



Minnesota Soybean Processors

P.O. Box 100  
Brewster, MN 56119-0100

PRESORTED  
First Class  
US Postage  
PAID  
Permit #1209  
Sioux Falls, SD



Minnesota Soybean Processors



Minnesota Soybean Processors

Volume 3, Issue 3  
October 2003

Minnesota Soybean Processors  
Phone: (507) 343-6677

PO Box 100  
Fax: (605) 627-5869

Brewster, MN 56119-0100  
www.MnSoy.com



## MnSP's New Crop Prices, Bid Sources Are Listed

With the long anticipated start-up of the plant in Brewster just around the corner, we have established a New Crop soybean bid for this coming fall.

The New Crop Brewster bid can be found at these locations:

- On the internet at [www.mnsoy.com](http://www.mnsoy.com) in the Market Quotes page.
- DTN's Bids/Auctions page under Minnesota Cash Grain (A-D) with the symbol BREWSMNSP.
- WNAX 570 AM (Yankton, S.D.) with the 3:30 afternoon market close.
- KKOJ 1190 AM (Jackson, Minn.) at 5:00 p.m. and 7:40 a.m.
- *The Daily Globe* (Worthington, Minn.).
- Plus other local radio stations to be added in the near future.
- Please feel free to call us at 1-888-842-6677.

Meal and Hull quotes are also available on-line at [www.mnsoy.com](http://www.mnsoy.com) or by calling toll free 1-888-737-7888. Meal and hull bids are posted "AS AVAILABLE," meaning buyers will be notified when product becomes available.

To Sell Soybeans: 1-888-842-6677

To Buy Meal: 1-888-289-6325

## Hiring Begins for Plant Operations

Hiring has begun to staff the new 100,000-bushels-a-day soybean crushing plant at Brewster, says Plant Manager Steve Still.

Ultimately 42 production workers will be hired to work around the clock at the crushing plant, Still said.

Still said the Brewster office has received a large quantity of applications "and we've a good choice (of applicants) available."

He added training will begin soon, both by the operations and maintenance coordinators. Still and other management people expected to begin receiving 2003 crop beans around Sept. 19, with crushing to begin a couple of months later.

## Producers Can Participate in Survey

The Burdick Center for Cooperatives is conducting a survey of producers to discover their interest in Production Cooperatives. This is part of a project sponsored by the USDA Rural Business Cooperative Service. One can access and complete the survey by contact the QBCC homepage at <http://www.ag.ndsu.nodak.edu/qbcc/>

Various types of production cooperatives will be described and participants will have the opportunity to respond to brief surveys about these cooperatives—various levels of machinery sharing and livestock cooperatives.

## MnSP Board of Directors

DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	DISTRICT 7
Robert Kirchner Brewster, MN 507-842-5592	Ron Obermoller Brewster, MN 507-842-5467	Bob Crowley Iona, MN 507-425-2021	Galen Van Beek Inwood, IA 712-753-2286	Steven Hansen Clear Lake, SD 605-874-2313	David Bunde Stewartville, MN 507-533-4928	Paul Henning Okabena, MN 507-853-4669
LeRoy Kellenberger Beaver Creek, MN 507-673-2283	Bruce Hill Worthington, MN 507-842-5402	Don Louwagie Marshall, MN 507-532-6081	Keith Waltner Parker, SD 605-648-3224	Todd Stroschein Clear Lake, SD 605-876-3721	Gary Dieterich Rudd, IA 641-395-2383	Darol Schmitz Brewster, MN 507-842-5413
Steffen Van Westen Reading, MN 507-478-4552	Bill Fest Heron Lake, MN 507-793-2585	Jim Sallstrom Winthrop, MN 507-647-2546	Larry VanMeeteren Sheldon, IA 712-324-4088	Edward Verhelst Huron, SD 605-352-5564	Eric Thorn Chatfield, MN 507-867-1427	Adam Schumacher Heron Lake, MN 507-793-2588

### Board Responds to Mandate

## MnSP to Build 30-Mil.-Gal. Biodiesel Refinery

Plans to construct a 30-million-gallon biodiesel refinery in Minnesota were announced by Minnesota Soybean Processors (MnSP) from the Capital Rotunda in St. Paul on Sept. 15. Gene Hugoson, commissioner of agriculture, joined in the announcement.

