

Idled plant to make bio-building products

SOY POTENTIAL

Company commercializing soy straw for seven years

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An idled plant that made products from straw has a new life making boards from soybean fiber.

The start-up company Agristrand Mankato has purchased the former Phenix Biocomposites plant for \$3.75 million, planning to start production in March.

Dan Biller, vice president of sales and marketing for Agristrand, said the company has been working on commercializing soy straw for seven years, doing research in the Forest Products Laboratory in Madison, Wis.

“ There’s a real advantage to soy; it’s closely related to wood fibers and can be blended with wood.”

The plant will initially make particle board and door cores, but a wide variety of building materials can be made. They will start with 20-25 employees and expect to employ 50 when the plant reaches 24/7 operations.

While the slowdown in the construction sector has meant less demand for bio-building products, Biller said the market is still strong enough and the potential high, especially as wood costs rise. He said Agristrand’s products dovetail with increased demand for green products in building LEED- certified buildings.

“It’s locally sourced, it’s non-formaldehyde and it’s from a renewable source, so it’s very green.

“ The market is down right now, but there are very few plants producing things like this. We see lots of potential.”

The company has so far raised more than \$10 million from individual investors, including many farmers who are investors and supplying soy fiber.

The company has 5,000 tons of soy fiber in storage, enough to carry it through next fall’s harvest. They will need about 25,000 tons annually when in full production.

Biller said that with millions of acres of crop land near Mankato, it won’t be hard to get contracts with farmers to provide the 25,000 to 35,000 acres of soybean fields needed.

Farmers harvest their soybeans the same as usual but turn off a chopper that shreds the soy stalks as they come out of the back of the combine. The soy fiber is then bailed the same way alfalfa or straw is bailed.

Coldwell Banker Commercial Fisher Group handled the sale of the facility, which is at 221 Mohr Drive, off Third Avenue.

The plant had a troubled history with investor groups losing millions. The facility was built as Phenix Biocomposites, which was later sold and operated for a time by Environ Biocomposites before they went out of business. Those companies made various products from wheat straw.

Biller said the company has been looking at the plant since last December.

“ Their production equipment is exactly what we need. There is some front- end equipment that is needed because soy fiber processing is different than the wheat.”

Agristrand is doing a “massive cleanup” at the site and preparing for upgrades and new equipment.

“ We’re the good news in a bad news environment. We’re getting a plant up and running and hiring people.”

JOB HARVEST: Agristrand Mankato will start with 20-25 employees, expanding to 50 when the plant reaches 24/7 operations



File photo

The former Phenix Biocomposites building, shown here in October 2010 after it was idled, will be producing soy fiber particle board and door cores beginning in March after the plant was purchased by Agristrand.

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