

Montana Agriculture Development Council Meeting Minutes
March 19 and 20, 2014
Conference Room 228
Montana Department of Commerce
Helena, Montana

Members in attendance:

Ron de Yong, Director of Agriculture, Helena (partial attendance March 19 and 20, 2014)
David Tyler, Chair, Belgrade
Verges Aageson, Gildford
Bill Koenig, Kalispell
Amy Kellogg, Kalispell (full attendance March 19, 2014, partial attendance on March 20, 2014)
Patricia Quisno, Fort Belknap (partial attendance - March 20, 2014 only)

Members absent:

Meg O'Leary, Director of Commerce, Helena

Staff in attendance:

Joel Clairmont, Deputy Director,
Montana Department of Agriculture (March 19th and 20th) (General/Irrevocable Proxy for Director of Agriculture Ron de Yong)
Nancy Faroni, Section Manager, Business Resources Division,
Montana Department of Commerce (March 19th and 20th) (General/Irrevocable Proxy for Director of Commerce Meg O'Leary)
Cort Jensen, Chief Legal Counsel, Montana Department of Agriculture
Jayson O'Neill, Public Information Specialist, Montana Department of Agriculture
Angie Nelson, Program Manager, Growth Through Agriculture (GTA) Program
Lindra Davies, Growth Through Agriculture Program Specialist, GTA Program
Dan Lloyd, Business Development Specialist,
Governor's Office of Economic Development (partial attendance)

Montana Department of Agriculture staff were available to the Agriculture Development Council (Council) for information purposes.

David Tyler, Chair, called the meeting to order at 8:11 a.m. Wednesday, March 19, 2014 and adjourned the meeting at 5:45 p.m. Wednesday, March 19, 2014.

Council reconvened at 8:06 a.m. on Thursday, March 20, 2014 and adjourned the meeting at 5:45 p.m. on Thursday, March 20, 2014.

Roll Call/Call for Proxies

- *Thursday, March 13, 2014, a general, irrevocable proxy was received from Megan O'Leary, Director of Montana Department of Commerce granting voting authority to*

Nancy Faroni, Section Manager, Business Resources Division, Montana Department of Commerce, who was present as Director O'Leary's representative.

- *Wednesday, March 19, 2014, a general, irrevocable proxy was received from Ron de Yong, Director of Montana Department of Agriculture granting voting authority to Joel Clairmont who was present as Director de Yong's representative.*
- *Wednesday, March 19, 2014, Amy Kellogg designated a general, irrevocable proxy granting voting authority during the afternoon of Thursday, March 20, 2014 to Dave Tyler who was present as Ms. Kellogg's representative.*

Meeting Prep and Discussion

Angie Nelson, Growth Through Agriculture Program Manager, gave a summary of the budget for funding the current applicant schedule and an overview of the agenda in preparation for the next two days.

Review of January 16, 2014 Council Business Teleconference Meeting Minutes

Motion: To accept the January 16, 2014 minutes as presented.

By: Verges Ageson

2nd: Amy Kellogg

Action: The motion carried with no dissenting votes.

Applications Presented and Council Determinations

1. **MONTANA HORIZONS FOOD CO, Big Sandy, MT, Caleb Kriser and Bob Quinn**
"Kamut Snack Production Equipment Purchase-Montana Horizons Food Co."
Motion: To fund the proposal as grant in the amount of \$16,800.00 for the purchase of a vertical form fill packaging machine.
Match: As proposed in the application, eligible costs incurred after November 1, 2013 for the purchase of production facility building, installation of food grade panels, 3 phase wiring and production equipment.
By: Patricia Quisno
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.

2. **ANDERSON ORCHARDS OF RUDYARD MONTANA LLC, Rudyard, MT, William Anderson**
"Commercial Kitchen Completion-Anderson Orchards of Rudyard Montana LLC"
Motion: To fund as a grant in the amount of \$7,744.00 for construction costs and the purchase of countertops and three-compartment sink as proposed in the application.
Match: As proposed in the application, eligible costs incurred after April 1, 2013 including construction and equipment costs for the commercial kitchen facility.
By: Joel Clairmont
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.

