

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

MINUTES

December 20, 2018

Christianson PLLP, Willmar

Present: Ian Graue, Kevin Halvorson, Larry Konsterlie, Dustin Kotrba, Kim Larson, Dan Lippert and Dan Tepfer

Absent: Rollie Boll, Jon Folkedahl, Keith Poier and Bruce Reuss

Guest: Carolyn Lange, West Central Tribune

Staff: Connie Schmoll, Business Development Specialist

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc. (LAA)

Chairperson Dan Tepfer called the meeting to order at approximately 7:34 a.m.

AGENDA—The agenda was approved with the addition of Ag/Renewable energy community events/projects.

MINUTES—Chair Tepfer presented the August 16 and November 15, 2018 minutes. Larry Konsterlie commented he attended the November 15th meeting.

IT WAS MOVED BY Ian Graue, SECONDED BY Kevin Halvorson, to approve the August 16 and November 15, 2018 minutes with the addition of Larry Konsterlie as present at the November 15th meeting. MOTION CARRIED.

Recap: Industrial Hemp Presentation. Connie Schmoll referred to the Business & Jobs article in the St. Paul Pioneer Press “*U.S. hemp market set to boom*” ([see attached](#)). Now that the 2018 Farm Bill passed, one of the provisions of the Bill removes hemp from the list of federally-controlled substances and treats the low-THC version of the cannabis plant like any other agricultural crop. Banks can get involved and hemp farmers can buy crop insurance, apply for loans and grants, etc., plus farmers who sell dried flower or CBD-infused products made from hemp can now ship across state lines. The Ag Committee discussed options to explore. Various suggestions were discussed:

- Feasibility study to determine the potential for a market, processing, production, etc. Who would conduct the feasibility study? Schmoll suggested Christianson PLLPs and also to secure partnerships and grants. Possible partnerships are with Charles Levine, Hultgren Farms and other interested parties.
- Location for hemp farmers to bring seed, stock, etc.
- Hemp production machinery.
- Build on the 2018 Talent & Technology Workshop for a Tradeshow/Conference with speakers, breakout sessions, vendor booths, including industrial hemp processing businesses and hemp

machinery dealers. Chair Tepfer mentioned Canada has been involved in hemp production for years and it could be an excellent source of information. Schmoll suggested to incorporate the workshop idea with the 2019 Ag & Animal Science Conference.

- Larson shared he and Keith Poier have attended various hemp conferences in Minnesota and encouraged Ag Committee members to attend local hemp seminars to gain additional information. He also mentioned there is an annual conference held in Colorado and inquired if the Ag Committee would sponsor someone to attend. Schmoll shared the University of Minnesota is conducting an industrial hemp study and will contact the appropriate person. Schmoll will also contact Jeffrey Phillips with the Department of Agriculture to inquire about international contacts.
- Hold a web-based presentation and to contact Harold Stanislawski of AURI for more information.

Next Steps. Schmoll will: 1) check with Jeffrey Phillips and Harold Stanislawski for other hemp conferences; 2) contact the University of Minnesota regarding its hemp study; and 3) research a web-based presentation. Larson will: 1) contact Charles Levine and Nate Hultgren regarding of interest in partnering in a feasibility study; and 2) research upcoming hemp conferences. Konsterlie suggested forming a subcommittee to focus on the industrial hemp issue and inquired if the AgProfessionals group would be interested in the topic. Larson suggested setting a date (June/July) to make a decision on the trade show/conference. Schmoll feels if a tradeshow/conference is held, the planning should begin prior to June/July in order to secure speakers, vendors, etc. Schmoll suggested that once she and Larson make their contacts, a subcommittee should be formed

Schmoll distributed the AgProfessionals 2019 Evening of Agcellence Banquet which will be held February 1, 2019 at the Willmar Conference Center (see attached) and encouraged Ag Committee members to attend.

