



Ag Innovation News

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Eiynck Farms is Ag Innovator of the Year



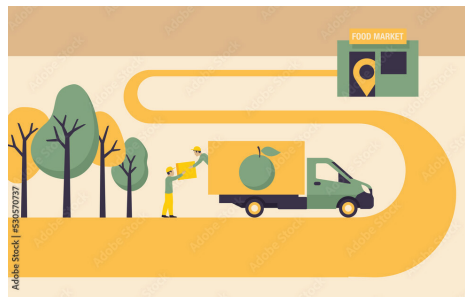
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AURI Relocates After 30 Years

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AFTER 30 YEARS, AURI IS INCREASING ITS ABILITY TO SERVE THE GROWING NEED FOR COMPLEX LABORATORY SERVICES. OUR NEW SPACE BRINGS AURI TO THE FOREFRONT OF TECHNOLOGY CAPABILITIES WHILE ALLOWING US TO CONTINUE TO OPERATE IN AND REMAIN CONNECTED TO RURAL MINNESOTA.

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When the state legislature created AURI in the 1980s, it required AURI to establish or maintain facilities and work with private and public entities to leverage resources to achieve maximum results for Minnesota agriculture. Since then, facilities have been important to our presence across the state, and AURI currently operates two laboratory sites in Minnesota, one in Marshall and one in Waseca, and two office spaces in Crookston and St. Paul.

For roughly 30 years, our Waseca location housed AURI's pilot laboratory for bioindustrial processing. Hundreds of projects have occurred in Waseca to advance innovation opportunities for Minnesota companies over this time. These have ranged from iterating on feed pellets for Milk Specialties Global and Stable Feeds to helping develop a wheat-based cat litter for Swheat Scoop.

With the increased desire for circular approaches, upcycling byproduct streams, and finding new revenue sources for businesses in the bioindustrial space, AURI has experienced a major uptick in project interest and demand for the resources and expertise it offers at the Waseca site.

A few years ago, AURI added a secondary Waseca laboratory of roughly 3,000 square feet as we had outgrown the footprint established in the early 1990s. While this annex provided a temporary solution, we knew a long-term outcome would require an eventual move to bring the many resources and capabilities under one roof. Fortunately, AURI identified an existing Waseca facility in mid-2023 and started the move in January 2024. We expect the new ~15,000-square-foot site which provides offices, a training center, food grade processing area, and pilot laboratory space to be of adequate size for our current and expected future needs for the next decade.

The new facility will continue to advance biomass feedstock utilization into various applications for food, feed, fuel, and fertilizer applications, including pelleting, dewatering, drying, decortication, anaerobic digestion, sizing, biomass handling, biomass densification, separation, grinding, etc. The site also incorporates a larger food-grade laboratory for AURI to provide services related to small-scale oilseed processing and milling capabilities of crops that can be used for developing new food and feed products.

If you are a past client, engaged stakeholder, or have a general interest in value-added agriculture and are in the Waseca area, please reach out, stop by, and see what AURI is doing in its new site to expand value-added markets and benefit Minnesota agriculture.



This quarter, Ag Innovation News (AIN) highlights AURI's first-term Board Director, Minnesota Farmers Union elected member Ted Winter. Winter is a third-generation farmer who has farmed his family's land for 55 years. In this edition of AIN's Board Q&A, he shares his unique history with AURI and his vision for serving Minnesota farmers.



Please give us some highlights around your ag background.

Since 2017, I've served as an elected Minnesota Farmers Union Executive Committee member. Minnesota Farmers Union is a grassroots organization representing Minnesota's family farmers, ranchers, and rural communities. I'm also the president of the Rock & Nobles County Farmers Union.

I've been farming for 55 years, first as a dairy and hog farmer and now as a corn and soybean farmer on my family farm in Nobles County. I served in the Minnesota House of Representatives from 1987 through 2003, where I voted to establish AURI under the bill brought forth at the time by Representative Jerry Schoenfeld and Senator Roger Moe.



What motivated you to join the AURI Board of Directors?

