

# Commercialization Services Program Guidelines & Application



## About AURI

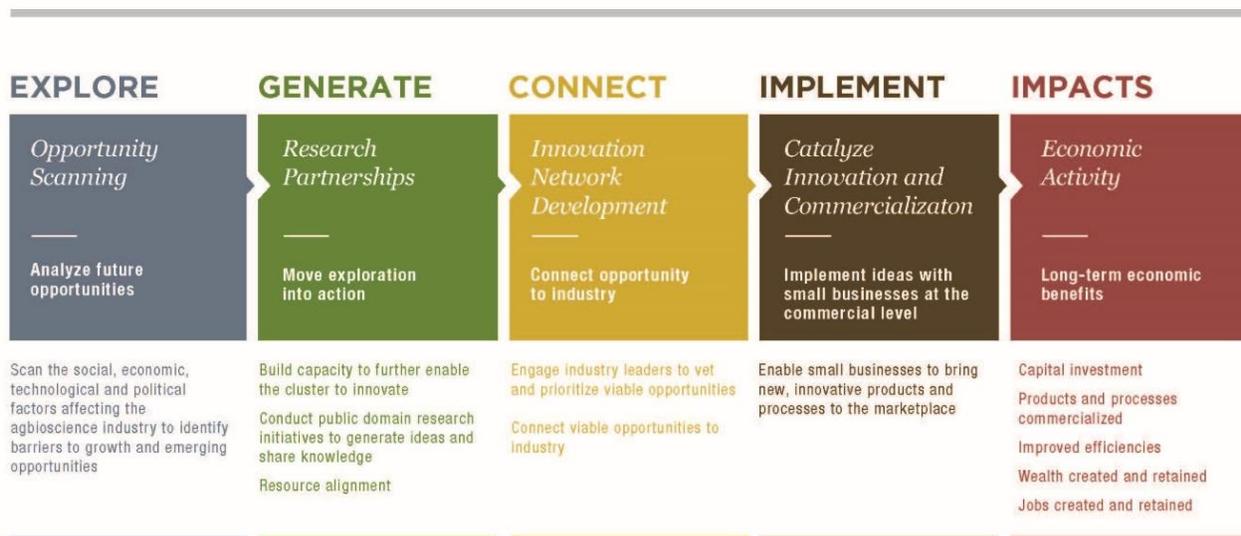
The Minnesota Legislature created the Agricultural Utilization Research Institute (AURI) to help find new uses for Minnesota’s rich agriculture resources. Its mission is to foster long-term economic benefit for Minnesota through value-added agricultural products. It accomplishes this by offering agricultural producers, entrepreneurs, agribusinesses, academia, and research organizations a unique mix of services including:

- **Applied research and development** to identify emerging opportunities, which add value to agricultural products through innovation and commercialization. Information is publicly available in order to maximize industry impact.
- **Innovation networks** convene industry discussions on emerging value-added agricultural opportunities. Collectively, network participants have extensive knowledge of Minnesota’s agricultural industry, as well as expertise in the areas of commercialization, business development, innovation and entrepreneurship. INP activities endeavor to share knowledge, guide future research efforts and lead to high impact commercialization projects.
- **Commercialization services** to help entrepreneurs and small-to-medium-sized businesses prepare their product or technology for the marketplace. This includes access to laboratories, scientists and business development professionals to assist with product testing and development.

## Catalyzing Innovation

The Agricultural Utilization Research Institute (AURI) offers a comprehensive program framework designed to catalyze innovation. AURI’s framework includes five stages: Explore, Generate, Connect, Implement and Impacts. AURI programs and services support each stage and work cohesively to create long-term economic benefit.

## AURI’S PROGRAM FRAMEWORK



# Commercialization Services

## Program Emphasis

AURI's **Commercialization Services Program** enables businesses utilizing Minnesota agricultural products to bring new, innovative value-added products and technologies to the marketplace. AURI staff and facilities provide valuable research and development capacity to entrepreneurs, start-ups, existing businesses and cooperatives. AURI's commercialization services include:

- Access to knowledgeable scientists and project staff
- Analytical laboratory testing
- Product development and improvement
- Process development and improvement
- Network referrals

## IMPLEMENT

*Catalyze  
Innovation and  
Commercialization*

**Implement ideas with  
small businesses at the  
commercial level**

AURI helps clients develop new or improved commercial products and innovative technologies to increase value, demand and market opportunities for Minnesota agricultural products. AURI's Commercialization Services assist clients with commercialization goals through technical assistance and begins with AURI staff assessing client needs, business concepts and commercialization goals.

