted upon by the City and other governmental authorities is, nor shall it be deemed to be, a promise, obligation or guaranty by the City that the Developer's application for property tax incentive for new or expanding business will be approved.

3.4. The Parties further acknowledge and agree the decisions to provide Business Incentives described in Section 3.1(a) and Sections 3.1(c) through 3.1(i) are made by governmental authorities and other parties, other than the City, and accordingly, nothing herein (or by the City assisting or taking efforts for the Developer to obtain such incentives) is, nor shall it be deemed to be, a promise, obligation or guaranty by the City that any Business Incentive will be provided or afforded to the Developer or that the saving estimates described in Section 3.1 will be achieved by the Developer.

SECTION 4: MISCELLANEOUS PROVISIONS

4.1. Developer Representations.

4.1.1. The Developer is not in violation of or in conflict with any provisions of the laws of the State or of the United States of America applicable to the Developer which would impair its ability to carry out the term of this Preliminary Memorandum of Understanding, and the Developer is not and shall not become a threat to, conflict with or be contrary to the operation and security of the City or any federal, state or local governmental authority,.

4.1.2. The Developer shall comply with, obtain and satisfy all applicable laws (including under N.D.C.C. §§ 11-11-70, 40-05-26, and 47-01-09) relating to ownership interests or investment in the Developer and/or financing of the Developer from (a) any person or entity from a foreign country or identified on the office of foreign assets control sanctions list and/or (b) a foreign governmental body or agency.

4.2. Assignment. The Developer agrees this Preliminary Memorandum of Understanding and the rights, interests, and benefits hereunder will not be assigned, transferred, pledged, or hypothecated in any way by the Developer. Any attempt at assignment, transfer, pledge, or hypothecation or other disposition of this Agreement or of such rights, interests, and

WORKING DRAFT (JANUARY 10, 2025)

benefits contrary to the foregoing provisions or the levy of any attachment or similar process, will be null and void and without effect.

4.3. Severability. If any of the provisions contained herein shall for any reasons be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions contained herein.

4.4. Applicable Law. This Preliminary Memorandum of Understanding shall be construed and interpreted in accordance with the laws of the State of North Dakota and the Ordinances of the City of Grand Forks.

4.5. Counterparts. This Preliminary Memorandum of Understanding may be executed in two or more counterparts, each of which shall be considered an original.

4.5 Cooperation. The City and Developer agree to cooperate fully, to execute any and all additional documents, and to take any and all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Preliminary Memorandum of Understanding and to accomplish the purposes hereof.

AGRISTO, NV,

CITY OF GRAND FORKS,
a North Dakota municipal
corporation

By: _____
Its: _____
Dated: _____

By: Brandon Bochenski
Its: Mayor
Dated: _____

Attest:

By: Maureen Storstad
Its: City Auditor
Dated: _____

“Developer”

“City”

Agristo continues negotiations with stakeholders in North Dakota to build a first production plant in the United States.

A final decision will depend on two conditions:

- guaranteed package of infrastructure and tax incentives, and
- competitive rail rates out of North Dakota, offered by BNSF.

North Dakota

To whom it may concern,

After careful consideration and thorough analysis across various states in the Midwest, Agristo has decided to continue discussions with stakeholders in North Dakota regarding the construction of its first U.S. based production plant. Plans to explore options in other states will be paused while we focus on progressing negotiations in North Dakota.

Following several years of extensive potato trials and discussions with both public and private stakeholders, Agristo is confident in the potential of North Dakota as a production hub for the food processing industry, particularly for potato processing. The expertise of local farmers, the offered incentives, and the proposed industrial plot of land have all been compelling factors. For the sake of transparency and efficient allocation of resources, we have chosen to continue working with stakeholders and authorities in North Dakota. As a result, we will temporarily suspend our analysis of Wisconsin as a potential production site while negotiations with North Dakota are ongoing.

