

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

MINUTES

April 21, 2022

EDC Board Room and via Zoom Video Conference

- Present:** Rollie Boll, Kevin Halvorson, Dustin Kotrba, Kim Larson, Dan Lippert, Chris Radel, Nate Reuss, Keith Poier (via Zoom) and Dan Tepfer
- Absent:** Larry Konsterlie
- Guest:** Tiffany Farrier, Happy Halal and Kandi Acres; Shelby Lindrud, West Central Tribune; and Greg Wierschke, Clean Chickens and Company, LLC
- Staff:** Sarah Swedburg, Business Development Manager
- Secretarial:** Diane Beck, Legal & Administrative Assistants, Inc.

Chairperson Kevin Halvorson called the meeting to order at approximately 7:30 a.m. followed by self-introductions. Chair Halvorson welcomed guests Greg Wierschke of Clean Chickens and Company, LLC and Tiffany Farrier of Happy Halal and Kandi Acres.

AGENDA—Keith Poier requested to move agenda topic Industrial Hemp Exploratory Subcommittee to the beginning of the meeting due to a conflict.

IT WAS MOVED BY Rollie Boll, SECONDED BY Chris Radel, to approve the Agenda with the change requested above. MOTION CARRIED.

MINUTES

IT WAS MOVED BY Rollie Boll, SECONDED BY Dan Lippert, to approve the Minutes of the February 17, 2022 meeting as emailed. MOTION CARRIED.

UNFINISHED BUSINESS—There was no unfinished business.

REPORTS

Industrial Hemp Exploratory Subcommittee. Kim Larson reported he and Keith Poier attended the NoCo Hemp Conference on March 23-25, 2022 in Denver, Colorado, and referred members to the summary report prepared by Poier (see attached). Larson and Poier provided highlights from the conference:

1. Federal and state laws and regulations. Poier gave an overview of the federal and state regulations.
2. Growers. The problem for growers in the United States is there are not enough processors to deliver hemp crops.
3. Processors. Larson commented on an excellent video entitled *The Goodness of Hemp* prepared by the daughter of Ken Elliott of Fort Benton, Montana, who built a state-of-the-art hemp processing plant on his farm. The video promotes the need for our current Administration's support of the emerging hemp industry. (The video was sent to President Joe Biden.) Larson highlighted another processor, Cottrell Paper Company in Rock City Falls, New York, that uses hemp to produce high-quality paper; however, it has to import hemp as there are not enough domestic hemp growers in the United States. Poier mentioned Enviro Textiles, LLC, a fabric clothing retail company that imports hemp material from Asia. It is interested in finding local producers of hemp.
4. Hemp Equipment Manufacturers.
5. Community Builders.
6. Investors. Poier mentioned Jordan Zeller of EDC in Renville is attempting to find investors for Tim and Paul Seehusen's Prairie PROducers hemp processing facility in Renville. Larson shared Stearns Bank in St. Cloud financed Formation Ag, that develops, designs, fabricates and implements new techniques for the hemp supply chain. Stearns Bank is also considering further hemp business borrowing and West Town Bank & Trust has a dedicated space for hemp on its website (www.westtownbank.com). He felt it would be beneficial for other local banks to provide space for hemp information on websites.
7. Hemp Cooperatives. Larson reported he visited with Dean Elton Johnson regarding industrial hemp and was provided a contact for a group trying to start a cooperative in Minnesota (Minnesota Hemp Growers Cooperative). Poier highlighted information on Artie Elmquist of New Horizon Argo, LLC, who is leading an effort to start a farmer-owned cooperative across the United States. Larson shared he and Poier distributed cards containing information on the EDC, the Industrial Hemp Exploratory Subcommittee and Prairie PROducers at the NoCo Hemp Conference.

