

**Montana Agriculture Development Council Meeting Minutes  
January 27 and 28, 2015  
Conference Room 225  
Montana Department of Agriculture  
Helena, Montana**

Members in attendance:

Ron de Yong, Director of Agriculture, Helena (partial attendance)  
Meg O’Leary, Director of Commerce, Helena (through proxy, granting voting authority to  
Nancy Faroni, Section Manager, Department of Commerce)  
Lars Hanson, Billings  
Patricia Quisno, Fort Belknap  
Amy Kellogg, Kalispell

Members absent:

Jim Stone, Ovando  
Verges Ageson, Gildford

Staff in attendance:

Kim Falcon, Bureau Chief, Development and Marketing Bureau  
Montana Department of Agriculture (January 27<sup>th</sup> and 28<sup>th</sup>) (General/Irrevocable  
Proxy for Director of Agriculture Ron de Yong)  
Nancy Faroni, Section Manager, Business Resources Division,  
Montana Department of Commerce (January 27<sup>th</sup> and 28<sup>th</sup>) (General/Irrevocable Proxy  
for Director of Commerce Meg O’Leary)  
Ben Tiller, Legal Counsel, Montana Department of Agriculture  
Jayson O’Neill, Public Information Specialist, Montana Department of Agriculture (partial  
attendance)  
Angie Nelson, Section Manager/Program Manager, Growth Through Agriculture (GTA)  
Program  
Lindra Davies, Program Specialist, GTA Program

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

**Interim Chair, Ron de Yong, called the meeting to order at 8:11 a.m. Tuesday, January 27, 2015 and Amy Kellogg, Chair, adjourned the meeting at 5:00 p.m. Tuesday, January 27, 2015.**

**Council reconvened at 8:30 a.m. on Wednesday, January 28, 2015 and adjourned the meeting at 3:45 p.m. on Wednesday, January 28, 2015.**

**Roll Call/Call for Proxies**

- *Wednesday, November 5, 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, January 21, 2015, a general, irrevocable proxy was received from Ron de Yong, Director of Montana Department of Agriculture granting voting authority to Kim Falcon who was present as Director de Yong's representative.*

### **Meeting Prep and Discussion and Introductions**

Angie Nelson, Section Manager/Growth Through Agriculture Program Manager, gave a summary of an overview of the agenda in preparation for the next two days.

### **Election of Officers**

**Motion:** To nominate Amy Kellogg as Chair.

**By:** Patricia Quisno

**2<sup>nd</sup>:** Ron de Yong

**Action:** The motion carried with no dissenting votes.

**Motion:** To nominate Lars Hanson as Vice-Chair.

**By:** Nancy Faroni

**2<sup>nd</sup>:** Patricia Quisno

**Action:** The motion carried with no dissenting votes.

### **Public Comments**

Chair, Amy Kellogg, called for public comments on the morning of Tuesday, January 27, 2015. No public comments were presented.

Chair, Amy Kellogg, called for public comments on the morning of Wednesday, January 28, 2015. No public comments were presented.

### **Review of August 5, 2014 Council Business Meeting Minutes**

**Motion:** To accept the August 5, 2014 minutes as presented.

**By:** Lars Hanson

**2<sup>nd</sup>:** Nancy Faroni

**Action:** The motion carried with no dissenting votes.

### **Targeted Areas**

**Motion:** To target businesses requesting funding for expanding or adding value to Montana commodities and businesses transitioning beyond sales direct to the consumer and/or farmers markets.

**By:** Lars Hanson

**2<sup>nd</sup>:** Patricia Quisno

**Action:** The motion carried with no dissenting votes.

### **Set Loan Rates**

**Motion:** To set loan rates with low of 0% and high of 4% for the next year

**By:** Patricia Quisno

**2<sup>nd</sup>:** Lars Hanson

**Action:** The motion carried with no dissenting votes.

**Review Budget**

Angie Nelson, Section Manager/Growth Through Agriculture Program Manager, gave a summary of the budget for funding and the applicant presentation schedule.

**Applications Presented and Council Determinations**

1. **WESTERN MONTANA GROWERS COOPERATIVE, Arlee, MT, Dave Prather and Jim Sugarek**  
*“Capacity Building: Western Montana Growers Cooperative Invests in Warehouse Infrastructure and Enhanced Marketing”*  
**Motion:** To fund the proposal as grant in the amount of \$50,000.00 and a loan in the amount of \$23,700.00 for construction costs and equipment purchases incurred after September 15, 2014.  
**Match:** Construction costs and equipment purchases made after September 15, 2014.  
**Loan Terms:** 0% interest; one-year deferral of payment and interest with repayment over a period of five years.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.  
  
