

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

MINUTES

December 15, 2022

EDC Board Room and via Zoom Video Conference

Present: Rollie Boll, Abdulcadir Gaal, Kevin Halvorson, Dustin Kotrba, Kim Larson, Dan Lippert, Keith Poier (via Zoom), Chris Radel and Nate Reuss

Absent: Larry Konsterlie and Dan Tepfer

Guest: Dennis Papp, Nexyst 360 (via Zoom)

Staff: Sarah Swedburg, Business Development Manager

Media: Shelby Lindrud, West Central Tribune (via Zoom)

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc.

Chairperson Kevin Halvorson called the meeting to order at approximately 7:34 a.m., and announced a quorum was present.

AGENDA—Sarah Swedburg suggested moving Nexyst 360 to the beginning of the agenda.

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

MINUTES—Dustin Kotrba mentioned a correction to the October minutes; he will share the correction at the January meeting.

IT WAS MOVED BY Keith Poier, SECONDED BY Rollie Boll, to approve the Minutes of the November 17, 2022 meeting as emailed. MOTION CARRIED.

[Dan Lippert joined the meeting.]

UNFINISHED BUSINESS—

Nexyst 360. Dennis Papp shared the background of Realm5 (R5) and Companies. R5 Labs consists of two companies (Nexyst 360 and Traceable Ag). R5 Labs is looking to take soy hulls from crushing plants and turn them into bioplastics. Nexyst 360 can reduce food waste. Papp gave an overview of the TraceableAg software and commented on the number of NexBoxes shipped through Duluth to Europe. It is looking at a direct/feeder service from Minnesota to Michigan and/or to Cleveland,

Ohio. It is a logistics partner with agents in key European and Asian locations. The private container systems (NexBoxes) help with consistency, reliability and return of containers. Papp shared information about Prairie Aqua Tech of Bogus, South Dakota that produce a high protein (70%) soybean meal and ships mainly to Norway. Shipping products to Norway used to be lengthy; however, in September it shipped with Nexyst 360 and the container(s) arrived in 27 days. They are looking to ship 80 containers in January with Nexyst 360. Nexyst 360 currently has 275 NexBoxes in inventory. This year it shipped kidney beans to 10 different European countries along with containers for Prairie Aqua Tech to Norway. Tires and other products are shipped back to Nexyst 360 to free up boxes. Turnaround time is three up to four times per year. The next step is to have a NexPad for storing containers which led Nexyst 360 to discuss land in Willmar's Industrial Park. Papp stated the old Willmar Airport landing strip will be ideal place to store containers. Next month Nexyst 360 will be announcing it is working with another potential partner that handles bulk commodities. That partner will be the formal purchaser of the land and Nexyst 360 will lease a portion of the property. It will be a dual-purpose operation for both bulk and NexBoxes. In the long-term, it may also do some transloading from bulk commodities to containers. It expects to build a storage facility. Discussion was held on the location of the property in Industrial Park and the loop track area with rail spur. Swedburg commented the EDC was successful in applying for a TED (Transportation Economic Development) grant in the amount of \$900,000 for improvements to Highway 40.

[Abdulcadir Gaal, joined the meeting.]

Question/Answer Session:

- Does Nexyst 360 own the product or deal directly with producers?
 - R5 currently does not own the product, but that could change. It may be difficult for individual farmers to market their own product and having a marketing arm may be beneficial. Currently Nexyst 360 owns the service of the software, logistics and NexBoxes.
- Will a majority of the transportation take place with trucks or railroad?
 - It will depend on the market of the product. If the product is going west or south, it will be via rail; going east it will be trucked to the Duluth port.
- Is Nexyst 360 maxed out on the footprint or is there room to grow?
 - Not all of the footprint will be utilized; with proposed facility(ies) and loop track 40% of the property will be unused. The spur line will be also used by others. If members have other ideas, please pass them along to Swedburg and she will convey them to Pap.
- Will there be additional sound from trains moving through the Industrial Park area?
 - Swedburg didn't feel any additional train noise will be realized due to the Willmar Wye overpasses.
- What is the number of containers that can be stored?
 - Approximately 15,000-16,000 (double-stacked).
- How many usable cars can be stored in the loop?
 - The loop can accommodate up to 130 cars.
- When will Nexyst 360 be fully operational?
 - Some work (NexPad) will be done in the fall of 2023. The other infrastructure construction may begin in 2024 and be fully operational by 2025.

Pap is willing to provide another update at a future meeting.