Well, I may be the first AURI board member to have previously served on its board! I was an AURI board director from 1988-1997, filling the Minnesota House Ag Committee seat when I served in the Minnesota House of Representatives. I believe in what AURI did then and believe in what it wants to accomplish now. AURI is an incredibly important organization. Part of why I voted to establish AURI is because I was a farmer who went through the farm crisis in the 1980s and almost lost my farm. Finding diverse income streams and new markets to support farmers is what ensures farmers can continue to exist and feed people across our great country.



What do you hope to achieve during your time on the board?

Obviously, I think it's important to find new uses for farm products and add value to the economy. But I also want to ensure new income generators connect back to farmers and their families. Sometimes companies benefit from new end-products, but that value is not shared back to the producer.



What are some interesting trends you currently see in value-added agriculture?

From my perspective, the economics of new uses is tied directly to science and research. It's crucial to stay abreast of new technologies and develop capabilities that can be made available to people with great ideas. The new Waseca facility is a great example of moving value-added agriculture forward.



What role do you expect AURI to play in the future of Minnesota's value-added agriculture?

AURI is strategically located with different offices throughout the state. AURI offers proximity and access to all kinds of people, entrepreneurs, and companies in Minnesota. It is imperative for AURI to continue to efficiently and aggressively use its assets to drive new product ideas forward.



What is something people are surprised to learn about you?

Well, I'm not shy to say I'm a Democrat and a Catholic. In today's world, it seems that admitting your beliefs or political stance can risk backlash. I believe we need to stand up for our ideas and, more importantly, our ideals. Good people can disagree and still be civil. I'm proud that supporting agriculture is a long-standing area of unity amongst Minnesota's leaders.



CLARITY
ON CONSUMER
PREFERENCES
EMERGES IN
STUDY ON
**Sustainable
Ground Beef
Packaging**

The Agricultural Utilization Research Institute (AURI) and the Minnesota Beef Council (MBC) recently partnered on research centering around how ground beef packaging affects consumer perceptions of environmental impact.

The research partners set out to identify the most effective way to communicate messages about sustainable packaging of ground beef to prevent food waste. The study also analyzed how these findings can be of value in telling the story of the beef industry's sustainability goals to consumers. The study attempted to identify the type of packaging that would most likely reduce food waste but also appeal to retail shoppers.

Kelly Schmidt, MBC's executive director, says the results indicate that a disconnect exists between what consumers think is good for the environment and the actual environmental impact of different packaging materials.

“So how do we fix that? I think there are some labeling considerations and improved messaging that could result from this feedback,” Schmidt says. “Consumers know we are delivering a safe product, and as producers, we want to deliver ground beef in a way that matches consumer expectations as well as likes and dislikes.”

Achieving this goal is the second phase of a project AURI and MBC began in 2019. This continued analysis will hopefully increase consumer confidence in purchasing beef products and demonstrate the beef industry's leadership in improving sustainability efforts.

To begin the analysis, AURI convened a series of focus groups at the product evaluation and sensory laboratory it operates at the Southwest Minnesota State University campus in Marshall, Minnesota. Dr. Claire Sand, a food packaging consultant, partnered with AURI and MBC on the project.

The participants were presented with packaged ground beef in a series of different prototypes and messaging stickers. The meat packaging featured elements like resealability, portioning, reduction in plastic, alternative packaging formats, and alternative packaging materials. The packaging prototypes were then given messaging that described the benefits of factors like shelf-life, disposal, and sourcing. The participants in the focus group then ranked the packages based on their preferences.

Several key takeaways emerged from the testing that related to messaging, packaging, and reduction of food waste.

Focus group participants reported a strong desire to clearly see the food through the packaging. In quality scores, smaller plastic and vacuum packaging was perceived to be of higher quality. Meat packaged in paper was viewed as more sustainable than plastic, but the focus group still ranked see-through plastic higher.

Packages that had a resealable pouch or a portion feature that allowed participants to use a selected amount of meat now and save or freeze the rest for later use also scored well. The focus group also gave high scores to packaging and materials that were made from recyclables and packaging that could be recycled.

Intelligent food packaging that monitors temperature and provides a shelf-life message when the food must be eaten right away, stored (e.g., frozen), or thrown out scored high with the focus group but did not replace their desire for product visibility. Respondents said more education is needed on how intelligent packaging works and that intelligent packaging would not replace their desire for a date code on ground beef.

To further distill the findings, researchers identified a “Sweet Spot” and a “Sour Spot” category based on the packaging with the lowest environmental impact and the highest consumer perception.