Nominations for 2019 Chair, Vice Chair positions. Schmoll suggested a nominating committee to secure names for the 2019 Chair and Vice Chair positions. Volunteers include, Schmoll, Chair Tepfer and Ian Graue. Schmoll will coordinate and send out assignments to the nominating committee. Schmoll will check with Sarah LeShuck if she is interested in being a member of the Ag Committee. Schmoll will also check with John Harren as to a representative from Willmar Municipal Utilities and Chair Tepfer will visit with a potential member. If anyone has suggestions for members, contact Schmoll. Dan Lippert suggested ad hoc members with expertise to invite to meetings for specific agenda topics. Schmoll suggested using the Ag courtesy distribution list. At the January meeting, committee members will continue the discussion of the Ag Committee structure prior to making a formal motion. Schmoll mentioned meeting at McMillian's in January and members concurred.

REPORTS—

Ag Marketing and Event Planning Subcommittee. A meeting date will be set in the near future.

NEW BUSINESS

Ag/Renewable energy community events/projects. Schmoll reported she attended training sessions for Opportunity Zones and has been working with the AgProfessionals group for its upcoming

Agcellence Banquet on February 1, 2019. Congressman Collin Peterson may attend the banquet and assist with handing out the scholarship awards. Schmoll reported the U.S. Department of Agriculture has announced \$91 million in funding to expand rural broadband access, through a combination of grants and loans for 19 projects. The trade and tariffs presentation hosted by the EDC and the Willmar Lakes Area Chamber of Commerce was well attended and thanked the West Central Tribune for advertising the event. Chair Tepfer reported he and Schmoll attended the review for the Simply Shrimp feasibility study.

ADJOURNMENT—There being no other business, the meeting was adjourned at approximately 8:50 a.m.

NEXT MEETING—The next regular committee meeting is **7:30 a.m., January 17, 2019**, at McMillian's Family Restaurant, 2620 First Street South, Willmar.

INDUSTRIAL HEMP PILOT PROGRAM

BACKGROUND

The 2014 Farm Bill defined industrial hemp for the first time under federal law and allowed states to develop research pilot programs to study the growth, cultivation, and marketing of industrial hemp. After the Minnesota Industrial Hemp Development Act (MS 18K) became law in 2015, the Minnesota Department of Agriculture (MDA) was tasked with administering the Industrial Hemp Pilot Program. Industrial hemp is defined as *Cannabis sativa* L. with a delta-9 tetrahydrocannabinol (THC) content of 0.3% or less.

Individuals must get a license to grow or process hemp through the MDA. They submit their research proposal and field locations, undergo a criminal history background check, and pay the program fees. At the end of the growing season, licensees are required to report agronomic, processing, and marketing findings.

All fields are sampled within 30 days of harvest by MDA inspectors. The plant samples are tested for delta-9 THC concentration to ensure compliance with the statutory industrial hemp definition.

DETAILS

Year	Applicants	License Holders	Acres Grown
2016	8	7	38
2017	42	38	1,210

License holders have grown hemp predominantly to harvest grain, mainly for oil and animal or human food consumption. Some licensees are also planning to process the stalks for fiber, with applications such as textiles, animal bedding, and landscaping or building materials. There is no established hemp processing industry in Minnesota yet—the markets and economic opportunities are newly developing.

UNIVERSITY OF MINNESOTA RESEARCH

Dr. George Weiblen at the University of Minnesota has been doing feral hemp and cannabis genetics research for several years. In 2017, Dr. Weiblen and his team continued the feral hemp research, and conducted agronomic hemp variety trials for the MDA pilot program. Twelve of the highest-yielding oilseed varieties from Canada were tested for suitability in Minnesota. The results of the variety trials can be found on the MDA website at www.mda.state.mn/plants/hemp/umnvarietytrials.aspx. The University of Minnesota, with cooperation from the Agricultural Utilization Research Institute (AURI), is currently analyzing the harvested grain from the 2017 hemp variety trials for oil yield and nutritional content.

FOR MORE INFORMATION

www.mda.state.mn.us/industrialhemp

Margaret Wiatrowski, Industrial Hemp Program Coordinator
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BUSINESS & JOBS



JOBLISTINGS > INSIDE

St. Paul Pioneer Press

TwinCities.com ID

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SUNDAY, DECEMBER 16, 2018

U.S. hemp market set to boom

Farm bill provision removes hemp from list of federally controlled substances

By Gillian Flaccus
Associated Press

PORTLAND, Ore. — Hemp is about to get the nod from the federal government that marijuana, its cannabis plant cousin, craves.