**NOTE:** Amy Kellogg disclosed her business’s affiliation with Western Montana Growers Cooperative. Department of Agriculture’s Legal Counsel, Ben Tiller, indicated that there was no concern over conflict of interest.
2. **POLEBRIDGE MERCANTILE & BAKERY, LLC, Polebridge, MT, William Hammerquist**  
*“Polebridge Mercantile & Bakery Expansion to Stumptown Market in Whitefish, MT”* via gotomeeting.com  
**Motion:** To fund as a grant in the amount of \$20,000.00 for the purchase of equipment, architectural services and engineering costs detailed in the application.  
**Match:** As proposed in the application, eligible costs incurred after August 1, 2014.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Nancy Faroni  
**Action:** The motion carried with no dissenting votes.
3. **BLACK WOLF RANCH, Saint Ignatius, MT, Rene Willet and Wendy Tyler**  
*“Purchase a Large Fiber Separator to Produce Luxury Yarn”*  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
4. **WESTERN MONTANA SPECIALTY FOODS, INC, Superior, MT, Mary Ippisch** via teleconference  
*“Commercial Food Processing Facility”*  
**Motion:** Not to fund.  
**By:** Kim Falcon  
**2<sup>nd</sup>:** Lars Hanson  
**Action:** The motion carried with no dissenting votes.

5. **MISSOULA BREWING COMPANY, LLC, Missoula, MT, Robert Lukes**  
***“Missoula Brewing Company”***  
**Motion:** Not to fund.  
**Future Consideration:** 12 month limitation does not apply.  
**By:** Nancy Faroni  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
  
6. **THE UNIVERSITY OF MONTANA, Missoula, MT, Rebecca Wade, Ian Finch, Natasha Hegmann and Ellen Whittle**  
***“UM Dining Garden Expansion”***  
**Motion:** To fund as a grant in the amount of \$10,000.00 for the purchase of fencing, construction, equipment, and irrigation system costs for main campus garden expansion.  
**Match:** Cash match as proposed in the application for eligible costs incurred after September 15, 2014 including eligible purchases of fencing, construction, equipment and irrigation system costs.  
**By:** Kim Falcon  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.
  
7. **MONTANA STATE UNIVERSITY, Bozeman, MT, David Sands, Claire Baker, Alice Pilgerm and Thomas Weiss**  
***“Low Glycemic Potatoes: A New Value-Added Food to Stay Ahead of the Diabetic Curve”***  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.
  
8. **MONTANA GLUTEN FREE PRAIRIE, LLC, Belgrade, MT, Rick, Deb, and Jeremy Wheaton**  
***“Expanding Office Space and Production Capacity to Meet Demand”***  
**Motion:** Not to fund.  
**Future Consideration:**  
12 month limitation does not apply.  
  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Nancy Faroni  
**Action:** The motion carried with no dissenting votes.
  
9. **DUCKWORTH, INC, Bozeman, MT, Marat Saks, Graham Stewart, Evan Helle, and Robert Bernthal**  
***“Commercialization and Development of a Duckworth Sock Program”***  
**Motion:** To fund as a loan in the amount of \$30,000.00 for the purchase of Montana grown/raised wool and production of the Duckworth sock line.

**Match:** Costs for the purchase of Montana grown/raised wool and production of the Duckworth sock line.

**Loan Terms:** Six-month deferred payment with 4% interest to accrue; repayment over a period of two years.

**By:** Lars Hanson

**2<sup>nd</sup>:** Kim Falcon

**Action:** The motion carried with no dissenting votes.

**10. PHILIPSBURG BREWING COMPANY, LLC, Philipsburg, MT, Nolan Smith  
“New Bottling Line”**

**Motion:** To fund as a grant in the amount of \$30,000.00 and a loan in the amount of \$20,000.00 for production equipment as proposed in the application.

**Match:** As proposed in the application for eligible costs incurred after September 15, 2014.

**Loan Terms:** 4% interest; one-year deferral of payment and interest with repayment over a period of five years.

**By:** Nancy Faroni

**2<sup>nd</sup>:** Patricia Quisno

**Action:** The motion carried with no dissenting votes.

**11. RANCHLOGS, LLC, Big Sandy, MT, Richard Roth and Walker Milhoan  
“RanchLogs Livestock and Range Management Software”**

**Motion:** Not to fund.

**By:** Lars Hanson

**2<sup>nd</sup>:** Kim Falcon

**Action:** The motion carried with no dissenting votes.

**12. GLACIER SUN, Kalispell, MT, David and Dana Cordell  
“Glacier Sun Winery Expansion”**

**Motion:** To fund as a grant in the amount of \$12,500.00 and as a loan in the amount of \$12,500.00 for the purchase of wine production and storage equipment.

