

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

MINUTES

September 15, 2022

EDC Board Room and via Zoom Video Conference

- Present:** Rollie Boll, Kevin Halvorson, Dustin Kotrba (via Zoom), Kim Larson, Dan Lippert, Keith Poier, Chris Radel and Nate Reuss
- Absent:** Abdulcadir Gaal, Larry Konsterlie and Dan Tepfer
- Guests:** Harold Stanislawski, Agricultural Utilization Institute (AURI) and Mike Youngerberg, Minnesota Soybean Research and Promotion Council
- Media:** Shelby Lindrud, West Central Tribune
- Staff:** Aaron Backman, Executive Director and Sarah Swedburg, Business Development Manager
- Secretarial:** Diane Beck, Legal & Administrative Assistants, Inc.

Chairperson Kevin Halvorson called the meeting to order at approximately 7:33 a.m.

AGENDA—Item 7a.ii. Expenditure of 2022 committee budget was moved up in the Agenda order to be discussed after approval of the Minutes.

IT WAS MOVED BY Keith Poier, SECONDED BY Rollie Boll, to approve the revised Agenda. MOTION CARRIED.

MINUTES—Chair Halvorson presented the August 18, 2022 Minutes.

IT WAS MOVED BY Rollie Boll, SECONDED BY Kim Larson, to approve the August 18, 2022 Minutes as emailed. MOTION CARRIED.

[Chris Radel joined the meeting.]

Self-introductions were conducted.

Expenditure of 2022 committee budget. Sarah Swedburg reviewed the budget as of August 31, 2022 and noted expenditures under Ag Projects for the Halal feasibility study and under Conferences/Seminars/Training and Professional Services. Recommendations for budget expenditures include support for local farmers markets, farm transfer classes, scholarships for the

Ridgewater College meat cutting course and support for the New London Food Co-op. Swedburg suggested \$250 in sponsorship for the farm transfer class with the possibility of increasing the level in 2023. Chris Radel reported he reached out to some of the local farmers market vendors, but did not receive much feedback. He suggested providing funding to the vendors in 2023, which will give vendors time to complete the appropriate paperwork. He shared the New London Food Co-op is hoping to raise \$50,000 in order to release funds from other lending organizations. Currently, it has raised \$29,000-\$30,000 and needs to raise an additional \$20,000 in the next two months. Any funding from this committee would be appreciated. It is EDC staff's recommendation to consider \$1,300 to \$1,500 for a grant to assist the Co-op in purchasing its POS system. Boll inquired if the \$50,000 is not reached, would the funds be returned to the EDC; Radel stated the funds would be returned via an escrow account.

IT WAS MOVED BY Chris Radel, SECONDED BY Nate Reuss, that the Kandiyohi County and City of Willmar Economic Development Commission's Agriculture and Renewable Energy Development Committee approve funding a farm transfer class at Ridgewater College in the amount of \$250 and it be paid by December 2022. MOTION CARRIED.

Radel inquired if the sponsorship is annual; Swedburg shared it will depend on the EDC budget.

IT WAS MOVED BY Kim Larson, SECONDED BY Dan Lippert, that the Kandiyohi County and City of Willmar Economic Development Commission's Agriculture and Renewable Energy Development Committee approves a grant of \$1,300 to the New London Food Co-op. MOTION CARRIED with Chris Radel and Nate Reuss abstaining for conflict of interest reasons.

[Radel was excused from the meeting.]

Soybean crushing. Mike Youngerberg shared it is estimated 11 soybean crushing plants will be starting in the United States in the future. The increase is driven by renewable fuel markets and the need to cut carbons and use more renewable fuels plus an increased need for soy in the United States. He shared information about the Ag Innovation Campus (AIC) in Crookston that is under construction and will crush approximately 240 tons a day with three 80 tons/day extruder/expeller units. Products will include soybean meal (5% fat to full fat), soybean oil (crude) and soybean hulls (ground). The building is up and processing is expected to begin in April or May of 2023. Discussion was held regarding the need for soybean products in the area, i.e., large poultry farms and livestock farms. Harold Stanislawski shared there is talk of constructing a cheese plant in Fergus Falls; if that happens it would create economic stability for the dairy industry. He shared other markets for soybean meal are livestock and could include fertilizer and turf grasses, etc. Mechanical soy crushing would open up other opportunities for markets, i.e., organic farmers. He is optimistic with what he is seeing.

