

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

February 15, 2024

EDC Board Room, Willmar, and Via Zoom Video Conference

Present: Rollie Boll, Kevin Halvorson, Noah Hultgren, Dustin Kotrba, Dan Lippert, Nate Reuss and Dan Tepfer (via Zoom)

Excused: Kim Larson

Absent: Erik Hatlestad, Larry Konsterlie and Keith Poier

Guest: Michelle Marotzke, Mid-Minnesota Development Commission and Harold Stanislawski, Agricultural Utilization Research Institute

Media: Levi Jones, West Central Tribune

Staff: Aaron Backman, Executive Director

Secretarial: Cathy Skindelien, Legal & Administrative Assistants, Inc.

Chairperson Kevin Halvorson called the meeting to order at approximately 7:30 a.m.

AGENDA—Aaron Backman added item 7e, an EDC update to the agenda. The agenda was taken out of order.

[Dan Lippert joined the meeting.]

Agricultural Utilization Research Institute (AURI) update. Harold Stanislawski of AURI gave a presentation on his visit to Dun Agro in the Netherlands. Stanislawski was accompanied by Sarah Swedburg, Nate Collins and Nate Hultgren. The industrial hemp processing facility is located in Oude Pekela, a three-hour drive from Amsterdam in the northeast corner of the Netherlands. A housing center, including 200 hemp-paneled homes is planned in Oude Pekela. He discussed the growing, harvesting, processing, and construction process.

Hemp panels are a material with high insulation value, fire-resistant, create a healthy indoor climate, contribute to carbon dioxide (CO₂) reduction, have fast construction time and are suitable for all home designs.

Dun Agro requires a facility of 275,000 square feet and approximately 40 acres of land. At full production one facility will process 20,000 acres of raw material per year. Preferred locations in the United States are Indiana, Idaho and Minnesota. Stanislawski talked about current challenges.

[Noah Hultgren joined the meeting.]

Dun Agro provides proprietary and innovative, high-capacity processing and mowing equipment and techniques, a 30-year history coordinating farming ensuring consistent raw material production and quality products, its core operations generate carbon credits supporting regenerative and environmentally useful practices. Milestones achieved in the United States (U.S.) include:

- Domestic U.S. production of hemp started in 2019
- Worked with farmers for three consecutive years in Indiana, Idaho and Minnesota
- Identified location for processing facility in all three states
- All engineering and design work of equipment and machines completed

Future plans are to have an operational facility in Minnesota by April, 2025, secure a site for a second facility by July, 2025 and have the second facility operational by October, 2026.

Dun Agro's business model includes:

- U.S.–Optimization. Replicate current operations in Holland into U.S. using existing technology with the highest capacity in the country.
- Tribal Lands-Collaboration. Strong relationships exist with tribes who have thousands of acres of farmable lands across the country.
- Global-Scalable. Worldwide network in agriculture and hemp to support expansion.

U.S. competitors are located in Montana, Idaho and Kansas. Dun Agro's competitive advantages include a supply chain advantage, high capacity, proprietary technology, sustainability, carbon sequestering and a strong industry reputation. Stanislawski discussed target markets for the proposed project in Minnesota. A marketing plan has been established as well as a market analysis. The global fiber market exceeds \$23 billion, with \$87 million in hemp products imported by U.S.

The management team of Dun Agro was shown as well as a financial analysis of the company. Niki Vandenburg, Co-CEO, has commented on the wonderful support Dun Agro has received in Minnesota.

Other AURI projects feature renewable natural gas and anaerobic digestion. A paper coming up will tout CO₂ as an asset that can be turned into energy. Ethanol plants produce an enormous amount of CO₂ that allows things like fertilizer to be produced. Energy can be produced directly from CO₂, based on science developed by the National Aeronautics and Space Administration.

Stanislawski announced the New Uses Forum will be held in Mankato, Minnesota on April 9, 2024. The Forum will focus on bio-industrial materials.

MINUTES—

IT WAS MOVED BY Dustin Kotrba, SECONDED BY Rollie Boll, to approve the Agriculture and Renewable Energy Development Committee Minutes of December 21, 2023 as emailed. MOTION CARRIED.

NEW BUSINESS—

Election of 2024 Officers.

IT WAS MOVED BY Dan Lippert, SECONDED BY Rollie Boll, to re-elect Kevin Halvorson as the Chairperson and Dustin Kotrba as Vice Chairperson of the Kandiyohi County and City of Willmar Economic Development Commission Agriculture and Renewable Energy Development Committee. MOTION CARRIED.

REPORTS—

Industrial Hemp Exploratory Subcommittee. There is no update available.

Regional Food Business Center (RFBC). There is no update for this meeting.

Attendance at Ag Events. Chair Halvorson attended the Minnesota Ag Expo in Mankato, where the superior quality of soybeans grown in USA versus those grown in Brazil and Argentina was showcased. Lippert attended the American Sheep Industry Annual Convention in Denver, Colorado, where carbon credits and green energy were discussed.

Ag and Renewable Energy opportunities. Backman reported the EDC hired Michelle Marotzke for the Business Development Manager position recently vacated by Sarah Swedburg. Marotzke will start her employment at the EDC on March 6, 2024. She has been active on several EDC committees, including Broadband, Ag and Finance; and is very familiar with grant applications. Backman announced his retirement effective July 31, 2024. Following this meeting a review committee will meet to discuss a national search for his replacement and review/approve a job description.

Local projects underway include Dooley's Petroleum looking to expand in the Willmar Industrial Park and a senior housing project of 80-120 units.

ADJOURNMENT—There being no other business,

IT WAS MOVED BY Dustin Kotrba, SECONDED BY Rollie Boll, to adjourn the meeting.
MOTION CARRIED.

The meeting was adjourned at approximately 8:46 a.m.

NEXT MEETING—The next committee meeting is 7:30 a.m., Thursday, March 21, 2024, at the EDC Board Room and via Zoom video conference.