Packages that resonated with consumers on sustainability and those that were most sustainable were arranged into the sweet spot. The pouches that were vacuum packed, resealable, and/or divided into portions scored the highest.

In turn, the sour spot category had the highest environmental impact and the lowest consumer perception. The prototypes made of paperboard trays and PET trays with paper wrapping were assigned to the sour spot.

“A clear connection between a tight pack, which uses less plastic and does not have a tray, emerged from these conversations. I had not seen those results before. There was also a high premium on see-through plastic. Simply translated from the results, if consumers cannot see the whole product, they think that the retailer is trying to hide something,” says Sand.

Packages that gave participants the option to reseal the bag or had automatic portioning already built in also spoke to consumers, Sand observed. She attributes these results to the perception of freshness that see-through packaging presents.

“Consumers do not want to waste money by throwing food away after it has gone bad,” she explains. “I think the results were more ‘pro clarity’ and not necessarily ‘anti-paper,’” Sand continues.

One of the benefits to the beef industry with this study is that it underscores that consumers see strong value in fresh, quality products, notes John Schafer, the chair of the MBC’s research committee and a member of AURI’s board of directors. The MBC routinely invests in research that is categorized as either sustainability, innovation, or food safety. This project was in the sustainability category.

“Sustainability is a journey, not a destination. That is true in most aspects but especially in packaging,” Schafer says. “As an industry, we have made significant progress in improved packaging that is better for the environment. We have evolved. We can take that process further with this research as we hope to be better tomorrow than we are today.”

After reviewing the responses from the focus groups, the partners created a “road map” with recommendations for next steps and future research.

Below are a few potential next steps.

- Explore resources to expand the use of intelligent packaging.
- Explore the cost-benefit of intelligent packaging for retail beef and the higher cost impact on sales.
- Examine the cost of replacing trays with vacuum packaging pouches that reduce package material and prevent food waste.
- Determine capital and equipment needs for beef processors to convert to resealable packaging.
- Determine capital and equipment needs for beef processors to convert to portion control packaging.
- Identify funding sources to advance recycling opportunities for ground beef packaging.

One complicating factor is coordinating across multiple value chain partners. The stores and shipping companies package the beef, so the industry must collaborate with its partners to implement some of these suggestions.

“Our role is to make sure we spread the word about what consumers are looking for and what kinds of packaging are more sustainable in the long run,” says Schmidt.

The results of this project verified something the MBC and the beef industry intuitively know, Schafer says.

“He concludes: ‘People want to see the ground beef when they are at the grocery store. They want to know what they are getting. That is such an important consideration that we as an industry need to be aware of.’”



Eiynck Farms is Ag Innovator of the Year

By Dan Lemke



(L) Harold Stanislawski with whole oats (C) David Eiynck with groated oats (R) Tyler Hoban of E-H Oats with byproducts



Geographically, David Eiynck hasn't moved far in his life. He lives and farms less than a mile from where he grew up in Mahanomen County. However, through innovation and entrepreneurship, he and his family have taken their farming business, Eiynck Farms, to a whole new place.

After returning from college, Eiynck purchased a neighbor's farm and started working in partnership with his father. They milked cows, had a farrow to finish hog operation, and planted a range of crops. Eighteen years ago, Eiynck says he and his wife had acquired enough farmland to focus more on their crops.

"As we grew on the commodity side, we looked at ways to improve our cash flows and revenue crops," Eiynck says. "We decided we wanted to try to do a little better and develop more revenue crops."

Eiynck currently grows soybeans, corn, peas, wheat, barley, oats, and dry beans.

Several years ago, Eiynck and partner Tyler Hoban started tinkering with a process to produce oat groats, which is the whole grain oat seed with the husk removed. Eiynck developed an impact process, followed by cleaning and sizing, to access the oat groat.

"Oat groats are in a lot of different products, from items humans consume to pet foods to small pig rations, so a little bit of everything," Eiynck explains. "It's more of a niche, smaller market, but there's a demand for oat groats as an ingredient."

Eiynck Farms produces oat groats that currently go primarily to the pet food market.