## Technical Assistance

Technical assistance consists of staff expertise, labs and pilot plant services to prepare products or technologies for commercialization. AURI offers confidential technical and business development assistance. These services are available on a fee-for-service basis. Please see page 4 for details.

- *Business development:* Staff provide entrepreneurial and business resources through a network of collaborative partners.
- *Scientific and technical services:* Staff provide consulting and expertise on technical soundness and quality, product and process development; analytical testing; product formulation, evaluation and testing; prototype development; and sourcing ingredients, materials, equipment and services.
- *Pilot plants and labs:* Facilities are available to assist in product and process development, scale-up, nutritional assessment, pilot production line development and production for market assessment, and short-term residencies for entrepreneurs. AURI laboratory and pilot plant facilities include:

### **Crookston:**

- Microbiology Laboratory

### **Waseca:**

- Coproducts Utilization  
Laboratory

### **Marshall:**

- Analytical Chemistry Laboratory
- Bioproducts Laboratory
- Food Laboratory
- Meat Laboratory

## Eligibility

To be eligible for AURI's Commercialization Services, proposed value-added agricultural projects must benefit Minnesota agricultural products, demonstrate a positive impact to Minnesota's economy and have commercial viability. **Clients must also demonstrate the capacity and intent to commercialize their concept upon project completion.** AURI works with a client to plan, monitor, and implement a proposed project. Crop and livestock production projects are not eligible for the Commercialization Services Program.

## Evaluation of Projects

AURI assistance occurs early in the development of a product or technology, during which feasibility is determined. AURI evaluates requests for service based upon a project's potential impact on Minnesota agriculture and the economy. Project evaluation includes the following criteria:

### Mission

- Commodity utilization
- Producer impact
- Industry impact
- Value-added product/process
- Economic benefit to Minnesota

### Market

- Marketplace success indicators
- Competitive advantage
- Market differentiation
- Market size

## Definitions

**Value-Added Agriculture:** Altering the physical state of an agricultural commodity or product through processing to enhance its value, the production of a product in a manner that enhances its value or the physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product.

Source: USDA

**Minnesota Agricultural Products:** Products derived from crops or livestock produced commercially in Minnesota, or crops or livestock that have the potential for commercial production in the state.

## What to Expect

Assistance through AURI's Commercialization Services Program requires completion of a Client Application. Potential clients are encouraged to discuss the project with AURI staff prior to completion of the Client Application. A project involves the following steps:

**STEP 1:** Discussion between potential applicant and AURI staff regarding project concept.

**STEP 2:** Client completes the Client Application and signs an Assistance Agreement (AA). The AA outlines the terms and conditions of AURI services. **Note:** Supplemental information is required for technical assistance projects exceeding 80 hours.

**STEP 3:** AURI project team evaluates mission fit, capacity to perform needed services and potential impact (see "Evaluation of Projects"). If positive, the project team develops a Statement of Work and invoice with applicable service fees and reviews with client.

**STEP 4:** AURI management team reviews the Client Application and project team Statement of Work. The management team may accept the project allowing the project team to proceed, adjust the team and/or Statement of Work, or deny the project.

**STEP 5:** Client and AURI project team agree to services and payment is submitted to AURI.

**STEP 6:** Once a project is accepted, the project team and the client will work together to achieve the project's goals. AURI project staff will communicate with the client as project start dates and timelines can vary.

**STEP 7:** Upon project completion, results will be shared with the client. After closure of the project, the client will receive periodic requests to complete impact assessments.