Recommendations: Larson and Poier feel the best chance for a hemp processing plant in West Central Minnesota is Tim and Paul Seehusen's, Prairie PROducers in Olivia, but adequate financing is needed. They suggested the EDC map out potential plant locations in the area based on future growth expansion using the biomass industry standard of a 50-mile radius for optimum transportation costs. Larson and Poier further recommend the EDC identify the acres needed to supply hemp processing locations with enough hemp feedstock to satisfy the plant input needs, depending on the requirements of the end product produced. Poier contacted Seehusen to suggest contacting Stearns Bank; Poier also suggested he contact Artie Elmquist. Poier shared he visited with Larson regarding getting the story of hemp out to the public, farmers and bankers. Chair Halvorson thanked Larson and Poier for the in-depth report on the NoCo Hemp Conference.

NEW BUSINESS

Happy Halal and Kandi Acres Updates. Greg Wierschke gave an overview of his company, Clean Chickens and Company, LLC, a USDA-certified mobile processing company for growers who do not

have large parcels of land and would like to sell to grocery stores or restaurants, etc. They purchased property in Willmar's Industrial Park approximately three years ago to build a goat/lamb processing facility as there are unmet needs for goat meat in the area with Halal standards. The facility is expected to be completed later this fall or early next spring. The plan is to process approximately 500 animals per week and expand processing as warranted. Wierschke shared they have worked with several agencies during the process and have run into various challenges with meeting Halal regulations, which is the largest factor allowing goat/lamb meat into local stores. Tiffany Farrier gave an overview of Happy Halal and Kandi Acres located north of New London. They have been processing goat meat for the past few years due to the increased local demand. The demand keeps growing and most meat processing plants are at capacity and are not Halal certified. She has been working with Wierschke for the past year regarding the goat/lamb processing plant. Farrier gave an overview of the challenges they have encountered; they are currently waiting for USDA and gap funding and other funding sources. Sarah Swedburg commented she has been working with Farrier on grants and marketing opportunities. Wierschke shared there is not a supply chain for goats. Currently there is a demand for 8,500 pounds of live-weight goat meat in the Willmar and St. Cloud areas with demand increasing. Farrier stated she has overseen approximately 10,000 pounds of live-weight goat meat processing at Kandi Acres. She is the only certified Halal producer in the state; she shared the Halal regulations regarding processing goat meat. Dan Lippert provided information on a successful lamb processing plant and will provide Farrier and Wierschke with the contact information. Wierschke commented he is excited for the opportunity to build a goat processing plant within the Willmar community.

EDC Strategic Planning Session. Dustin Kotrba shared housing was one of the key goals and child care also remains an issue.

[Chris Radel was excused from the meeting.]

Swedburg commented other goals include workforce development, business support and outreach to the entire county. A discussion was held regarding the Ag Committee being project-based. Larson commented with Rollie Boll no longer on the EDC Joint Operations Board, it would be beneficial to have an agriculture-based representative appointed to ensure balance.

IT WAS MOVED BY Kim Larson, SECONDED BY Nate Reuss, to support the appointment of an agricultural-based representative to the Kandiyohi County and City of Willmar Economic Development Commission Joint Operations Board.

MOTION CARRIED.

[Kim Larson excused from the meeting]

Swedburg shared that the minutes from the planning session will be available soon and will be emailed to the committee when available.

Partners in Ag Innovation Conference. Swedburg reported she attended a planning meeting last week. Matt Roberts will be the keynote speaker and share information on the Ag economy in the U.S. Other agenda topics include a broadband panel, storytelling sessions, CashRent, carbon/renewable fuel update and fireside chat regarding legacy planning. Kotrba commented

John Cosgrove has agreed to serve as emcee. Swedburg stated sponsorships have been secured. The conference is scheduled from 7:30 a.m. to 12:30 p.m., July 26, 2022 at the MinnWest Technology Campus. The website (www.partnersinag.com) is live and she encouraged members to register. Lunch will be provided.

Ag Committee Goals. Swedburg shared she will include Ag Committee goals on the June agenda to discuss in-depth and define for the next six to eight months, i.e., marketing, outreach, specific projects, emerging farmers regarding land access, etc.

