

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)  
AGRICULTURE & RENEWABLE ENERGY DEVELOPMENT COMMITTEE

**MINUTES**

February 21, 2019

Christianson PLLP, Willmar

Present: Rollie Boll, Ian Graue, Kevin Halvorson, Dustin Kotrba, Kim Larson, Dan Lippert and Dan Tepfer

Excused: Keith Poier and Bruce Reuss

Absent: Larry Konsterlie

Staff: Connie Schmoll, Business Development Specialist

Secretarial: Nancy Birkeland, Legal & Administrative Assistants, Inc.

Past Chair Ian Graue called the meeting to order at approximately 7:38 a.m. and declared a quorum was not present.

**AGENDA**—The agenda was approved as presented.

[Dan Tepfer joined the meeting and a quorum was declared present.]

**MINUTES**—

IT WAS MOVED BY Rollie Boll, SECONDED BY Ian Graue, to approve the Minutes of the January 17, 2019 meeting. MOTION CARRIED.

**REPORTS**

**Industrial Hemp Subcommittee.** Connie Schmoll reported on the February 4, 2019 Industrial Hemp Exploratory Subcommittee meeting. The subcommittee will be conducting research and determined several tasks as noted in the minutes (see attached). Kim Larson reported on the February 18, 2019 subcommittee meeting and provided information on subcommittee members. The subcommittee is determining what to do next. Chair Tepfer noted the tasks decided at the February 4<sup>th</sup> meeting are fairly broad. Schmoll indicated the subcommittee decided it needs to narrow down the tasks and focus and is researching what studies are already available. Schmoll noted Harold Stanislawski of the Ag Utilization Research Institute (AURI) will attend future subcommittee meetings and is assisting approximately ten other groups in the state. Larson contacted John Strohfus of Minnesota Hemp to attend a future meeting and suggested Charlie Levine should also be contacted. One of the breakout sessions at AURI's New Uses Forum will be on industrial hemp. Schmoll stated Stanislawski will be asking Redwood County if it would be interested in collaborating on a study. Ag producers are interested in growing industrial hemp and

learning what type of soil is necessary for the crop. Discussion was held on the types of soil and possible collaboration with others.

[Kevin Halvorson joined the meeting.]

Dan Lippert felt it was more likely to get an investment fund involved. It was agreed there a lot of unknowns with producing industrial hemp. Dustin Kotrba noted the EDC is business focused and suggested the subcommittee's focus should be on production and what type of facility would be needed; others agreed. As there are so many products that can be made from industrial hemp, it would need to be a product that would be marketable and feasible. Kotrba felt the fiber would be the best to process. Processing CBD (Cannabidiol) oil is very labor intensive. Harold Stegeman, Lee Petersen, Keith Poier and Bob Meyerson, members of the subcommittee, are interested in growing industrial hemp. At the subcommittee meeting, Meyerson spoke on the possibilities of forming a cooperative, but it is a long process and there are unknowns that can happen. If the market for traditional crops turns around, the land to grow industrial hemp may go away. Schmoll spoke with Levine, who is expanding his facility to 400,000 pounds and is looking for more growers of organic industrial hemp. Graue agreed with doing a feasibility study and researching what has already been done. Lippert agreed that the EDC's role may serve best in research and information gathering. The subcommittee will be meeting at least once a month. Schmoll stated Laura Daak, Coordinator of the Kandiyohi County Drug Free Communities Coalition, is on the subcommittee and will provide oversight. It was noted that industrial hemp will be the topic at upcoming conferences in Rochester, Colorado and the AURI New Uses Forum.

**Ag Marketing and Event Planning Subcommittee.** Kotrba reported the event coordinator/planner Sarah is moving the plans along well. The conference will be held Thursday, August 1, 2019 from 7:00 a.m. to 2:00 p.m. at MinnWest Technology Campus (MWTC) and will be called Partners in Ag Innovation. This event will replace MWTC's Ag & Animal Science Conference and the EDC's Talent & Technology Workshop. Congressman Collin Peterson, House Agriculture Committee Chair, and Thom Petersen, Commissioner of the Minnesota Department of Agriculture (Ag) or a staff person, will lead a discussion on regulations. Other potential speakers include a commodity representative; an individual from Colorado on hemp; Darren Newsome; Dan Carlson of Bushmills will talk about markets; Ridgewater College or Anez Consulting on data collection or latest technology. There will be two local story teller sessions, such as Model Citizen. The event budget is \$30,000 with MWTC contributing the majority. They are still deciding on a sponsorship structure as MWTC's was much higher than the EDC's. The next subcommittee meeting is February 28<sup>th</sup> at 10:00 a.m. MWTC's audience was the Midwest on science and technology. The audience will be a mix with a focus on producers. Chair Tepfer commented there is a lot of data being gathered through precision farming and the struggle is utilizing the data to make operations more profitable and efficient. The technology side could also be a local producer who uses it and is savvy with technology. Graue suggested a topic could be the impact of climate change in the Midwest with a possible speaker from the Department of Ag. Lippert felt as a producer it would be more valuable to have someone who is adapting to climate changes rather than someone from the government. Schmoll stated the subcommittee could use help with what do local producers want to hear from Congressman Peterson. Lippert offered to help with questions to ask. Schmoll asked the committee to think of questions to ask all of the speakers. Rollie Boll noted the changes in corn and soybean production in North Dakota and that more producers are going back to wheat.

**UNFINISHED BUSINESS**—Schmoll stated this committee discussed other uses for soybeans and asked if that is something the committee should research. Larson stated he was approached by a producer who is interested in soybean issues. Mike Youngerberg, who has been with Minnesota Soybean Growers Association since the 1980s is willing to attend a committee meeting. Schmoll noted a pilot project was done in the Hutchinson area using soybean oil as a road sealant. Chair Tepfer suggested it would be good to research new uses for a crop already being produced in the area. Biodiesel continues to be viable. Schmoll will contact Youngerberg.