Growing Demand

Originally, Eiyneck was able to produce one load of finished product in about 45 hours. During COVID, one of his end users was unable to source oat groats out of Canada, so they asked Eiyneck to produce more. That led to the construction of a new plant.

“Our old E-H Oats plant wasn’t able to keep up,” Eiyneck says. “We had seen some market opportunities, so we decided we’d build a brand-new plant. We’ve been processing oats there since May 2023. We went from one load to 2 to 3 loads a week; now we’re doing about 6 to 8 loads a week. We have the capacity to do 8 to 10 loads a week.”

Eiyneck has worked with the Agricultural Utilization Research Institute (AURI) on several occasions, including utilizing AURI’s business services to help identify market opportunities, address supply chain issues, receive engineering expertise to identify equipment and processing needs, and discuss testing capabilities to uncover coproduct value.

The hulls, which have been separated from the groat, are the primary coproduct. They’re shipped to area dairy and beef farmers for feed. Some hulls go to a fellow entrepreneur using them to produce biochar for fertilizer. Eiyneck is also working with AURI to identify more uses for the hulls.

Local Opportunities

Eiyneck says the E-H Oats plant near Waubun processes about 650,000 bushels of oats a year, but he’s hoping to expand that production to one million bushels a year.

The Eiynecks grow some of the oats they need for the mill but also contract with other growers. Eiyneck says oats used to be called a poverty crop because growers couldn’t afford to raise it. That’s not the case anymore. The increased demand for groats is creating a bright future for oats in the region.

“We can make more money raising oats than a lot of other crops,” Eiyneck contends. “It’s a viable crop.”

AURI Business and Industry Development Director Harold Stanislawski, who has worked with the Eiynecks on several projects, says Eiyneck Farms’ oat processing business has grown and evolved over the years, and the enterprise now delivers numerous positive impacts with lasting potential.

“The Eiynecks have created a local supply chain that otherwise would be coming from miles and miles away from Minnesota,” Stanislawski notes. “The supply chain is now a lot shorter, the logistics have gotten better, and it has provided an opportunity for farm diversification and value-added results, enhancing revenue without adding more acres to the farm.”

“AURI helped us develop our process for oat groats and was instrumental in building our oat plant this past year,” Eiyneck says. “AURI helps connect producers with people within the industry and identify markets, and that’s a pretty important thing. We appreciate their help with the Rural Economic Development Loan facilitated by Wild Rice Electric. We’d also like to thank American Federal Bank for their help with financing.”

Stanislawski says the Eiyneck Farms plant was set up to expand as more markets are established, and AURI is working to help determine some of those opportunities.

“We are still looking outside the box here to see if we can find more end-user markets,” Eiyneck notes. “We’d like to run our plant at full capacity, so we are trying to establish more revenue channels.”

Building the oat mill has also inspired future and older generations on the farm, ensuring continuity. Eiyneck’s 21- and 18-year-old sons have returned to the farm, and his 85-year-old dad enjoys helping out.

“It’s kind of fun to have all the generations together. Hopefully, we can just keep on growing and expanding our markets and be able to buy more oats from local producers,” Eiyneck reflects.

Recognizing Innovation

Eiyneck Farms’ efforts haven’t gone unnoticed. AURI has selected the enterprise as the 2024 Ag Innovator of the Year. Since 2002, AURI has presented the award to a Minnesota business that has demonstrated innovation in its product or process, has established success in the marketplace, and utilizes Minnesota agricultural products. AURI Executive Director Shannon Schlecht says Eiyneck Farms represents what the Ag Innovator Award is all about.



“The Eiynecks are forward-looking and open to trying new things to create new opportunities and diversify their market opportunities,” Schlecht explains. “They didn’t have to take the risk of creating a new business with a smaller acreage crop, but they saw an opportunity for a different future and had the ingenuity to put it together. Now, a new business exists in Waubun that allows farmers to look at putting oats into their rotation, creating new crop opportunities for their neighbors and other Minnesota farmers.”

“This award is pretty humbling, but it’s a great honor,” Eiyneck says. “I don’t know if I’ve done anything different than any of the other innovators out there. Everybody has their own story. I like to try different things and work hard. I think that’s what gets you to where you are and where you want to be.”

Stanislawski also sees Eiyneck Farms as a worthy award recipient.