"MnSP investing in a Biodiesel Refinery is the next logical step to add value to soybeans from our 2,300 farm members," said Robert Kirchner, MnSP president. "As intended, Minnesota's biodiesel legislation, passed in 2002, provides the incentive to create jobs in rural Minnesota, will increase the value of soybeans grown in Minnesota, will provide a clean and sustainable fuel source and will lower our dependence on foreign energy."

Minnesota biodiesel legislation will mandate a 2% blend of biodiesel for diesel fuel sold in Minnesota starting in June 2005. Minnesota's mandate will create a

demand for 16 million gallons of biodiesel annually. One of the goals of the biodiesel legislation was to create rural economic growth. In order to ensure economic stimulus within Minnesota, the legislation requires the Commissioner of Agriculture to certify that production capacity of biodiesel within Minnesota equals one-half of the expected demand (8 million gallons) prior to the mandate's implementation.

"The addition of the biodiesel refinery to MnSP's strategy fulfills our members' goal of adding value and demand for the soybeans they grow," added Rodney Christianson, MnSP CEO. "With the Board's approval in August our team is gearing up to complete the biodiesel refinery by early 2005."

## MnSP Construction Project Close to Completion

Slightly less than three years after equity drives began, Minnesota Soybean Processors' Brewster plant is ready to begin receiving beans from the 2003 harvest.

As *The Bean Counter* went to press, Engineering Coordinator John Prohaska was predicting one receiving line would be accepting beans from the 2003 harvest by mid September, with crushing to begin a couple months later.

"The weather man's been good to us (although our farmer members could have used more rain) and construction stayed on schedule," he reported. "We're on target both for construction and staying within our budget," he said. The extraction plant is nearing completion, with work on the water purification plant and meal load-out facilities expected to be finished in October.

"We're excited about processing beginning in November; the majority of the plant facilities will be finished in October. We'll begin training both operating and maintenance people in the next couple of weeks," he reported.

Equity drives began in late 2000, with producers in four states offered the opportunity to invest in a plant that was envisioned to have a 100,000 bushels-per-day capacity. Ultimately nearly \$30 million was raised to finance the new plant.



Bob Kirchner, Minnesota Soybean Processors president; Gene Hugoson, Minnesota commissioner of agriculture, and Ron Jacobson, president of the Minnesota Soybean Growers Assn., addressed a press conference in St. Paul Sept. 15 announcing plans to build a biodiesel refinery.

## Tours, Ribbon Cutting Set for Saturday, Nov. 15

Saturday, Nov. 15, has been set for the ribbon cutting and open house of the new plant at Brewster.

Members can tour the new 100,000-bu.-per-day plant from 10:00 a.m. until noon; they will be served lunch from 11:00 a.m. until noon. A ribbon cutting ceremony will follow at 12:30 p.m. The general public can tour the facility from 1 until 3 in the afternoon.

*President's Report***Biodiesel Refinery Decision Prompts 10/12 Stock Split**

I wish everyone a safe harvest and urge you to plan on touring your new plant at our open house on Nov. 15. With input from my fellow directors, I will be writing a regular article for the newsletter.

First of all, I want to express our collective appreciation to all the members who made their stock payments in a timely manner. With construction progress moving at a very fast pace, it was critical that we had the funds to pay our contractors. As planned, at this time in our construction schedule we have started drawing on our line of credit from CoBank.

As you remember, at the first annual meeting, membership unanimously passed a resolution directing management to research biodiesel production for MnSP. The business decision of building a refinery was announced at a press release at the Minnesota State Capital on Sept. 15. The business goal of having MnSP be well capitalized is still intact. Since a refinery project will require more capital, management and the board of directors are working on plans to capitalize this addition. The initial equity offering for MnSP became available in August of 2000 at \$2.00 a share and we closed the offering on April 2, 2001, at \$2.40 a share. A question that has been considered by the board was how to be fair to existing members who made their equity commitment as long as three years ago compared to potential new members who may be joining us in the future. The solution arrived at by the board of directors was to declare a 12 for 10 stock split for all current stockholders who had their stock paid in full by July 15, 2003. This gives the existing members 20% more stock as a reward for their early investment and the reality that the project is getting built on schedule and within budget.

Some members have asked when they would be receiving their stock certificates. We will be mailing the certificates, including the split shares, to you in the near future. A related issue is a stock resale policy which has been approved by your board of directors. The plan is to include a copy of this policy when the stock certifi

**Insert Contains Procedure for Stock Transfer or Sale**

A three-page insert containing rules for the transfer or sale of Class A Preferred Shares of Minnesota Soybean Processors is included in this issue of *The Bean Counter*, according to Connie Kelly, chief financial officer.