ADJOURNMENT

IT WAS MOVED, SECONDED AND CARRIED to approve the adjourn the meeting.

The meeting was adjourned at approximately 9:17 a.m.

NEXT MEETING—The Ag Committee will not meet in May. The next meeting is **7:30 a.m., Thursday, June 16, 2022** at the EDC Board Room and via Zoom video conference.

NoCo Hemp Conference

Denver, Colorado

March 23, 2022

Kim Larson & Keith Poier

Contacts and Info Procured

Page # 1

This report will be broken into 8 areas with concluding recommendations at the end.

What we believe :

Hemp is a versatile plant that grows in areas that other crops don't. It can be made into many different products and the whole plant can be processed (unlike corn and soybeans utilization of mainly "grain only"). Hemp is a leader in the sequestration of carbon and phytoremediation of substances in the soil. Unfortunately, Hemp is being imported from China, Bangladesh, and Canada, as well as a few other countries, to supply processors that can't get it domestically.

1.) Federal & State laws and regulations

Federal regulations make it risky to grow Hemp. The Hemp industry needs to encourage new regulations and laws that promotes the development of the Hemp industry in the United States. Individual States are developing their own regulations to advance the Hemp industry. Everyone in the following areas need to be involved in the development and refining of these laws, regulations and definitions. And, it is imperative that these subjections be consistent throughout the national Hemp industry.

2.) Growers

Melissa Nelson from South Bend, Kansas is part owner with her family company called South Bend Industrial Hemp. The Nelson family produces Industrial Hemp, Corn, Sorghum, Rye, Soybeans, Winter Wheat and Vegetables on their farm in central Kansas. She is a crop research scientist who strongly sees a future of Hemp "genetics" being bred (modified) for specific traits, much like our corn and soybean varieties of recent years.

Their website is: www.southbendindustrialhemp.com and her phone: 785-851-0061.

William (Wild Bill) Billings, President and CEO of Colorado Hemp Project grows and processes Hemp grain, fiber and hurd as well as carbenoids. He is looking to expand the Hemp industry where he can. Email: willbillings@gmail.com

Ryan Loflin of Rocky Mountain Hemp Inc. has grown and processed Hemp since 2014 and is not going to able to continue without secure Hemp markets. Email: ryanloflin@hotmail.com

What we heard from the growers :

*"Ironically the ongoing problem for growers in the United States is that **they do not have the processors** to deliver their Hemp crop to."*

3.) Processors

Ken Elliott from Fort Benton, MT has built what is considered in the industry as a "state of the art" Hemp processing plant on his farm. It is a family operation dedicated to building and supporting his local community. As the President of IND Hemp PBLLC, Mr. Elliott feels that if the Hemp industry would size plants for location in an approximate 50-mile radius of farming communities it would build stronger communities. He grows his own Hemp but is also emphasizing for more farmers in his community to grow more acres as well. Finally, Ken's daughter Morgan produced a video called "**The Goodness of Hemp**" which promoted the need for our current Administration's support of this emerging industry. This extremely professional video was just recently forwarded to POTUS and you can view the video at the following link: <https://www.youtube.com/watch?v=JeixgYaBVVQ> and you can contact Mr. Elliott at : ken@indhemp.com

Tom Harrington is sales director of Cottrell Paper Company in Rock City Falls, NY. They are running out of trees to produce paper and are turning to Hemp to produce high quality paper. Their problem is that they cannot get domestic Hemp that will meet their stringent standards for the “white stock” needed for this premium paper and must ship suitable Hemp in from the Netherlands. Website: www.cottrellpaper.com

Tony Solano is Co-founder of Hemp Manufacturing in Michigan. He produces the Hemp plastics that can make discs for disc golf, ultimate frisbee, longboarding, baseball, golf and other lifestyle sports items from Hemp.
Email: tony@ihempmfg.com

Biochar Now LLC manufactures agronomy carbon soil additives in their patented pyrolysis system. Their carbon additive increases plant yield and water holding capacity of the soil. Website: www.biocharnow.com mail:info@biocharnow.com