“You’ve got a family farm that now has an enterprise associated with it that will make it easier to pass on to the next generation,” Stanislawski explains. “The family has made a significant investment in a county that is one of the poorer counties in Minnesota. Now, the county has a long-term value-added business tied to a local farm. This is really good for northwest Minnesota and places that need value-added revenue streams brought to the table. The enterprise also encourages more farmers to grow oats as part of their rotation, as there’s a new market. This kind of impact is spot on with AURI’s mission to support the rural economy through the utilization of agricultural products.”

Eiyneck says moving from the original idea to constructing a processing plant took about five years. The growth was deliberate because he carefully researched markets before jumping into business.

“Anybody can build something, but it’s much harder to establish markets,” Eiyneck says. “I’m a fast-moving person, so I often joke that I had patience, but I used it all up. I consider five years a slow process, but it’s been fun. We’ve met a lot of great people, and it’s been an excellent learning experience.”

In true entrepreneurial fashion, Eiyneck is researching new opportunities for oats and its processing coproducts as a way to keep the business growing the only way he knows how.

“The harder you work, the luckier you get,” Eiyneck says.

AURI has supported Minnesota businesses like Eiyneck Farms for over three decades with no end of innovations in sight.

“We continue to see a robust pipeline of ideas from across the state. That doesn’t mean there aren’t challenges to implement innovative ideas,” Schlecht explains. “I am 110% positive we’ll continue to see new innovations and entrepreneurial efforts arise out of Minnesota’s food and agriculture industry.”

In April, Eiyneck Farms was presented with the Ag Innovator of the Year award at the 2024 New Uses Forum in Mankato, Minnesota.



By Dan Lemke

A trio of southeastern Minnesota women is proving that in business, where there's a will, there's a way.

For several years, friends Deeann Lufkin and Jackie Ohmann had tried their hands at brewing beer and fermenting grapes for wine. Along the way, Ohmann married a dairy farmer, so the duo decided to try fermenting milk instead of making wine or beer.

In 2012, Lufkin and Ohmann made their first batch of mozzarella cheese. They then moved on to cheddar cheese. Friends and family liked their creations, so the two friends pondered the possibility of growing their cheese-making interest into a business.

"Neither one of us had any dairy experience, but we knew our friend Kathy Hupf used to have a dairy farm of her own, and she grew up on a dairy farm," Lufkin recalls. "We asked her to join us in our venture, and we didn't even get the full question out before she said 'yes.'"

Building a Business

Having an idea is one thing, but Lufkin admits none of the three partners knew much about starting a business.

"We knew nothing," Lufkin says "I have a degree in meteorology and was an Air Force meteorologist. Jackie was a youth pastor, and Kathy worked in a church at the time. So, none of us had any experience in starting a food business whatsoever."

The lack of experience didn't deter the trio. Instead, they dove headlong into learning about cheesemaking and business development. They toured about a dozen cheese plants in Minnesota and Wisconsin and talked with business consultants. They also enlisted the help of the Southern Minnesota Initiative Foundation and SCORE. Lufkin even attended a cheese making short course at the University of Wisconsin-River Falls.

"We really depended on asking people questions, attending lots of seminars, really just trying to reach out to people who had experience and could guide us through the process," Lufkin says.

About eight years ago, the trio incorporated, rented capacity at the University of Minnesota's pilot plant, and started making their first commercial cheeses.



What's in a Name

The three women all live in southeastern Minnesota. As their business developed, they were approached by Dave Maroney, the director of economic development and planning for the city of Cannon Falls. He told them Cannon Falls had a lot of local food enterprises, and the town would be a good home for their business.

"We came, talked with him, spoke with John Peterson at Ferndale Market, and quickly figured out that this was the exact town where we should be," Lufkin says. "We fell in love with the town so much that we kind of named ourselves after it."

Even though the business was incorporated, they didn't have a name or a logo. Lufkin's sister had a connection to someone working with small business development who provided them with seven pages of name options. The winner was CannonBelles Cheese because the name reflected the business's location, the fact it was woman-owned, and it paid homage to the women's love of cows.

A Growing Operation

CannonBelles Cheese opened its Cannon Falls plant in April 2022. They produce a wide variety of artisan cheeses, including gouda, four different flavors of cheddar, four different flavors of Colby, and queso fresco, which is a Spanish-style cheese. The company also produces eight different varieties of cheese curds. Lufkin says CannonBelles Cheese is hoping to add mozzarella by the end of the year.