Youngerberg commented mechanical soybean crushing has been studied for a long time. Soybean processing margins are currently at \$2.64/bushel and he feels there is profitability in soybean processing. Discussion was held on the size of soybean crushing plants. The AIC will cost approximately \$20 million. Epitome Energy is planning to build a larger soybean crushing plant

approximately 100 miles from the AIC at an estimated cost of \$400 million. The plant may process up to 42 million bushels of soybeans per year. Construction of a soybean crushing plant in Casselton, North Dakota, is underway and is expected to crush 42.5 million bushels of soybeans in its first year; the cost of the plant is approximately \$350 million. The facility will greatly contribute to the economic vitality of the area and state. Youngerberg commented discussions with Willmar Poultry and other entities/growers in the Kandiyohi County area regarding the future of a soybean crushing facility may be beneficial. Stanislawski mentioned a feasibility study is needed first. Lippert inquired if a smaller soybean crushing plant compared to a larger plant will be profitable. Youngerberg felt it would be profitable, but the concept would need to be studied. Discussions were held regarding the soybean crushing facilities in Crookston and North Dakota. Aaron Backman inquired the length of time it will take the AIC to get to the demonstration stage and assumes the cost would be more than the initial \$20 million first phase. Youngerberg commented it may take two to five years to get to the demonstration stage depending on funding opportunities.

Boll inquired if Youngerberg sees a future for farmer cooperatives in soybean processing; Youngerberg felt this would be something to consider. An open house for the AIC will be held next spring. Youngerberg will notify this committee of the date and time. Stanislawski complimented this committee on the good work it does.

UNFINISHED BUSINESS—

Farmtastic event at Stingers game. Swedburg shared she and Larry Konsterlie recently met with another member of the Kandiyohi County Corn and Soybean Growers Association board regarding the Farmtastic event it holds every other year at a Stingers game. Swedburg felt it may be an education opportunity for this committee to pursue and commented the committee would not serve as the lead, but as a neutral body that brings various commodity groups together. In the past there have been seven different educational stations/activities at Farmtastic for youth, i.e., 4-H (animals), Association topics/activities, pollination/pollinator, soil, renewable fuels, etc. Swedburg suggested forming a small group consisting of herself, a Kandiyohi County Corn and Soybean Growers Association representative, a member of this committee and possibly an EDC Marketing & Public Relations Committee member to discuss and determine seven broad topics/activities for an Ag night and which commodity groups to contact to lead the activities. The Stingers would most likely lead the marketing for the event. Swedburg felt the Stingers may have some ideas for fund raising for the event and possibly for sponsorships. She mentioned possibly free tickets can be distributed to daycares and at other youth-related locations. She has not yet contacted the Stingers and asked if the committee is in favor of pursuing such an event. Suggestions included contacting the Stingers, Konsterlie of the Kandiyohi County Corn and Soybean Growers Association and the Willmar Lakes Area Chamber of Commerce's Agri-Business Committee. Swedburg will continue to research opportunities for the event and share an update at the November meeting.

STATUS OF GOALS

6-Month Goals (August 2022-February 2023)

Feasibility study of industrial hemp. Continue to explore funding.

Willmar and New London-Spicer Public Schools greenhouses. Guest speakers to be invited to the December or January committee meeting.

Update Kandiyohi County Ag flyer and create industrial hemp flyer. In progress.

12-Month Goals (August 2022-August 2023)

Continue Partners in Ag Innovation Conference. Committee will meet next week.

Create resource folder for new farmers. Not started yet.

Support farm transfer planning classes. Funding approved for winter class at this meeting. Samantha and David Nelson of Ultimate Ag will join the committee meeting in November to share more details.

REPORTS

Industrial Hemp Exploratory Subcommittee. Swedburg shared Kevin Ortenblad of Hemponix attended the recent subcommittee meeting. She will send his presentation to the Ag Committee members. Hemponix will be opening a new store in New London this week.

Other. November agenda topics were discussed. Dustin Kotrba mentioned the lack of soybean crushing facilities in the area and inquired if a feasibility study should be considered; should this committee take the lead or who could they meet with to discuss a study, i.e., Jennie-O Turkey Store for feed demand, growers and/or lenders. This topic will be placed on the November agenda. Larson suggested meeting with Willmar Poultry, feed mill(s) and others.

Swedburg mentioned the Willmar Area Lakes Chamber of Commerce's Agri-Business Committee has scheduled Zach Rada, Farm Business Management Instructor at Minnesota West Community & Technical College, to give a presentation at its November 30, 2022 noon meeting. Ag Committee members are invited and lunch will be provided. She will discuss this further at the November committee meeting.

Swedburg will send ongoing ag-related EDC work updates to members via email.

ADJOURNMENT—

IT WAS MOVED BY Dan Lippert, SECONDED BY Keith Poier, to adjourn the meeting.

MOTION CARRIED.

The meeting was adjourned at approximately 9:20 a.m.

NEXT MEETING—The next meeting is **7:30 a.m., Thursday, November 17, 2022** at the EDC Board Room and via Zoom video conference.