

Multi-million dollar plant to open Monday: Soybeans to be turned into a light oil, meal in Hand County facility

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MILLER - A \$17.5 million soybean processing plant located east of St. Lawrence in Hand County will begin processing its product on Dec. 1.

The South Dakota Oil Processing LLC was initiated by the On Hand Development Corp. in Miller, Mike Trosen, chief executive officer, said the Miller development corporation wanted a value-added project for the county.

He said the plant was originally planned to be built on the east edge of Miller.

But, the development group decided that the current location was better, Trosen said.

He said On Hand Development initiated a feasibility study that indicated the area would support a soybean crush facility.

In the beginning, the plan was to supply a bio-diesel processing plant. "After careful consideration, the bio-diesel plan was dropped and the South Dakota Oil Seed Processing was born, Trosen said.

He said a five-member board of managers was selected from the area to take control of the project "and it proceeded from there."

Trosen said 43 investors from the surrounding area invested \$1 million of at-risk capital to get the project started.

"We started holding investor meetings in June of 2007," he said.

He said construction began in April of 2008 and the plant began receiving soybeans on Oct. 1.

The plant employs 13 full-time and two part-time people. The plant operates 24 hours a day, seven days a week.

Trosen said the plant produces a lightly customizable soybean meal and a food grade quality soybean oil.

"There will be no chemical residual in the products as currently found in Hexane Processing plants," he said.

The plant's board is headed by Jim Fremark, who operates a large cattle feeding operation west of the plant. Other members are Jim Keeter, a local farmer, vice chairman; John Niederauer, who owns a hunting lodge and True-Value stores in Miller, Redfield, Tea and De Smet, secretary; Jerry Peterka, a Miller banker, treasurer; and Rich Nelson, who operates a large farming operation with his brother, Dave, director.

Trosen said the original 43 investors has grown to 310, representing more than 40

communities in South Dakota.

"They (the investors) come from all walks of life," he said.

Trosen said the plant uses Expeller Presses which has new technology developed by Crown Iron Works of Roseville, Minn. and Haurburg Frundenberger, Germany, injecting CO2 into the barrel of the presses, thus allowing the plant to extract more oil from the soybeans and eliminate the heat degrading sometimes associated with the presses.

Trosen said the South Dakota plant will be the first in the world utilizing this new technology.

He said the process has been proven in the laboratory setting as well as small test plant that is one-third the size of the Miller plant.

Trosen said the South Dakota plant will process 4.1 million bushels of soybeans a year into 41 million pounds of soybean oil and 95,500 tons of soybean meal.

He said the soybean meal will be targeted at South Dakota dairy, swine and poultry operations.

Trosen moved to Miller in 1995. Prior to becoming the CEO, he worked for five years with Dakota Ag Co-op in St. Lawrence, five years as director of operations for South Dakota Wheat Growers in Aberdeen and two years as general manager of South Dakota Division of Midwest Ag in Aberdeen.

He took control of the South Dakota plant in June of 2007.