Addition of Bob Meyerson to the Industrial Hemp Subcommittee. Chair Halvorson stated approval is needed from this committee to approve Bob Meyerson as a member of the Industrial Hemp Exploratory Committee.

IT WAS MOVED BY Keith Poier, SECONDED BY Kim Larson, to approve Bob Meyerson as a member of the Kandiyohi County and City of Willmar Economic Development Commission Industrial Hemp Exploratory Subcommittee. MOTION CARRIED.

Farmtastic event at Stingers game. Swedburg mentioned a proposal was received from the Stingers. She felt the benefit of the EDC in taking the lead (in name) is important in order to bring other commodity groups together to put on the event rather than be led by a single entity. The Stingers received its 2023 schedule from the Northwest League and she feels the event will take place in July. The Stingers proposal suggests the name of the event be Salute to Agriculture; Swedburg prefers using Farmtastic and believes the Stingers would not oppose this name. Swedburg shared there will be 300 pre-event tickets sold to promote the event for children (under 18) in non-agriculture areas, i.e., Prairie Lakes Youth Programs, YMCA, daycare centers, etc. The event will be held prior to a Stingers game in the picnic area; refreshments will be available. Approximately seven booths will be set up with farm-related activities for the children. A team will be created with one person in charge of a booth/table. Swedburg is pleased the Stingers will take care of all marketing and recognition of sponsors. Swedburg shared two of pricing options: 1) A suite with 335 tickets for a total cost of \$6,750, or; 2) No suite with 300 tickets for a total cost of \$5,650. She noted the normal price of a suite is \$1,520 or \$43/ticket; the Stingers package reduces the price of a suite ticket to \$31/ticket. Swedburg stated the suite will hold 35 people; it would be up to the committee to determine who receives tickets. The committee needs to decide: 1) move forward with the event; 2) include a suite; 3) determine if a contract will be written for the 2023-2024 season or only for the 2023 season; and 4) organize approximately seven groups and appoint a leader to assist with organizing and seek sponsorships.

Swedburg shared the event was previously held every other year. The Kandiyohi County Corn & Soybean Growers Association gave away 400 tickets; 100 tickets were included in their overall sponsorship for the evening. Future sponsor(s) would maybe follow suit. Following discussion,

IT WAS MOVED BY Nate Reuss, SECONDED BY Chris Radel, to table the Farmtastic event until 2024. MOTION CARRIED.

Soybean crushing facility feasibility study. It was the consensus of the committee to postpone this discussion until January.

NEW BUSINESS

Status of 2022-2023 Goals. Swedburg shared there are no new updates; work continues on inviting New London-Spicer and Willmar High Schools to a future meeting to discuss their greenhouse

projects. Radel reported he reached out to both schools and they are willing to attend a future committee meeting. A new draft of the Ag flyer may be available by the January meeting. Kotrba reported sponsorships are strong for the 2023 Partners In Ag Innovation Conference. As to the committee's 2022 budget, Swedburg anticipates the budget will be expended except for the funds approved for the New London Food Co-op.

REPORTS

Industrial Hemp Exploratory Subcommittee. Poier reported Tim Seehusen attended the last subcommittee meeting and shared the PrairiePROducers facility is producing approximately 500 pounds per hour. It hopes to increase production to 2,000 pounds per hour and hired an individual to assist with that increase. Poier commented producing 2,000 pounds per hour would be the maximum amount for the current operating system. Poier shared PrairiePROducers is not funded at this time; it is looking to secure an operating loan and will ultimately need a larger machine in the future.

Ongoing Ag-related EDC work. Swedburg announced there may be interest by a foreign company to construct an agriculture processing facility.

AG AND RENEWABLE ENERGY OPPORTUNITIES

Minnesota Renewable Energy Roundtable. Swedburg attended the December 1st event in Waseca and shared it was a great event where she made good connections. The primary topic was renewable natural gas from biomass feedstocks using anaerobic digestion.

Lunch & Learn with Zach Rada. Swedburg shared it was interesting. Boll commented coordinating the event with the Willmar Lakes Area Chamber of Commerce was beneficial; it is important to encourage more cooperation with its Agri-Business Committee.

ADJOURNMENT—

IT WAS MOVED BY Nate Reuss, SECONDED BY Chris Radel, to adjourn the meeting.
MOTION CARRIED.

The meeting was adjourned at approximately 8:34 a.m.

NEXT MEETING—The next meeting is **7:30 a.m., Thursday, January 19, 2023** at the EDC Board Room and via Zoom video conference.