- 3. FLATHEAD HONEY LLC, Columbia Falls, MT, Amy Hooks**
“New Honey Extraction Facility”
Motion: Not to fund.
Future Consideration: Not eligible to reapply for Growth Through Agriculture funding within 12 months.
By: Bill Koenig
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.
- 4. BROWNS MEADOW FARM LLC, Kila, MT, Lisa Wade**
“Browns Meadow Farm Infrastructure Expansion & Marketing”
Motion: Not to fund.
Future Consideration: Not eligible to reapply for Growth Through Agriculture funding within 12 months.
By: Joel Clairmont
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
- 5. SWEET PEAKS ICE CREAM, Whitefish, MT, Marissa Keenan**
“Sweet Peaks Ice Cream Store, Distribution and Marketing Expansion”
Motion: To fund as a grant in the amount of \$15,200.00 for the purchase of a freezer trailer.
Match: As proposed in the application, eligible costs incurred after November 1, 2013 for the purchase of ice cream production equipment, freezers and refrigerators.
By: Patricia Quisno
2nd: Verges Ageson
Action: The motion carried with one dissenting votes.
- 6. GREAT NORTHERN PASTA COMPANY LLC, Whitefish, MT, Jeff Russell**
“GNPC Additional Equipment”
Motion: Not to fund.
Future Consideration: Eligible to reapply within 12 months.
By: Verges Ageson
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
- 7. THOMAS BRITZ DBA BRITZ RANCH, Whitefish, MT, Tom Britz**
“Phase II Hops Research-Commercial Harvesting & Processing”
Motion: To fund as a grant in the amount of \$42,000.00 for the purchase of a commercial hops harvester.
Match: As proposed in the application, eligible costs incurred after January 31, 2014 including eligible equipment purchases and rental costs, hops testing and research costs, harvesting and processing costs related to the hops project in Kalispell, MT.
By: Joel Clairmont
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

8. **ROOT CELLAR FOODS, Bozeman, MT, Dean Williamson**
“Equipment for Processing Vegetables for Root Cellar Foods-A Montana Value-Added Company”
Motion: To fund as a grant in the amount of \$38,550.00 for 50 percent of equipment costs including a commercial food washer.
Match: As proposed in the application.
By: Patricia Quisno
2nd: Verges Aageson
Action: The motion carried with one dissenting vote from Bill Koenig.

Chairman Tyler recused himself from discussion on this proposal and directed Vice Chairman Koenig to preside over the meeting during Council discussion and determination for this project.

9. **POWDER RIVER MEAT COMPANY LLC, Terry, MT, Tamara Choat**
“Powder River Meat Company Capital Improvements, Marketing & Education Proposal”
Motion: To fund as a grant in the amount of \$24,500.00 for meat processing equipment and construction costs.
Match: As proposed in the application, eligible costs incurred after July 1, 2013.
By: Joel Clairmont
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
10. **HOOPER BISON FARMS LLC, Circle, MT, Steven Hooper**
“Hooper Bison Farms-Haying Equipment to Raise Funds for our Bison Farm”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
11. **SAND CREEK WINDS LLC, Wolf Point, MT, Linda Twitchell**
“Sand Creek Winds”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Verges Aageson
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

- 12. FORT PECK WATER USERS ASSOCIATION, Wolf Point, MT, John O’Neil**
“Rehabilitation of Water Delivery System for Fort Peck Water Irrigation Project”
Motion: To fund as a grant in the amount of \$32,982.00 for irrigation turnouts and installations as proposed; To give the Department discretion to work out the details of the award and grant contracting process, including determination of who the proper contracting entity should be for the award.
Match: As proposed in the application, eligible costs incurred after April 1, 2013.
By: Patricia Quisno
2nd: Verges Ageson
Action: The motion carried with one dissenting vote from Bill Koenig.
- 13. HARTS GARDEN, Missoula, MT, George Hart**
“Erect Greenhouse and Storage Building for Growing High Value Crops Year Round”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Patricia Quisno
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.
- 14. THE MT DISTILLERY LLC, Missoula, MT, Mark Hlebichuk**
“Illustrate and Promote the Dynamics, Impact, Growth and Relationships of The MT Distillery and all Distilleries and Agriculture in Montana”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Joel Clairmont
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.
- 15. MONTANA MOBILE PROCESSING COMPANY, Missoula, MT, Mark Estep**
“Montana Mobile Processing Company GTA Equipment Purchase Grant”
Motion: Not to fund.
Future Consideration: Eligible to reapply within 12 months.
By: Patricia Quisno
2nd: Joel Clairmont
Action: The motion carried with no dissenting votes.
- 16. BILLINGSLEY CIDER ORCHARD, LLC, Stevensville, MT, Michael Billingsley**
“Meeting Growing Demand for Cider Apples in Montana’s Bitterroot Valley”
Motion: To fund as a grant in the amount of \$10,000.00 for a walk in cooler.
Match: As proposed in the application, eligible costs incurred on or after March 21, 2013 for irrigation equipment, fence, trellis, sprayer, trees and tractor costs.
By: Nancy Faroni
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.