Dama Distributing is developing Hemp as a sustainable, home compostable and compliant packaging as an environmental alternative. Website: www.damadistributing.com Email: cole@damadistributing.com

Dash Hemp Santa Cruz is an upscale producer of Hemp clothing for men and woman.
Website: www.dashhemp.com email: dashsc@yahoo.com

Drake’s Organic Spirits in Minnetonka, MN. They would like to source more Hemp from MN.
Website: www.drakesorganic.com Email:mark@drakesorganic.com

What we heard from the Processors :

*“Ironically the ongoing problem for processors in the United States is that **they do not have the growers** to supply them with Hemp feedstock.”*

Retailers

Ray Kaderli is the founder of two companies, the first is Hemp Build Network LLC a network of professionals and resources to build with Hemp. Website: www.hempbuildnetwork.com The second is Triple P Fund. The purpose of this fund is to empower Hemp investors to make a profit, benefit people and our environment.
Website: www.triplepfund.com Email: ray@hempbuildnetwork.com

Sergly Kovalenkov founded Hempire UA in Ukraine, which has developed a 100% natural binder, that when mixed with Hemp and water would create one of the lightest carbon negative Hempcrete insulation called Hempire Mix. Hempire USA has been established in California. Email: kovser@gmail.com

Ben Williams is the cofounder of Highway Vodka made from hemp seed and is from Houston, Texas.
Email: ben@highwayvodka.com

Enviro Textiles LLC is a Hemp fabric clothing company. Barbara Filippone is the Founder/President that was only able to start her company in the U.S. over a decade ago for the fact she had to source her Hemp material out of South East Asia. She still has to import her products as it has been too unstable to rely on domestic production.
Email : Barbara@envirotextiles.com Website : www.EnviroTextiles.com

Cameron McIntosch is the owner and founder of Americhanvre Cast Hemp, a Hempcrete bio composite insulation and walling material installation subcontractor and material supplier from Allentown, Pennsylvania. Email: cameron@americhanvre.com

Greg Wilson is owner of Hempwood. He is a supplier of hemp construction products to the building industry. Mr. Wilson is also one of the premier Hemp flooring manufactures.

Email: gwilson@hempwood.com

Chad Rosen is founder and CEO of Victory Hemp Foods, a primary food ingredient processing company that develops technology to manufacture Hemp grain into proteins and oils for applications in food and beverage, skincare and cosmetics and animal nutrition. Email: chad@victoryhempfoods.com

4.) Hemp Equipment Manufactures

Corbett Hefner is the CEO of FormationAg. They develop, design, fabricate and implementing new techniques for the Hemp supply chain. Beginning with planting, cultivation, harvesting, processing and pre-extraction Hemp equipment. Email: corbett@formation-ag.com. Randy Wright, GM & Pres. of Sales, his email is: RandyW@Formation-Ag.com Their website is: www.Formation-Ag.com

5.) Community Builders

Judy Wicks founder of Philadelphia's White Dog Café and All Together Now PA showed how to build resilient regional economies while demonstrating the values we need to survive an uncertain future: cooperation, generosity, and win-win relationships with each other and our environment. Email: judy@alltogethernowpa.org

6.) Investors

Mina Mishrikey is a Senior Partner at Merida Capital Holdings. He is responsible for Hemp investment deal scouting, due diligence, portfolio analysis and management. Email: mina@meridacap.com

Colin Ferrian is a Portfolio Manager for Poseidon Garden Ventures, an investment fund focused on early-staged plant-touching and ancillary cannabis and Hemp companies. Email: cferrian@poseidon.partners

Geoff Trotter is the Co-Founder of Regennabis Ventures. Investors are applying non-financial factors such as ESG (Environmental, Social and Governance) as part of analysis in evaluating Hemp growth opportunities and risks. Geoff will guide companies to align with UN Sustainable Development Goals (SDGs) and how to build and implement a companywide ESG framework. Website: www.regennabis.com Email: info@regennabis.com