She encouraged members to retain the insert in their files, as it outlines the necessary procedures to be followed when transferring or selling shares in MnSP. Members with questions can call (507) 343-6677.

cates are mailed. In the next newsletter, after you have had a chance to read the resale policy, we will review the procedures to resell shares.

**Bob Kirchner,**

*President, Minnesota Soybean Processors*

**CALL TO ACTION!**

members, please contact your  
**United States Senators  
and Representatives**  
and encourage them to support the  
**Biodiesel Tax Provisions  
in the Energy Bill**

Call the Capital Switchboard at  
**1-202-224-3121**

and ask for your Senator  
or Representative

**MnSP Subcontractor Crew Cited**

A major subcontracting crew at the Brewster plant site has been awarded a productivity award.

The crew—which at times included 35 electricians—received a productivity award from their home office at Sioux Center, Iowa. In April InterStates Electric singled out its Brewster crew for the use of prefabricated components and other efficiencies which kept the project on schedule.

Roger Cannoy and Bryon Howard, supervisors at the Brewster site, said the crew was cited for “finding new ways to complete a job, saving effort and materials.”

InterStates Electric was a subcontractor during construction of the South Dakota Soybean Processors plant at Volga in 1995, and has also performed maintenance work there.

*From the Desk of the CEO***First Beans Received; Adequate Water Supply Assured**

It's been far too long since I last reported to you. Time flies when you are having fun! Breaking ground for MnSP on Oct. 24, 2002, seems to be only a distant memory as we press to the finish line to commence operations of your facility. MnSP remains on target for a November start-up and the team has kept tight control on the construction budget for the 100,000-bushel-per-day soybean processing plant. My compliments and thanks go to the construction team for their effort.

Thursday, Sept. 18, was marked by test running Soybean Receiving by unloading the first 2,500 bushels (three trucks) into your facility. The doors opened on Monday, Sept. 22, to receive your soybeans. MnSP will receive 2 million bushels during soybean harvest and then will need to wait until the processing plant starts to permanently open the doors. MnSP's new associates will work hard to provide friendly and quality service to our members. I will ask for your patience during this period.

To many of our members and residents of southwest Minnesota, water supply is a major concern. I am happy to report that MnSP has entered into a water supply agreement that will provide a secure and high volume water source to MnSP. Finalizing an agreement between four parties, securing all permits and getting construction started has been taxing to say the least. Finally, on Sept. 16 our 10 inch water line was going into the ground. This move improves MnSP's water supply from a questionable 500-600 gallons per minute (gpm) to a well expected to deliver over 1200 gpm and sees development

cost funded by general revenue obligations to be paid by water usage versus from our members equity. The project also provides a water source for future rural development in the Heron Lake area.

We have been very excited with the level and quality of people interested in joining our team. Your management team is in place and all associates will be on the payroll by mid October. We look forward to moving from the development stage of your business to the stage that starts adding value to your soybeans. We hope you have a safe and prosperous harvest.

**Rodney Christianson,**

*CEO, Minnesota Soybean Processors*



Completion of a 10", 11½-mile water line from a well field near Heron Lake to the Brewster plant is targeted for prior to Nov. 1.

**Midwest Producers Named to United Soybean Board Spots**

Secretary of Agriculture Ann M. Venemen has announced 17 appointments to the United Soybean Board. They will serve three-year terms beginning December 2003.

“The board administrators soybean promotion and research programs to enhance domestic and foreign markets for soybean and soybean products,” said Venemen. “I am pleased that these individuals have agreed to provide their time and expertise to serve on the board.”

Appointed members representing soybean producers by state include: Cutis A Raasch, Iowa; Douglas A Proehl, Minnesota; Norman L Husa, Nebraska; Vanessa A. Kurnmer, North Dakota; Lauren Christensen, South Dakota.

The 62-member board is authorized by the Soybean Promotion, Research, and Consumer Information Act. USDA selected the appointees from soybean producers nominated by the Qualified State Soybean Board. The mandatory program is funded at the rate of one-half of one percent of the net market price of soybeans purchased. USDA's Agricultural Marketing Service monitors operation of the board.

**\$580,000 Grant to Brewster**

U.S. Sen. Norm Coleman (center) recently announced the awarding of a \$580,000 Economic Development Administration grant to the city of Brewster for expansion of its wastewater treatment facility. John Drown, executive on loan to Southwest Minnesota State University at Marshall, is at left; David Darnahar, president of SWMSU, is at right.