We are eager to continue engaging with all relevant parties in North Dakota. A final investment decision will be made once Agristo receives formal guarantees regarding infrastructure and tax incentives, including any necessary legislative measures and a mutually beneficial development agreement. Additionally, we will require competitive rail rates, translated in a long-term agreement, from BNSF to ensure that we can reach our customers at acceptable costs allowing us to scale up production volumes. If both of these conditions are met, Agristo will proceed with the investment in a production facility in Grand Forks, North Dakota. If either condition is not satisfied, we will have to reassess other alternatives.

As one of Agristo's guiding principles, we make decisions with our head, heart, and gut. You've already won our hearts and guts. We look forward to working together to make the final numbers work in the coming months and to make this investment a reality, with the goal of positively impacting local and agricultural communities in North Dakota and beyond.

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E info@agrsto.com

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Agristo doubles down on international expansion in Europe and the States

In the last decade, the global economy has undergone a profound transformation, and so has Agristo. As a company in the midst of rapid growth, we closely monitor economic transitions in the food industry, aiming to transform these changes into opportunities. We're excited to announce a pivotal step in our growth strategy: expanding further within Europe and establishing our first production site in the United States.



Reinforcing our roots in Europe

Our commitment to meeting increasing demand in Europe remains our core focus. We're expanding our production capacity in **key locations**, with ongoing developments at our site in Wielsbeke, Belgium, and preparatory work well underway for a new plant in Escaudoeuvres, France. These investments are designed to **support growth** and ensure we can meet future market needs efficiently.

Agristo crosses the Atlantic

Having already ventured outside of Europe with a flake line in India, our sights were now set on America. Agristo has already established a strong presence in the U.S. market, significantly increasing its private label segment market share. In recent months, we've collaborated closely with American farmers to test potato varieties that meet our high standards. These partnerships have strengthened our ties to the region and solidified our **commitment to sustainable growth**.

Grand Forks, North Dakota, has been selected as the location for our U.S. production site due to several key factors. The state is home to a strong agricultural community with deep expertise in potato farming, offering valuable collaboration opportunities with local stakeholders. North Dakota's vast agricultural land and favorable growing conditions proved ideal during extensive tests of potato varieties. These trials demonstrated exceptional potential for optimal crop yield and quality. Additionally, the expansive land and development-friendly policies in the region provide ample room for future growth, aligning perfectly with our ambition to expand as market demand continues to rise.



State support and a community-driven approach

The Grand Forks site represents an initial investment of at least \$450 million in the first phase alone. This investment reflects our strategy of reinvesting earnings into projects that drive long-term value, supporting innovation, expansion, and strong partnerships. Our approach isn't just about expansion. It's about creating **shared value**. Our reinvestments help us build **sustainable production sites** and foster **meaningful collaborations** with stakeholders. Each project we undertake strengthens our ability to meet global demand while creating **lasting benefits for the communities** where we operate.

Throughout the decision-making process, we received exceptional support from local officials, farmers, and residents in Grand Forks. Their enthusiasm reinforced our belief in building not just a production site, but a hub for collaboration and growth. The groundbreaking for our North Dakota facility is set for 2025, with plans to commence operations by the summer of 2028. This investment is expected to create **300 to 350 direct jobs** and stimulate indirect investments in agriculture and supply chains, boosting local and regional economies.

This milestone underscores our resilience, ambition, and dedication to making a positive impact globally. As we continue to grow, we remain committed to creating value for our customers, communities, and partners through sustainable growth and delicious potato inspired products.



NEWS RELEASE

Grand Forks Chosen For Future Potato Processing Facility

DATE: January 10, 2025

CONTACT: John Bernstrom (701) 746-INFO (746-4636)

FOR IMMEDIATE RELEASE

Grand Forks, ND – Agristo, a family owned potato processing company from Belgium, has informed the City of Grand Forks they intend to build their first North American facility in Grand Forks, North Dakota.