<b>Client-Company Annual Gross Revenue</b>	<b>Percentage of Project Cost Paid by Minnesota* Client</b>	<b>Payment Schedule</b>
Less than \$250,000	20%	Before service is rendered
\$250,000 to \$5 million	33%	Before service is rendered
\$5 million to \$100 million	50%	After service is rendered
More than \$100 million	100%	After service is rendered

*All projects may be subject to a minimum project fee of \$250.*

*\*Please note a separate rate table applies for non-Minnesota clients, and is available by request*

## **Responsibility of the Client**

Agreement to support technical assistance project requires AURI and the client enter into a written agreement establishing the terms and conditions of AURI support. During the course of a project, clients are required to submit estimates of project impacts upon project completion and agreement to periodic contact with AURI staff or affiliated parties to provide progress reports on impact measures related to the project.

## **Confidentiality**

AURI will treat all mutually agreed upon information provided by an applicant as confidential.

Proprietary information provided to AURI should be limited, set apart from the text of an application, and clearly marked as CONFIDENTIAL.

AURI will not, consistent with relevant law, make public any information disclosing product, process, commodity, invention, technology, innovation, or service funded pursuant to this program until a patent, copyright or trademark is applied for, or for two years after completion of the project, whichever occurs first. AURI does not assume liability for any inadvertent disclosure.

## **Additional Information**

Research and development is not guaranteed and during the course of a project, the unexpected may arise which can lead to incomplete outcomes or possibly additional outcomes that could not be anticipated at the onset of the project.

Additional information regarding AURI's programs and services may be obtained by contacting one of the offices listed below or by accessing AURI's website at [auri.org](http://auri.org).

## **AURI Offices 218-281-7600**

### **Crookston Office**

510 County Road 71  
Suite 120  
Crookston, MN 56716

### **Marshall Office**

1501 State Street  
Marshall, MN 56258

### **St. Paul Office**

1985 Buford Avenue  
McNeal Hall #64  
St. Paul, MN 55108

### **Waseca Office**

12298 350 Avenue  
Waseca, MN 56093

# Food Commercialization Services Client Application



Date Received (*AURI Use Only*):

## Applicant Information

Applicant Name\*:

*(if applicable, please use legal entity name as used on tax records)*

Contact Person/Title:

E-mail Address:

Primary Business Address:

City, State & Zip\*:

Project County of Primary Operation\*:

Website *(if applicable)*:

Business Phone:

Organizational Structure:	Sole Proprietorship	Partnership	Corporation
	LLC	LLP	Cooperative
	Other		

Date Established:

Number of Current Employees:

Associated or Related Business Entities *(if any)*:

Estimated Previous Year Revenue:	Less than \$250,000	\$250,000 to \$5 million
	\$5 million to \$100 million	More than \$100 million

Yes, I have a business plan

Yes, I have a marketing plan

Applicant's Ethnicity (optional):

Applicant's Gender (optional):

Project Number (*AURI Use Only*):

\* *AURI may disclose or report on information provided*

## **Project Description (include brief project goals and outcomes)**

**\*Suitable for Public Use by AURI**

### **Application Questions**

*In accordance with the terms and conditions stated in its Assistance Agreement, AURI will not disclose information provided in response to questions below.*

1. Please describe your company's products, primary markets and examples of commercialization success.

2. Please provide a description of the product for which you are requesting assistance. Include status of product launch, services requested from AURI and why this assistance is important to your success:

3. Where are you currently selling your products (*select all that apply*):

I'm not selling anything yet

Retail

Other (describe)

Farmers Market

Wholesale/Distribution

Online

Institutions

4. List commodities and/or ingredients (and amounts utilized, if possible) used in the product you are requesting assistance for:

5. Would you like assistance sourcing Minnesota commodities/ingredients? Describe:

6. In the next 5 years, how will Minnesota's economy benefit from this project? (Please list specifics related to jobs, capital investment, commodity utilization, etc.)

7. Please provide a list of food business related licenses you have secured (if applicable).

8. Please confirm you have reviewed the food safety resources on [AURI's website \(http://www.auri.org/food-safety/\)](http://www.auri.org/food-safety/) and list any additional food safety training you have received (if applicable).

Yes

No

9. Please list collaborators involved in this project, if applicable.

10. Have you worked with AURI in the past?

Yes

No

11. Will intellectual property result, such as a patent or proprietary process?

12.. How did you hear about AURI?