**Match:** As proposed in the application for eligible costs incurred after July 1, 2014.

**Loan Terms:** 4% interest; repayment and interest deferred for 12 months with repayment over a period of five years.

**By:** Lars Hanson

**2<sup>nd</sup>:** Kim Falcon

**Action:** The motion carried with no dissenting votes.

**Other Presentations:**

~ **Conflict of Interest Procedures** – Ben Tiller, Legal Counsel, Montana Department of Agriculture

~ **Department of Agriculture Update** – Kim Falcon Agriculture Development and Marketing Bureau, Montana Department of Agriculture

~ **Agriculture Development and Marketing Bureau Highlights and Introduction of New Staff and Job Duties** – Angie Nelson, Section Manager, Agriculture Development and Marketing Bureau, Montana Department of Agriculture

- Treston Vermandel, Billings and Eastern Montana Business Development Specialist
- Linda Howard, Food and Agriculture Development Center Program Coordinator and Marketing Officer
- Jim Auer, Specialty Crop Block Grant Manager

~ **Agriculture Literacy Program Update** – Lorri Brenneman, Agriculture Literacy Specialist, Department of Agriculture

~ **Department of Commerce Update and Introduction of New Staff** – Sean Becker, Administrator, Business Resources Division

- Lonie Stimac, Bureau Chief, Office of Trade and International Relations
- Angie DeYoung, Grant Manager, Montana International Marketing Assistance Program
- Katie Willcockson, Montana Export Trade Officer
- Mako Sakaguchi, State of Montana Japan Trade Office

~ **Department of Environment Quality** – Brian Spangler, Program Manager, Energy Planning and Renewables

~ **Governor's Office of Economic Development** – Andy Shirtliff, Small Business Ombudsman

~ **Governor's Office of Indian Affairs** – Jason Smith, State Director of Indian Affairs

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

### **Other Business:**

**NOTE:** Kim Falcon, as voting authority for Director de Yong, was not present during the remaining business determinations.

~ **Lakeland Feed & Supply, Hamilton and Dillon, MT – GRANT 1350596 for \$30,000.00**  
Request to closeout grant contract.

**Motion:** To accept the documentation of partial completion of project objectives and release the remaining grant funds back to the State Treasury.

**By:** Nancy Faroni

**2nd:** Patricia Quisno

**Action:** The motion carried with no dissenting votes.

~ **Woolly Bugger Studios dba Laurin School House Creamery, Sheridan, MT – LOAN 0950205**

Request for forgiveness of \$25,000 loan.

**Motion:** To not approve the request for forgiveness.

**By:** Lars Hanson

Motion withdrawn by Lars Hanson to allow time for more discussion.

**Motion:** To deny the request for forgiveness and require the business to provide 2014 financials and schedule a collateral inspection by Department of Agriculture staff before March 15, 2015.

**By:** Lars Hanson

**2<sup>nd</sup>:** Patty Quisno

**Action:** The motion carried with no dissenting votes.

~ **Kootenai Cannery, Eureka, MT – GRANT 1250516**

Request for an extension through November 1, 2015.

**Motion:** To approve a 60-day extension to complete their project.

**By:** Nancy Faroni

**2<sup>nd</sup>:** Lars Hanson

**Action:** The motion carried with no dissenting votes.

~ **Standard Operating Procedures**

**Motion:** To accept the proposed Standard Operating Procedures document.

**By:** Lars Hanson

**2<sup>nd</sup>:** Nancy Faroni

**Action:** The motion carried with no dissenting votes.

~ **Revised Standardized Application Spreadsheet**

The Council was in agreement to accept the new application spreadsheet.

~ **Contract Changes Approved Without Full Council Approval:**

- **Earl Fisher Biofuels, Chester, LOAN 0650958** – Payment deferral with interest to accrue.
- **Omnivore, Inc., Missoula, LOAN 1350629** – Business name change.
- **Gluten Free Prairie, LLC, Manhattan, GRANT 1350640** – Budget change and extension.
- **Powder River Meat Company, Terry, GRANT 1450718** – Budget change.
- **Sustainable Business Council, Missoula, GRANT 15MINI002** – Budget change.

**Motion:** To accept the contract changes.

**By:** Lars Hanson

**2<sup>nd</sup>:** Nancy Faroni

**Action:** The motion carried with no dissenting votes.

**Application Deadlines:**

~ Next GTA application – January 30, 2015

The Council set the following application deadlines for SFY2016:~ Mini-Grant and Trade Show Assistance Program – December 1<sup>st</sup> and June 1<sup>st</sup> (or closest date falling during a weekday)

~ Mini-Loan – open cycle

~ Proposed GTA application deadlines for FY2016 – September 15, 2015 and January 29, 2016

**Next Council Meetings:**

**~ Summer Field Trip and Business Meeting Date**

The Council discussed tentative dates of June 16-18 or August 8-9, 2015 for the next business meeting and to tour GTA funded businesses in the Highline region.

**~ Spring Meeting Date**

The Council set April 7-9, 2015 as the dates for the next application review meeting to review proposals received for the January 30, 2015 deadline.

**Public Comments**

Chair, Amy Kellogg, called for public comments at the end of the day on Tuesday, January 27, 2015. No public comments were presented.

Chair, Amy Kellogg, called for post-meeting public comments at the end of the day on Wednesday, January 28, 2015. No public comments were presented.

Respectfully submitted by:

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