A provision of the farm bill that

received final approval in Congress on Wednesday removes hemp from the list of federally controlled substances and treats the low-THC version of the cannabis plant like any other agricultural crop. THC is the cannabis compound that gives pot its high.

President Donald Trump is expected to sign the bill into law.

The change sets the stage for greater expansion in an industry already seeing explosive growth because of growing demand for cannabidiol, or CBD, a non-psychoactive compound found in hemp that many

see as a way to better health.

Federal legalization could triple the overall hemp market to \$2.5 billion by 2022, with \$1.3 billion of those sales from hemp-derived CBD products, according to New Frontier

HEMP BOOM, 4D

4D M TwinCities.com St. Paul Pioneer Press

CONTINUED FROM 1D

> Hemp boom

Data, a cannabis market research firm.

"It's a huge deal because it's a domino effect. Banks can get involved now and if banks get involved, then credit card processors get involved — and if that happens, then big box stores like Target and Wal-Mart get into it," said Sean Murphy, a New Frontier data analyst who's tracked the industry since its infancy in 2015. "All these big players are going to come in."

Hemp, like marijuana, already is legal in some states. Approval at the national level brings a host of benefits that the pot industry has yet to see.

Hemp farmers will be able to buy crop insurance, apply for loans and grants, and write off their business expenses on their taxes like any other farmer.

And those who sell dried flower or CBD-infused products made from hemp can now ship across state lines without fear of prosecution as long as they are careful not to run afoul of the U.S. Food and Drug Administration.

estate until three years ago, when she and her husband started Fields of Hemp LLC.

Hemp looks like marijuana to the untrained eye, but it contains less than 0.3 percent THC. Federal legislation passed four years ago cracked open the door for some farming by allowing states to create hemp pilot programs or to conduct research on hemp cultivation.

"Twenty-three states issued 3,544 licenses in 2018, said Eric Steenstra, president of Vote Hemp, a nonprofit hemp advocacy group. At the same time, the total market for hemp — from textiles to

seeds to CBD oil — has grown from a few million dollars in 2015 to \$820 million today and about a third of that is from hemp-derived CBD, Murphy said.

Large companies already experimenting in the hemp space anticipated the policy change and are poised to cash in.

Vitality, based in Eureka, Montana, is a large U.S. hemp producer and grew 20,000 acres this year. The company last week announced a merger with the Canadian CBD extractor and marketer LiveWell.

The new company aspires

Sunday 12-16-2018

to become one of the largest hemp production and CBD extraction companies in North America, producing more than 6,600 pounds of CBD isolate (3,000 kilograms) a day by mid-2019, according to a company statement on the deal.

Proponents say CBD offers a plethora of health benefits, from relieving pain to taming anxiety. Scientists caution there have been few comprehensive clinical studies on how CBD affects humans. It's unclear if, or how, the U.S. Food and Drug Administration will react to hemp legalization.

2019 Evening of Agcellence Banquet

Friday, February 1, 2019
Willmar Conference Center
(240 23rd Street SE, Willmar)

Ag Professionals, formerly the West Central Ag Sales Association, exists to promote careers in agriculture. For the past 35 years, association members have given scholarships to students committing to agriculture-related education paths. In 2019, Ag Professionals will be recognizing leaders in agriculture, awarding scholarships to second-year students in agriculture-related programs and presenting awards to organizations promoting careers in agriculture.

Join us for this evening of
Celebrating Opportunities in Agriculture



Tom Haag, Keynote

Fourth-Generation Farmer
Minnesota Corn Growers
Association, Past President
National Corn Growers
Association Board



Jeff Stewart

Linder Farm Network
Regional Marketing
Specialist
35-Year Broadcasting
Industry Veteran



Joe Gill

KASM 1150-AM Radio
Farm Director and Traffic
Manager
National Association of
Farm Broadcasting
Regional Vice President

5:00-6:00 p.m.	Social Hour
6:00-6:30 p.m.	Keynote Speaker
6:30-8:00 p.m.	Dinner and Mixer
8:00-8:50 p.m.	Awards Presentation

\$30 per person

RSVP by January 15, 2019, at 320-235-7370 or online at the link below:

<https://www.eventbrite.com/e/2019-evening-of-agcellence-banquet-tickets-52688717372>