CannonBelles Cheese produced about 5,000 pounds of cheese in 2023. The Cannon Falls plant is fairly new, but the company is building capacity and increasing production.

"We're seeing our sales increase," Lufkin explains. "We more than doubled sales from the previous year. Our production last year was probably half of what we will make this year. We just keep growing."

Production isn't the only thing increasing for CannonBelles Cheese; so is the number of locations selling their craft cheeses. CannonBelles Cheese is the only Minnesota cheese being sold at Fresh Thyme Markets, plus their products are in about 75 stores and food co-ops across Minnesota.

"Our partner Kathy keeps getting us into more stores," Lufkin says.

Lufkin says they plan to add at least one new cheese every year to the CannonBelles lineup. They're also working to expand their markets throughout Minnesota and the Midwest. However, the group is working to build solid, sustainable growth at a pace the business can successfully manage.

Stores aren't the only locations where CannonBelles Cheese is available. The business worked with the Agricultural Utilization Research Institute (AURI) to get nutrition labels done on their products, which opened the door to other marketing options.

"We developed nutrition labels for their whole line of products," says AURI Senior Food Scientist Lolly Occhino. "The added information gives them the opportunity to get their products into more places, including school districts."

CannonBelles Cheese is now included in Minnesota's Farm to School program. Under the program, local foods are purchased, promoted, and served in school cafeterias at mealtimes, as a snack, or in classroom taste tests. CannonBelles products are available in Hopkins, Roseville, Cannon Falls, Robbinsdale, and several other Minnesota school districts.

"We worked with AURI on getting those labels done, and because of that, we were able to get into schools, which has helped us grow even more," Lufkin explains. "January and February are tough months for cheese

because people have gorged themselves on charcuterie boards over the holidays, but the schools have helped us through this January, February downturn. Schools have been big for us, and because of those nutrition labels, we're able to sell to them."

CannonBelles Cheese is not only building its own local business and brand, but the company is also supporting other businesses and farmers in the region. Lufkin says about 90% of their ingredients come from within 25 miles of Cannon Falls. For example, they source peppers and garlic from local farmers, and their spices and seasonings are made in Northfield.

"We really try to get the best and most local ingredients that we can. Our milk is from five miles away," Lufkin adds. "We always partner with our food friends around us when we can."

Long Journey

Lufkin admits the process of moving their idea for cheesemaking to an established business has been a long journey. While they were deciding whether or not to pursue a cheesemaking enterprise, the partners met with a Minnesota creamery owner who told the women it had taken them seven years to get their business up and running.

"We thought, there's no way we could do that. Well, it took us seven years," Lufkin says.

The women partners navigated the process of learning how to make cheese and how to develop a business, even while building their cheese plant during the COVID-19 pandemic, which added a year to their timeline.

"The rewarding thing is just watching the business grow, observing our sales increase coupled with how much more volume we need to make is all kind of exciting," Lufkin explains. "The difference between our company five years ago and now is just astronomical. Seeing the potential and watching how we've been growing is what keeps us going."

In addition to producing cheese, CannonBelles Cheese also operates an ice cream and coffee shop in Cannon Falls.

To learn more about CannonBelles products or to order online, visit cannonbelles.com.



Pictured left to right: Jackie Ohmann, Deeann Lufkin, and Kathy Hupf

AURI Partners with Minnesota Department of Agriculture on Supply Chain Resiliency*



In the face of ever-evolving challenges like economic uncertainties, global pandemics, and climate change, the resilience of a region's food system is paramount. Recognizing this, the U.S. Department of Agriculture launched the Resilient Food Systems Infrastructure (RFSI) program, an initiative aimed at fortifying the country's supply chain.

Funding for the Resilient Food Systems Infrastructure Program is made possible by a cooperative agreement between the U.S. Department of Agriculture (USDA)/Agricultural Marketing Service and the Minnesota Department of Agriculture (MDA), with funds from the American Rescue Plan Act (ARPA).

The MDA, in turn, is partnering with the Agricultural Utilization Research Institute (AURI) to execute technical assistance components of the RFSI program.