- I am a previous client
- AURI event:
- Non-AURI event:
- AURI advertisement
- Word of mouth (please list sources):
- Social media
- Internet
- Referred to AURI (please list contact and organization):
- Other (please list):

**Please note: upon approval of the project application, AURI will provide the applicant with the intended Statement of Work and applicable fees for this project.**

### **The Applicant Certifies:**

1. To the best of my knowledge and belief, the data in this application is true and correct and supporting documentation for the claims and assertions made within this application is available to the Agricultural Utilization Research Institute (AURI) for its review.
2. I understand that by submitting false or misleading information in connection with this application, applicant may be ineligible for assistance under AURI's programs. I further understand that receiving public resources resulting from false representations constitutes an act of fraud.
3. I understand that AURI may check references, and conduct site visits to confirm the data provided in this application.
4. I understand application data is confidential until AURI awards assistance. Following an award of AURI assistance, names, addresses and non-proprietary information, such as a general description of services provided by AURI may then become public information.
5. Proprietary information, such as business plans, product formulations, results of AURI technical assistance, income and expense projections, customer lists, income tax returns, and design, market, and feasibility studies will not be made public without the permission of the applicant.
6. I understand this request for services does not constitute an agreement or promise to deliver the services requested. If this application is approved, AURI will provide the applicant with its intended Statement of Work and associated fees for this project.

**I have read and reviewed the statements above.**

## **Assistance Agreement**

**WHEREAS**, AURI may provide and make available consulting services, financial assistance, technical expertise, and equipment to public and private entities and entrepreneurs which are involved in the use of Minnesota agricultural products, and **WHEREAS**, APPLICANT may benefit from the services, assistance, expertise and equipment which AURI has to offer, and wishes to meet and consult with AURI.

**NOW, THEREFORE, AURI and APPLICANT agree as follows:**

### **TERMS AND CONDITIONS**

**1. Assistance.** AURI may engage in any or all of the following:

**A.** AURI will meet with APPLICANT to discuss and describe what services AURI can supply, and will recommend which, if any, of such services may benefit APPLICANT.

**B.** AURI will meet with APPLICANT to discuss and describe what equipment AURI has available for use, and will recommend which, if any, of such equipment may benefit APPLICANT.

**C.** AURI will meet with APPLICANT to discuss and describe what type of financial assistance AURI can provide, and will recommend which, if any, of such financial assistance may benefit APPLICANT.

**D.** AURI will meet with APPLICANT to discuss and describe what type of technical assistance AURI can provide, and will recommend which, if any, of such technical assistance may benefit APPLICANT.

**E.** AURI may, at its sole option and discretion, elect not to provide or may limit any such technical and financial assistance, services, equipment and/or advice.

**2. Fees.** Fees. AURI will discuss and describe any fees or services AURI provides to APPLICANT pursuant to this Assistance Agreement. In cases where a project fee is charged, project fees must be provided prior to AURI beginning work.

**3. Evaluation of Information.** It is APPLICANT'S sole duty and responsibility to evaluate the information, advice and/or assistance that AURI supplies APPLICANT pursuant to this Assistance Agreement. AURI is not responsible or liable for any damages which may be caused to APPLICANT in the event that APPLICANT uses or declines to use any of the services, advice or assistance which AURI offers to the APPLICANT pursuant to this Assistance Agreement.

**4. Application for Services.** If APPLICANT desires any of the services or financial assistance that AURI recommends to APPLICANT, it is APPLICANT'S sole responsibility to complete all documents and supply all information requested for AURI to evaluate and act upon such request. A request for service does not constitute an agreement or promise to deliver the services requested.

**5. Acceptance of Services.** APPLICANT acknowledges AURI may require APPLICANT to fully execute appropriate documents and agreements prior to AURI providing any information, advice, equipment, and financial or technical assistance.