17. **CREAM OF THE WEST LLC, Harlowton, MT, Alicia Moe**
“CREAM OF THE WEST: Expanding into Pacific/Northwest Grocery Markets”
Motion: To fund as a loan in the amount of \$13,500.00 for co-packing equipment.
Loan Terms: One year deferral of repayment and interest; four percent interest with repayment over a period of two years.
Match: As proposed in the application, eligible costs incurred after January 31, 2014 for marketing, advertising, tradeshow, equipment and training costs.
By: Verges Ageson
2nd: Joel Clairmont
Action: The motion carried with no dissenting votes.
18. **GLACIER PEAK HOLISTICS ABN PET WELLNESS INC, Eureka, MT, Debe Gywnn**
“Glacier Peak Holistics: Equipment and Marketing Expansion”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Nancy Faroni
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.
19. **MONTANA GLUTEN FREE PROCESSORS LLC, Belgrade, MT, Gary Iverson**
“Growing Gluten Free Products in Montana for a National and International Gluten Free Market Place”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Verges Ageson
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
20. **CHALET MARKET INC, Belgrade, MT, Gwen Croghan**
“Insourcing Food Manufacturing to Montana”
Motion: To fund as a grant in the amount of \$33,600.00 up to 50 percent of meat processing equipment costs including a sausage stuffer.
Match: As proposed in the application, eligible costs incurred after January 31, 2014 for meat processing equipment costs.
By: Joel Clairmont
2nd: Nancy Faroni
Action: The motion carried with no dissenting votes.
21. **MONTANA MEAT COMPANY, Bozeman, MT, Garl Germann**
“Montana Meat Co. Expansion”
Motion: To fund as a grant in the amount of \$10,748.00 for 50 percent of meat processing equipment costs including a product dicer.
Match: As proposed in the application, eligible costs incurred after January 31, 2014 for meat processing equipment costs.
By: Patricia Quisno
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.

22. **YELLOWSTONE GRASSFED BEEF LLC, Bozeman, MT, Terrence Hollingsworth**
“Yellowstone Grassfed Beef Marketing 2014”
Motion: Not to fund.
Future Consideration: Not eligible to reapply within 12 months.
By: Patricia Quisno
2nd: Joel Clairmont
Action: The motion carried with no dissenting votes.
23. **406 BREWING COMPANY, Bozeman, MT, Mark Matthew Muth**
“Montana Fermentation Research Center”
Motion: Fund as a grant in the amount of \$12,500.00 for up to 50 percent of lab analysis equipment costs.
Match: Eligible equipment costs incurred after January 31, 2014.
By: Bill Koenig
2nd: Verges Ageson
Action: The motion carried with no dissenting votes.
24. **ONE MONTANA, Bozeman, MT, Lisa Grace**
“Montana Meat Processing Facility Feasibility Study-Expanded Marketing, Business and Design”
Motion: As a grant in the amount of \$12,500.00 for up to 50 percent of consultant costs to create expanded and detailed sales and marketing analysis of the plant.
Match: Eligible consultant costs incurred after January 31, 2014 for the expanded and detailed sales and marketing analysis of the plant as proposed in the application.
By: Verges Ageson
2nd: Joel Clairmont
Action: The motion carried with no dissenting votes.
- Chairman Tyler recused himself from discussion on this proposal and directed Vice Chairman Koenig to preside over the meeting during Council discussion and determination for this project.**
25. **MR MCGREGOR’S GARDEN LLC, Bozeman, MT, Patrick Burr**
“Canning Equipment for Mr. McGregor’s Garden LLC”
Motion: To fund as a grant in the amount of \$6,000.00 for processing equipment including a steam kettle for canning and a convection steamer.
Match: As proposed in the application, eligible costs incurred on or after July 1, 2013, including construction costs to build the commercial kitchen and kitchen equipment for the project.
By: Patricia Quisno
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