The MDA is administering grants to fund projects that strengthen the "middle" of the supply chain in Minnesota. Grant applications will be reviewed this summer and awarded in the fall of 2024.

The "middle" of the supply chain is a broad term. Michael Zastoupil, a food systems planner at the MDA, says the focus for these grants is any project that exists between the time a food is produced and the time it is sold at the final retail destination. The program is open to dairy, grains, fruits and vegetables, dry beans, and aquaculture operations. Numerous projects have been enacted recently that deal specifically with meat and poultry producers, and as a result, projects in those industries are not eligible for RFSI funding. The grant application period closed on April 3rd. Grant awards will be between \$100,000 and \$3 million. The projects require a 50 percent match from the applicant. Historically, underserved producers and socially disadvantaged businesses can qualify for a reduced 25 percent match. Zastoupil said typical eligible projects include things like a new processing facility or warehouse, additional storage capacity, transportation, a facility upgrade, new equipment and IT systems, and improvements to operations. Projects that enhance worker safety, food safety regulations, and new employee training are also eligible.

Eligible recipients are agricultural producers and groups of producers, small businesses, nonprofit organizations, local government entities, tribal government entities, and such institutions as schools, universities, and hospitals.

Special consideration in the review process will be given to projects from cooperatives or worker-owned enterprises and those that demonstrate family support, job quality, and improve worker safety. Priority will also be given to projects that add options and choices for consumers, especially value-added products.

The benefits of the RFSI program extend far beyond the immediate recipients of its support, reverberating throughout Minnesota's agricultural landscape and beyond. By investing in infrastructure improvements and capacity-building initiatives, the program enhances local farmers' and food businesses' competitiveness, enabling them to thrive in a rapidly changing market environment. Moreover, by strengthening the resilience of the food supply chain, the program helps ensure the availability of safe, nutritious, and locally sourced food for consumers across the state.

Furthermore, the RFSI program contributes to broader economic development and community resilience initiatives, generating job opportunities, stimulating economic growth, and fostering vibrant rural communities. By supporting small and mid-sized farmers, promoting value-added processing activities, and expanding market access for local products, the program enhances the economic viability of rural areas and reduces dependency on external food sources. This, in turn, enhances the resilience of local economies and strengthens community cohesion and self-reliance.

The RFSI program embodies a proactive approach to enhancing the resilience of Minnesota's food system infrastructure. It operates on multiple fronts, encompassing financial assistance, technical expertise, and collaborative partnerships. The program's primary objective is to address the critical gaps and vulnerabilities within the state's food system infrastructure to help it withstand and recover from various disruptions.

Jason Robinson, the business development director of food at AURI, says the program is designed to address some of the supply chain bottlenecks that surfaced during the COVID-19 pandemic. With this grant funding, founders and entrepreneurs can create not just a product "but a business that can be financially sustainable and one that helps the Minnesota economy realize the benefits of a strong food and beverage manufacturing sector."

"To build resiliency into the supply chain means there is enough infrastructure in place to overcome disruption," Robinson says. "It is also critical to ensure the food supply chain remains strong not just for large companies, but also for the smaller scale companies that often bring much-needed innovation into the market."

Central to the success of the RFSI program is its comprehensive process, which began with meticulous assessment and planning. The MDA collaborated closely with stakeholders, including farmers, producers, processors, distributors, and community organizations, to identify critical challenges and opportunities within the food system. Through extensive research and consultation, the program identified priority areas for intervention, considering factors such as geographic disparities, market demands, and environmental sustainability.

Kaylee Thornley is the MDA's Grant Administrator for the RFSI program. She says many projects that receive grant funding will add value beyond their initial footprint. "A shorter supply chain is the more resilient one than having to ship it across the country," Thornley says.

AURI serves two main functions with the RFSI program. First, the organization acts in an advisory role during the grant application period and provides valuable assistance and grant-writing coaching to applicants to improve their chances of being selected.

Second, AURI's researchers and business advisers provide planning and guidance support to the projects selected on an ongoing basis. AURI is available to assist with research and development for technical considerations, feasibility assessments, food product development services, and more to ensure selected businesses can capitalize fully on the grant money.