For the last three years Agristo has been working with local potato growers on trial plots with European potato varieties. Agristo has been in site discussions with locations in the Midwest. With this decision, their exploration in other states will be paused to focus on negotiations in North Dakota. The final decision is contingent on certain conditions related to incentives and finalizing competitive BNSF transportation rates.

“As a Top 5 potato-producing state and a leader in ag innovation, North Dakota is the ideal location for Agristo’s first processing facility in North America,” Gov. Kelly Armstrong said. “I’ve enjoyed working with Agristo’s leadership, and we look forward to welcoming them to Grand Forks. This project will expand value-added agriculture in North Dakota, improve profitability for our potato growers and strengthen our state’s economy.”

“This is a game-changer for potato growers in North Dakota, who will benefit from a \$500 million, 350-acre facility that provides a new, local market for the high-value crops they produce,” said Senator John Hoeven. “We made the case to Agristo and BNSF, outlining the benefits to both companies and how Grand Forks is the clear choice for this new facility. We appreciate everyone involved, including Mayor Bochenski, Grand Forks EDC President Keith Lund, the region’s potato industry leaders and BNSF CEO Katie Farmer, for their efforts to make this new project a reality, benefitting the region and our farmers for years to come.”

“Agristo’s announcement is great news for North Dakota and our potato producers,” Agriculture Commissioner Doug Goehring said. “Agristo recognizes

our culture of hard work, integrity and innovation as a cornerstone of our communities. The plant will be perfectly situated near the rich soils of the Red River Valley, will add value to our state's agricultural industry and expand opportunities for our producers and the local workforce."

"Thank you to our local farmers, particularly the Northland Potato Growers Association, for their work and effort over the last 3 years on this project." Grand Forks Mayor Brandon Bochenski said. "The culture within Agristo is clearly community-oriented and employee-focused making them a perfect fit for Grand Forks."

Agristo was founded in 1983 by childhood friends Antoon Wallays and Luc Raes. Their headquarters are in Weilsbeke, Belgium with the founders' children Filip Wallays and Hannelore Raes as co-CEOs. They have 6 branches around the world in Belgium, The Netherlands, France and India.



NORTHLAND
POTATOES

Soil to Success

Building A Legacy of Opportunity for North Dakota Growers & Communities

PROJECT GREEN YIELD SUMMARY

\$450M Potato Processing Plant	Company New to North Dakota	Grower & City of Grand Forks Collaboration	Competing with Wisconsin for Site Location	100+ ND Farms in 12 Counties Impacted
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The collaboration between the Northland Potato Growers and the Grand Forks region reflects a unified effort to recruit a \$450M potato processing facility, a transformative opportunity for the state. Significant infrastructure investments by the City of Grand Forks, including utilities and site readiness, have laid the groundwork for this project, while regional growers are committing to build modern potato storage facilities to

meet the demand of the potato industry. By keeping processing in-state rather than exporting potatoes for out-of-state processing, this facility ensures a long-term economic benefit to the state, further diversifies the state's ag industry and stabilizes markets for growers. Its impact will span generations, creating local jobs, fostering ag innovation, and establishing North Dakota as a leader in the potato processing industry.

PROJECT IMPACTS



Significant Investment Multiplier

- \$450M direct investment will generate an estimated \$1B in economic activity from construction alone.
- Grower investment of \$100-150M for on-farm or off-site grower collaborative storage.
- 20%+ increase above existing inputs for area suppliers.
- Expansion & upgrades including infrastructure, irrigation and equipment for growers



State Tax Benefits

- State sales tax revenue from construction \$37.9M
- State sales tax revenue from operations \$19.2M annually
- Individual income tax revenue from construction \$6.1M
- Individual income tax revenue from facility employees annually \$813k
- Corporate income tax revenue annually \$2.26M

*State tax collections listed here do NOT include grower, transportation or input tax revenue. This data is for facility only.