Geoff Whaling founded "rePlant Hemp" an ESG fund launched in 2021 to invest up to \$500 million in the industrial Hemp supply chain, with a concentration to build food and fiber. Mr. Whaling is also the chairman of the National Hemp Association and has recently provided a podcast (<https://www.youtube.com/watch?v=AGmaOLw-A4o>) addressing creative financing for the Hemp industry. Website: www.replantHemp.com Contact: info@replanthemp.com

Douglas Hannah is an investor with Silver Ventures Partners who recently identified and recognized the potential of the Hemp industry to achieve outsized growth and made it their primary investment focus. Email: doug@slvp.co

Stearns Bank, a local area lender right here in central MN, was found to have financed "**Formation Ag**" (forementioned under #4. - Equipment Manufactures) and are considering further Hemp business borrowing. They can be contacted at : 4140 Thielman Lane Suite 105, St. Cloud, MN 56301, phone: 800-247-1922

West Town Bank & Trust Website: www.westtownbank.com They have dedicated a special section on their website for Hemp. Ross Sloan Email: rsloan@westtownbank.com

8.) Hemp Cooperatives

What we heard :

There is a term which is being used to describe what is a possible application for success **“Cooperation”**: The unification of everyone in the growing, administrating, processing and marketing of Hemp crop/products, assuring everyone in these areas to be successful. As an entity it’s a **“Cooperative”**

National Hemp Growers Cooperative is based in Jackson, MS where Nick Walters is the Managing Partner of this developing coop. The organization is set up like Farm Bureau and wants to organize farmers, processors, retailers in all areas of the development of the Hemp industry. Email: n.walters@nationalhempcoop.us cell: 601-832-6425

Artie Elmquist from New Horizon Agro. LLC is leading an effort of starting farmer owned Hemp cooperatives across the United States with the intentions of these coops harvesting 30,000 acres of Hemp by the yr. 2030.

Website: www.newhorizonagro.com Email: ARTIE@NEWHORIZONAGRO.COM

Global Fiber is associated with **“FormationAg”** (forementioned in the Hemp Equipment Manufactures). Global Fiber is in its initial stages of sourcing Hemp fiber processing equipment for an interest position in the Hemp cooperative ventures. They are also set to release a hemp consulting firm (“Tahnja”) to assist Hemp farmers throughout the hemp supply chain. Website : GlobalFiberProcessing.com

So. Oregon Hemp Coop, which has just organized and has learned a lot about Hemp production not only how to do it but more importantly how NOT to do it. Website: www.soorhempco-op.com

Former Senate Majority Leader, Dean Johnson, contacted Kim Larson to-have him link with Jim Erickson about a group that was trying to start a cooperative organization in Minnesota called: Minnesota Hemp Growers Cooperative, of which Mr. Erickson is the Executive Director. That resulted in a webinar that Laura Arne and Keith Poier attended via zoom. MHG is in the development stages of organizing. Their next meeting is April 27, 2022. Website: www.mnhempcoop.com Mr. Erickson also arranged a breakfast meeting at the NOCO conf. with Jamie Campbell Petty – Executive Director of the Midwest Hemp Council. Email : jamie@midwesthempcouncil.com

Recommendations

After all the contacts that were made over the 3 ½ days of this international Hemp conference, our discernment is solidified that Tim and Paul Seehusen (**Prairie PROducers**) remain as our best bet for getting a significant Hemp processing plant and market in West Central Minnesota.

What they are is “local businessmen who are committed”.

What they need are two things : #1 – Further financing, #2 – A building.

We would like to emphasize that the EDC should advance their efforts in addressing those needs.

Also suggested, would be that EDC should map out potential Hemp plant locations in the area based on future growth expansion using the biomass industry standard of a 50-mile radius for optimum transportation costs. Along with that, it is recommended that the EDC identify the acres needed to supply those Hemp processing locations with enough Hemp feedstock to satisfy the plant input needs, depending on the requirements of the end product produced.