**6. Disclosure of Information.** Subject to any applicable limitations contained in Chapter 13 of Minnesota Statutes, information provided under this Assistance Agreement is private or non-public data until AURI awards assistance. Following an award of AURI assistance, names, addresses and non-proprietary information, such as a general description of services and hours of service provided by AURI may then become public information. Proprietary information, such as business plans, product formulations, results of AURI technical assistance, income and expense projections, customer lists, income tax returns, and design, market, and feasibility studies will not be made public without the permission of APPLICANT. APPLICANT shall inform AURI of the proprietary and confidential nature of information that has been disclosed (Confidential Information). AURI shall, for a period of three (3) years from the date of disclosure, refrain from disclosing such Confidential Information to any contractor or other third party without prior, written approval from the APPLICANT, and shall protect such Confidential Information from inadvertent disclosure to a third party using the same care and diligence that AURI uses to protect its own proprietary and confidential information, but in no case less than reasonable care.

AURI shall promptly notify APPLICANT of any disclosure of such Confidential Information in violation of this Assistance Agreement or of any subpoena or other legal process requiring production or disclosure of said Confidential Information. The terms of this Assistance Agreement shall not be construed to limit AURI's right to independently develop or acquire products without use of APPLICANT'S Confidential Information. APPLICANT acknowledges that AURI may currently or in the future be developing information internally, or receiving information from other parties, that is similar to the Confidential Information. Nothing in this Assistance Agreement prohibits AURI from developing or having developed products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied within the Confidential Information provided by APPLICANT. AURI will not be considered in violation of any obligation under this Assistance Agreement in connection with such development. Under federal law, patents resulting from work contributed collaboratively by individuals to the conception of an invention must identify all individuals that participated in the work, as inventor(s). Failure to do so could result in invalidation of patent(s), per federal statute (35 U.S. Code § 116). Accordingly, any AURI employee participating in or contributing to the conception of an idea via an AURI project that will be submitted for patent protection must be identified in the submission.

**7. Termination.** APPLICANT or AURI may terminate this Assistance Agreement with or without cause at any time upon thirty (30) days' written notice to the other party, in the event of such termination AURI shall immediately cease the performance of any services to be provided hereunder, and AURI shall be entitled to payment for those services performed, or partially performed, prior to the date of such termination.

**PRO RATA REFUND:** In the event that this Agreement is terminated before the project is complete, AURI will provide a pro rata refund of any fees which may have been paid by the Client for the portion of the work that has not been completed at the date of such notice, less a predetermined nonrefundable amount of one-half of the initial fee. The Client must notify AURI in writing of the refund request within 60 days termination of this Agreement.

**8. Waiver of Liability.** APPLICANT waives and renounces any claim or right for damages which APPLICANT may now have or which may arise in the future against AURI as a result of any information, assistance and/or advice APPLICANT receives or does not receive from AURI or any actions APPLICANT performs or fails to perform or which AURI performs or fails to perform in accordance with this Assistance Agreement. This paragraph will survive the termination of this Assistance Agreement.

**NOW, THEREFORE, AURI and APPLICANT agree to the TERMS AND CONDITIONS noted above. THE PARTIES HERETO, have signed this Assistance Agreement to be effective on the day and date executed by AURI. Signing this Assistance Agreement does not imply or guarantee award of AURI assistance.**

Applicant	AURI
By	By
Title	Title
Signed on	Signed on
Signature	Signature

*The initial period of this Assistance Agreement begins on the date signed by AURI and ends three years after execution by AURI.*

# Commercialization Services Client Application Supplemental Questions



*(For research and development funding requests and projects exceeding 80 service hours)*

PLEASE CONSULT WITH AURI STAFF BEFORE COMPLETING THIS SUPPLEMENTAL FORM

Date:

Project Number:

Client Name:

Federal Tax ID #:

State Tax ID #:

Do you have a Business Plan?

(If yes, please attach)

Yes

No

Do you have a Marketing Plan?

(If yes, please attach)

Yes

No

Additional assistance requested above 80 hours:

How much research and development funding are you requesting?

List both cash and in-kind match amounts/sources:

## Company Analysis

Please describe your organization's internal resource strengths and competitive capabilities *(include areas of expertise and/or education)*:

Please describe your organization's resource challenges:

Please describe the market opportunities for your organization's product or process *(Please include your source(s) of information regarding market opportunities)*:

Please describe major strategic issues the company must address:

Do any recent technological or scientific developments affect your project?