Employment & Labor Income

- 4,904 construction jobs with \$759M payroll
- 250 direct jobs for operations with \$15M annual payroll
- 406 indirect/induced jobs with \$26.72M annual payroll (suppliers, grower labor)



Local Tax Benefits

- City/County sales tax collections on construction: \$17M
- City/County sales tax collections on operations annually \$8.6M
- City/County property tax collection \$2.7M annually post-incentive period

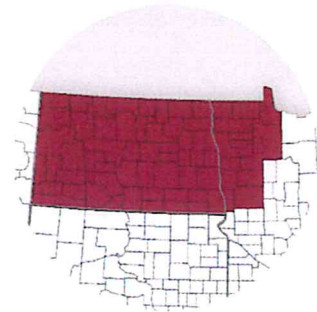


**NORTHLAND
POTATOES**

Building A Legacy of Opportunity for North Dakota Growers & Communities

SEEKING LEGISLATIVE SUPPORT

- The request for Project Green Yield is for \$30M structured as a forgivable loan upon project becoming operational.
- Funds may be used for large scale infrastructure necessary to complete the project. (Examples, Rail, Natural Gas, and electrical infrastructure)
- Local taxing authorities must also participate in infrastructure development and project participation through incentives as available.



QUICK FACTS

- **Annual Economic Impact:** The potato industry generates over \$2 billion annually for North Dakota's economy.
- **Acres Planted:** More than 72,000 acres of potatoes are cultivated in North Dakota each year. This project expects to add 15,000-20,000 ac to that number.
- **Market Share:** North Dakota ranks among the top 5 potato-producing states in the U.S.
- **Export Reach:** North Dakota potatoes are shipped to over 30 states and numerous international markets.
- **Job Creation:** The potato industry supports approximately 10,000 jobs statewide, including growers, processors, and suppliers.
- **Processing Demand:** A significant portion of potatoes grown in North Dakota are transported out of state for processing, highlighting the need for in-state facilities like the proposed Grand Forks plant.
- **Research and Innovation:** The region benefits from partnerships with North Dakota State University, advancing research in sustainable farming and crop improvement.



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PROJECT GREEN YIELD FAQ

- **Who will this project impact?**
 - **Growers & ag suppliers:** The proposed project will positively impact a very large area including 100+ farms in ND spanning over 12 counties and 200 miles from Grand Forks. The facility will also draw potatoes from 8 counties in MN with 25+ farms.
 - **Complimentary businesses in ND:** Through both construction and operation, the facility will call on in-state businesses for equipment/metal manufacturing, facility maintenance (electrical, HVAC, plumbing, refrigeration, etc.), cardboard packing companies and will be a large buyer of sunflower oil.
 - **Local/state taxing jurisdictions:** Significant tax revenues will assist with local infrastructure, schools, parks, state funding and more.
- **Will this compete with existing potato processors in ND?:** This company sells 100% retail, while existing processors sell exclusively to quick-service restaurants. The potatoes sought by this company are a different variety than those currently processed in-state, thus opening a new market opportunity for growers.
- **Will this create additional competition for other crops?:** This potato variety opens new opportunities for growers, especially for marginal and underutilized land.
- **Where will the labor come from for this project?:** The company is working with experienced labor recruiters to source employees from elsewhere if necessary.
- **Why isn't there more in-state processing?:** Transportation of commodities to populations has been challenging for years. The only way to maintain hubs of agricultural growth is by bringing processing in-state.

WHO WE ARE

The Northland Potato Growers Association (NPGA) stands as a cornerstone of agricultural excellence in the Upper Midwest. Representing a robust network of potato growers, suppliers, and advocates in North Dakota, Minnesota, NPGA is dedicated to advancing the economic and agricultural strength of the region. With the announcement of a groundbreaking \$450 million potato processing facility to be constructed in Grand Forks, North Dakota, the region is poised for transformative growth. Legislative support for this initiative will amplify its far-reaching benefits for growers, suppliers, and the local economy.