The MDA could award nearly \$9.6 million in grants through the program. The impact of the RFSI program will hopefully reverberate throughout Minnesota's value-added food supply chain for years to come. This collaborative approach not only enhances the effectiveness of individual interventions but also cultivates a resilient and interconnected food ecosystem that can adapt and respond collectively to challenges. The program addresses critical gaps and vulnerabilities within the food system infrastructure, empowering farmers, producers, and communities to thrive in the face of evolving challenges.

"Hopefully, the result of this program is we have more processing facilities, distribution centers, and cold storage options throughout Minnesota at all points of intersection along the supply chain. So, if one facility closes down, there are additional options," says Zastoupil. "By investing in the middle of the supply chain, we want to create more choices for producers and consumers."

***The contents of this article are solely the responsibility of the authors and do not necessarily represent the official views of the USDA or the MDA.**



Jerry Hasnedl Retires from AURI Board of Directors After Nine Years

January 2024 officially marked the conclusion of Jerry Hasnedl's nine years of service to the Agricultural Utilization Research Institute's (AURI) board of directors.

Hasnedl was born and raised on a farm in Northwest Minnesota. He served four years in the United States Air Force, including time in Vietnam. He was discharged in Florida, where he met his wife Ruth and convinced her that Northern Minnesota "wasn't that bad." They moved to his parents' farm, eventually assuming ownership with their two children, Jeremiah and Angela.

Throughout his lifetime, Hasnedl has served on many local boards and dedicated 19 years of service to the Harvest States and CHS boards.

Hasnedl was first introduced to AURI by fellow CHS board members and other industry leaders who praised the organization's mission and accomplishments. He was appointed to represent the Minnesota Farmers Union on AURI's board of directors in January 2015. The Minnesota Farmers Union is one of two general farm organizations prescribed by the state statute to comprise the 11-member AURI board. While Hasnedl's original intent was to serve one term of three years to share his knowledge with fellow board members, he ended up serving three terms.

"I credit Michael Sparby [AURI's Director of Commercialization] with building interest and excitement about serving on the board," says Hasnedl. "Continuing this service for three consecutive terms can be explained by the important mission, excellent staff, and the success that the organization has been able to accomplish."

Hasnedl believes AURI best supports Minnesota agriculture by providing technical knowledge, assistance with research, connections to financial experts, and being a valuable sounding board. He's most proud of the leadership team assembled by

the board of directors, led by AURI Executive Director Shannon Schlecht, to help AURI in its mission to accelerate the expansion of the agricultural economy by empowering expanded uses and markets of agriculturally derived products.

"Shannon has provided the staff with the tools and help needed to raise the organization to heights never seen before," says Hasnedl.

When reflecting on how AURI has changed from when he first joined the board to his retirement, Hasnedl points to the growing awareness of AURI's mission and value. This is especially evident in the Minnesota Legislature's willingness to fund new technology and equipment updates to move projects forward and advance AURI's mission.

Hasnedl wishes the public could witness firsthand the passion and expertise the AURI staff showcases to the board during its meetings to advance impacts and outcomes for the industry and state. "Whether it's a soy-based biodegradable soil film for growing higher value crops, assisting food entrepreneurs with their products like Smude's popcorn out of Pierz, MN, exploring ways to envision green hydrogen applications for agriculture, or developing sustainable waste treatment systems for food processing or livestock production, AURI staff and their expertise touches so many aspects of our lives."

With years of service to AURI in the books, Hasnedl wants to travel more with Ruth and plans to spend more time with his children and grandchildren. He also plans to spend more time stargazing, gardening, and honing his cooking skills.

Schlecht notes: "The entire organization, directors and staff, thank Jerry Hasnedl for his 9 years of service, leadership, and guidance to advance AURI's impacts and benefit Minnesota agriculture."

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Each episode explores the topics, ideas, and individuals influencing Minnesota agriculture. If you are curious about value-added agriculture, upcoming events and opportunities along the value chain, or the people who work behind the scenes to strengthen the state’s agriculture ecosystem, this podcast is for you.

Previous topics include The Heartland Hydrogen Hub, How Underutilized Plant Feedstocks Can Create Protein and Other Food Ingredients, Advocating for Minnesota’s Food and Agriculture Sector, Sustainable Aviation Fuel, and the Possibilities of Utilizing Hemp Fiber to Control Soil Erosion. New episodes are published twice a month.

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