**NEW BUSINESS**—Schmoll stated the EDC boards strategic planning session will be held March 14, 2019 at Kandiyohi Power Cooperative. The facilitator will be Cheryl Glaeser of Achieve TCF. EDC committee chairs and vice chairs have been invited to attend.

Kevin Halvorson stated there are other crops that used to be grown locally and questioned if research has been done on making those viable again. It was noted Sunstrand uses four crops, including flax. Chair Tepfer stated when his father was a child, they grew flax, rye, wheat and corn. It was felt those crops may have a limited market, but is that caused by the crop not being grown. Larson stated 85% of the soybean market has been lost without the exports to China. The next five to six years there will be a lag effect on the exports of soybeans. It was questioned what might be possible again, what other options are there for producers, what products will be in demand in the future and influence what is grown?

**Ag/Renewable Energy Community Events/Projects.** Chair Tepfer reported Paul Damhof is still moving forward with expansion. Chair Tefer stated a group from Runestone Electric, West Central Research and Outreach Center and the University of Minnesota Morris toured Simply Shrimp and Lettuce Abound Farms in early February, which was very interesting. Lettuce Abound was recently certified 100% organic and worked with DI Labs for its equipment prototypes. Kevin Ortenblad is working on developing his markets and working with retailers. The tour was related to Great River Energy promoting the use of 40' shipping containers and converting them for hydroponics. Great River Energy offered cooperatives the opportunity to get a container and work with a local entity to grow and market product. Kandiyohi Power Cooperative did not take advantage of this program mainly because of Lettuce Abound and logistics with staff. Runestone Electric will be involved. Indoor agriculture, high density production is another opportunity.

Schmoll announced the EDC is hosting the Chamber Connection tomorrow at 7:30 a.m. and invited committee members to attend. Also, Dr. Kohl will be giving a presentation on February 27<sup>th</sup> at the Willmar Education and Arts Center.

**ADJOURNMENT**—There being no other business, the meeting was adjourned at approximately 9:06 a.m.

**NEXT MEETING**—The next committee meeting is **7:30 a.m., March 21, 2019** at Christianson PLLP, Willmar.

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)**  
**AGRICULTURE AND RENEWABLE ENERGY DEVELOPMENT (AG) COMMITTEE**  
**INDUSTRIAL HEMP EXPLORATORY SUBCOMMITTEE**  
**MINUTES**  
**February 4, 2019**

Present: Laura Arne, Larry Konsterlie, Kim Larson, Lee Petersen, Keith Poier and Cole Schimek

Staff: Connie Schmoll, Business Development Specialist

Chair Larry Konsterlie called the meeting to order at 4:05 p.m.

### **NEW BUSINESS**

**Subcommittee tasks.** Chair Konsterlie reviewed the following tasks of the subcommittee:

1. Define the opportunities that currently exist in our area for industrial hemp
2. Identify potential opportunities in production, processing and marketing of industrial hemp
3. Feasibility Study
  - a. Define what will be included in a study, i.e. opportunities in production, processing and marketing of industrial hemp
  - b. Research who may be able to conduct a study for the area
  - c. Find out what such a study would cost
  - d. Research funding and grants available to pay for a study for the area
4. Make a recommendation to the EDC's Ag Committee on how to proceed

### **DEFINE OPPORTUNITIES**

**Growing industrial hemp.** Members discussed and agreed that caution is necessary right now in promoting growing the crop as processing may not be sufficient for expanded production at this time. Chair Konsterlie talked about processing currently in the Fargo area.

**Machinery to harvest.** Machinery and equipment identified includes a general combine, cleaning equipment including sifting and fan, a hay bind to harvest stalks and decorticator for use of the plant's fiber.

**Markets to sell.** Products identified include cold press seed oil, seed stock to Wisconsin for processing. Seed genetics need to be verified and is checked for THC levels while growing. If the level is found to be too high, the crop needs to be destroyed according to members. There is a plant in Nebraska that processes the fiber. Hemp hearts are processed and packaged in Canada and sold in Minnesota. Locally, the market right now is in seed production. Feed is another use, but is still undergoing testing. Studies are being conducted. Other states that process include Colorado, California, Kentucky, New York and St. Cloud, Minnesota (CBD oil).

**Product that is available.** CBD oil that comes from female plants only requires hand harvesting.

**Identify potential opportunities in production, processing and marketing of industrial hemp.** Questions that may need to be answered in order to identify potential opportunities in production, processing and marketing of industrial hemp came up, including;

1. Where is the new market potentially?
2. What do consumers want?
3. Will they buy?
4. Are there complimentary industries?
5. How many acres could be marketed?
6. Is there potential for profitability?

A feasibility study may provide answers to these questions.

**Feasibility study.** Beginning tasks were identified and assignments taken or given as follows:

1. Laura Arne will contact Christianson PLLP to inquire about its services, cost and what we would need to prepare.
2. Lee Petersen will research funding and grants that would help pay for a study.
  - a. MDA grants may fit, but are due on March 8, 2019.
3. Cole Schimek will contact AURI to ask about current studies and what they are already doing.

**Other.** Kim Larson will contact Charles Levine to ask about participation on the subcommittee. Schimek reported that WCCO Channel 4 will be covering the topic of industrial hemp on the news at 10 p.m. tonight.

**ADJOURNMENT**—There being no further business, the meeting was adjourned at approximately 5:30 p.m.

**NEXT MEETING**—The next meeting is scheduled for **Monday, February 18, 2019**, 9:15-10:30 a.m. at the EDC office, 222 20<sup>th</sup> Street SE, Willmar.