

New Zealand Company To Open Biomass Resin Plant In U.S.

KEARNEY, Neb. (AP) — A New Zealand company plans to move its headquarters to Kearney and set up a production plant for its biomass resin product.

The plant will use distillers grains to produce a functional filler for the plastics industry, the Kearney Hub reported (<http://bit.ly/18Pj7Vo>).

Marge Lauer, of Kearney Area Ag Producers Alliance, says LignoTech Developments Ltd. in New Zealand wholly owns Xylemer BioProducts Inc., which will be setting up shop in Kearney.

The wet distillers grains are a byproduct of ethanol fuel production. But Lauer says there have been successful trials using other biomass, such as sugar beet pulp and rice hulls.

The Xylemer plant will likely buy distillers grains from the cooperative's ethanol plant, but Lauer said the plant might buy from other ethanol plants in the area too.

Lauer says plans are to have the plant operational in the fourth quarter of next year. About a dozen new jobs will be created.

"The original inventor of this was a steam engineer who worked with commercial buildings, big old boilers," Lauer said.

Originally, the company focused on making plastics filler from wood. The firm's original pilot plant in New Zealand burned down last year.

The process developed by the late Andrew Rafferty uses high-pressure steam to change the molecular structure of living materials and break it down into a fine powder that's 55 percent to 75 percent lighter than traditional plastic fillers.

The 8 million pounds of powder produced annually in Kearney would be sold to a resin compounder that would mix it with other components to make pellets for the plastic industry.

If the Kearney project succeeds, Lauer said the company wants to build a larger plant capable of producing 40 million pounds a year closer to its customers.

The Kearney Area Ag Producers Alliance has set up two investment funds to raise \$9 million. The investors will end up owning one-third of LignoTech Developments company and appoint two of the six board members.

Lauer said the investment funds will be open to qualified investors who want to

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commit at least \$12,000.

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