

# Minneapolis Biomass Exchange - Online Biomass Market

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Ensuring sustainable biomass fuel supply at reasonable price, with transparent institutional set up through organized biomass market, is one of the major barriers in large-scale promotion of biomass power in India. Many in the biomass industry talk about the classic chicken and egg dilemma. Which comes first in biomass? The market demand or the biomass supply? This case study tries to provide in brief the details of the web based online market in operation as a crucial link between biomass producers and biomass consumers. The Minneapolis Biomass Exchange (MBioEx) was started to offer a platform for biomass buyers and sellers in the United States and Canada to bring together buyers and sellers of underutilized biomass feedstock. However, recently, it has started spreading across the globe with listing coming from even Brazil, Korea, Vietnam, etc.

The goal of the online portal is to bring both parties (biomass suppliers and users) together over a trusted, confidential, user-friendly web based interactive market platform. It facilitates interaction by automating features that help with quality control, logistics, contracts, pricing mechanisms, paperwork, etc. to the extent necessary to fill the void that industry cannot fill. The portal developers or owners do not own the biomass, and are also not brokers, but the brokers can use the platform and help shape fair rules of engagement apart from direct use by suppliers and users of biomass. Users have to sign up and advertise their demand needs, which one may have available for sale, or could project the biomass available for supply. Biomass users can list any biomass on the exchange, the most typical feedstock include residue from agriculture and forestry product processing and from some manufacturing processes. Common types of biomass that get listed on the exchange include agro residues, dedicated grass crops (such as hay), dedicated wood products, wood pellets, other wood products and residues, and biomass fuels such as biogas. Users can find list of biomass types being traded through the platform on the biomass exchange site at [www.mbioex.com](http://www.mbioex.com). Biomass has several markets including bedding, livestock feed, and renewable energy markets as fuel to generate heat or energy. Some types of biomass can also provide sources of valued ingredients used by pharmaceutical, medical, and renewable plastic manufacturers.

Apart from listing biomass feedstock, MBioEx also offers a messaging service to contact users, map tools and commitment templates. All the users are updated on feature upgrades and research reports through publication of a monthly e-newsletter. There are no fees for listings. If the seller decides to sell through its bidding system, the exchange takes a small transaction fee for handling a settlement. The buyer pays upfront and the exchange provides payment, minus

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its transaction fee to the seller. The exchange is not a brokerage, but just a transaction engine, an e-market.

Founder and President of the portal developer for Minnesota Biomass Exchange, Kevin Triemstra, spent over five years in web technology before entering the biomass industry. While doing his master's in business degree at the University of Minnesota, he noticed that many in the biomass market were struggling with supply chain issues and realized the need for finding some solution to help overcome the problem. At the same time, he discovered the Minnesota Biomass Exchange, a project developed by the Agricultural Utilization Research Institute (AURI), Minnesota Clean Energy Resource Teams (CERT), and state natural resource and commerce departments. After consultation with the AURI-CERT team he applied his knowledge and experience to come up with newer web technology to advance their existing biomass exchange.

After functioning for nearly three years as a craigslist-style website connecting buyers and sellers of biomass material, the Minneapolis Biomass Exchange launched a new online-trading platform MBioEx.com that went live in August 2012. Since the exchange went online in November 2009, it has registered about 600 users scattered across North America, Europe, Asia and Africa. Recent listings on the exchange included sellers offering 10,000 tons of animal bedding, 45 tons of malting by-products and 10,000 tons of ground railroad ties. Recent locales listed include Poland, Ghana and Vietnam.

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**Recent Biomass Listings**

For Sale			Wanted		
	<a href="#">create a listing</a>	<a href="#">view all listings</a>		<a href="#">create a listing</a>	<a href="#">view all listings</a>
<a href="#">Wood Chips</a>	30 container	Paraná Region, Brazil	<a href="#">Wood Pellets: Custom</a>	50,000 tons	USA
<a href="#">Lumber Of pine tada/ Elliotts</a>	100 container	Paraná Region, Brazil	<a href="#">Wood Pellets: Custom</a>	270,000 270000	Korea, Democratic People's Republic of
<a href="#">Wood Chips</a>	30 container	Paraná Region, Brazil	<a href="#">Wood Pellets: Custom</a>	5,000 MT	Korea, Republic of
<a href="#">Wood Pellets: PFI Standard</a>	300 tons	Zhytomyr, Zhytomyrshchyna Region, Ukraine	<a href="#">Sawdust</a>	20,000 tons	Union City, Tennessee, USA

The features available on the website include:

- Listings:** Listings on web portal is free to encourage interaction. Users can list their biomass by feedstock type, quantity and availability date. They are also planning to provide e-mail or text alerts when new Pellets supply becomes available.
- Messaging:** Through this users can contact each other to inquire about a listing. Messages are sent *via* the site to the user's e-mail address; hence, users need not log in every day to check for messages.
- Mapping:** Using mapping tools, users can see where the ready supply is located. This helps buyer to understand the distance between supplier and the end facility.
- Agreements:** Online commitment templates are provided to help buyers and sellers finalize the agreement terms and payments. It is planned to allow digital signatures for the same soon.
- E-Newsletter:** Keeps users informed about new exchange features. One can subscribe to the MBioEx monthly e-newsletter directly at the home-page.