26. **WESTERN FEEDSTOCK TECHNOLOGIES INC, Bozeman, MT, Tom Blake**
“Purchasing Equipment to Support Malt Quality Analysis for the Montana Mini Malter”
Motion: To fund as a loan in the amount of up to \$14,350.00 for 50 percent of the cost of malt analysis equipment.
Loan Terms: One year deferral of repayment and interest; zero percent interest with repayment over a period of three years.
Match: As proposed in the application, eligible costs incurred after January 31, 2014, for malt analysis equipment costs.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
27. **RANCHLAND PACKING CO, Butte, MT, Justin Fisher**
“Illustrate and Promote the Dynamics, Impact, Growth and Relationships of The MT Distillery and all Distilleries and Agriculture in Montana”
Motion: To fund as a grant in the amount of \$35,000.00 for equipment, construction and installation of a rendering pit.
Contingency: Award is contingent upon the Department’s receipt of documentation of following all applicable regulations relative to the project.
Match: As proposed in the application, eligible costs incurred on or after November 1, 2013, including equipment purchases.
By: Patricia Quisno
2nd: Nancy Faroni
Action: The motion carried with no dissenting votes.
28. **GREAT HARVEST FRANCHISING, INC, Dillon, MT, J Michael Ferretti**
“Great Harvest Franchising Promotional Video Series”
Motion: To fund as a grant in the amount of \$7,430.00 for up to 50 percent of film production costs to promote Montana grown wheat as proposed in the application.
Contingency: Award is contingent upon the Department and/or Growth Through Agriculture Program credits on the video and a copy of the Montana only portion of the video being provided to the State of Montana/Department of Agriculture and allowed usage of the provided video.
Match: As proposed in the application for film production costs incurred after January 31, 2014.
By: Bill Koenig
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.

Other Presentations:

~ **Department of Agriculture Update** – Joel Clairmont, Deputy Director, and Kim Falcon Agriculture Development and Marketing Bureau, Department of Agriculture

~ **Governor’s Office of Economic Development** – Dan Lloyd, Business Development Specialist, Governor’s Office of Economic Development

~ **Growth Through Agriculture Program Update** – Angie Nelson, GTA Program Manager

~ Cort Jensen, Chief Legal Counsel, Montana Department of Agriculture Meeting Minutes Discussion and Request for Administrative Authority to Follow Standard Loan Procedures

Mr. Jensen provided an overview of the general procedures for dealing with legal issues that can occur while monitoring contract compliance for Growth Through Agriculture accounts and discussed the confidential nature of some of the issues dealt with and how those should be handled during Council meetings and the appropriate way to document in meeting minutes.

Mr. Jensen requested the Council's approval for the Department to move forward with standard debt collection procedures and legal proceedings without going through formal processes for Council approval at each step.

The Council was in agreement to approve Mr. Jensen's request.

Other Business:

~ Application Review Criteria Suggestions and Discussion

Review criteria was discussed for use by applicants, Food and Agricultural Development Centers (FADCs), Small Business Development Centers (SBDCs), local economic development organizations, and Department staff to assist in reviewing whether a project is ready to apply for GTA program funding and for staff use in reviewing applications and providing feedback to the Council.

The Council was in agreement to adopt the review criteria as proposed.

~ Tradeshow Assistance Program (TSAP) Funding Request for SFY2015 \$25,000

Motion: To fund the request as proposed.

By: Amy Kellogg

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

~ Mini Grant/Mini Loan Funding Approval for SFY2015

- \$25,000 Mini Grant

- \$25,000 Mini Loan

Motion: Approve the requested funding amounts as proposed.

By: Amy Kellogg

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

~ Discussion of Mini Grant/Mini Loan Changes for SFY 2015

The following changes were discussed. The Council was in agreement and did not object to the changes.

- Two deadlines a year for the Mini Grant Program
- The Mini Loan Program will remain open cycle, accepting applications as they are received.

- Mini Loan Program loan terms will continue at four percent interest; six month deferral of interest and repayment; repayment over a period of one year
- For-profit business applicants requesting funding for conferences would be ineligible for travel and educational activities, unless otherwise specified by the Council.
- For-profit businesses would be eligible for a 0 percent interest loan and 6 month deferral for marketing, promotional and educational activities.

~ Targeted Areas SFY 2015

The Council was in agreement to continue targeting malting production, efficient and effective irrigation projects that serve multiple agriculture users, and businesses interested in transitioning beyond direct sales/farmers markets.

~ Remaining SFY 2014 Growth Through Agriculture Funds

Motion: To reallocate any remaining SFY2014 funds in the Growth Through Agriculture program account to the Mini Grant and Mini Loan programs.

By: Bill Koenig

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

Next Application Deadline:

The next application deadline will be September 15, 2014.

Next Council Meetings:

~ Summer Field Trip and Business Meeting Date

The Council set August 5 and 6, 2014 as the dates for the next business meeting and to tour GTA funded businesses in the Bozeman and Gallatin Valley area.

~ Fall Meeting Date

The Council set November 18 and 19, 2014 as the dates for the next application review meeting to review proposals received for the September 15, 2014 deadline.

Public Comments

Chair, David Tyler, called for public comments Wednesday, March 19, 2014. No public comments were presented.

Chair, David Tyler, called for public comments Thursday, March 20, 2014. No public comments were presented.

Respectfully submitted by:

Lindra Davies, Growth Through Agriculture Program Specialist
Montana Department of Agriculture