

**Montana Agriculture Development Council Meeting Minutes**  
**April 8 and 9, 2015**  
**Conference Room 225**  
**Montana Department of Agriculture**  
**Helena, Montana**

Members in attendance:

Ron de Yong, Director of Agriculture, Helena (through proxy, granting voting authority to  
Kim Falcon, Bureau Chief, Agriculture Development and Marketing Bureau)  
Meg O’Leary, Director of Commerce, Helena (through proxy, granting voting authority to  
Nancy Faroni, Section Manager, Department of Commerce)  
Amy Kellogg, Chair, Kalispell  
Lars Hanson, Vice-Chair, Billings  
Patricia Quisno, Fort Belknap

Members absent:

Jim Stone, Ovando  
Verges Ageson, Gildford

Staff in attendance:

Kim Falcon, Bureau Chief, Development and Marketing Bureau  
Montana Department of Agriculture (April 8<sup>th</sup> and 9<sup>th</sup>) (General/Irrevocable Proxy for  
Director of Agriculture Ron de Yong)  
Nancy Faroni, Section Manager, Business Resources Division,  
Montana Department of Commerce (April 8<sup>th</sup> and 9<sup>th</sup>) (General/Irrevocable Proxy for  
Director of Commerce Meg O’Leary)  
Libbi Lovshin, Central Services Division Administrator, Montana Department of Agriculture  
Ben Tiller, Legal Counsel, Montana Department of Agriculture  
Angie Nelson, Section Manager/Program Manager, Growth Through Agriculture (GTA)  
Program  
Cid Sivils, Accountant, Agriculture Development and Marketing Bureau, Montana  
Department of Agriculture  
Jim Auer, Specialty Crop Block Grant Coordinator, Montana Department of Agriculture  
(partial attendance)  
Treston Vermandel, Business Development Officer, Montana Department of Agriculture  
Lindra Davies, Program Specialist, GTA Program  
Gary Hamel, Bureau Chief, Meat Inspection Bureau, Montana Department of Livestock  
(partial attendance)

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

**Amy Kellogg, Chair, called the meeting to order at 8:35 a.m. Wednesday, April 8, 2015 and, adjourned the meeting at 4:25 p.m. Wednesday, April 8, 2015.**

**Council reconvened at 8:25 a.m. on Thursday, April 9, 2015 and adjourned the meeting at 3:45 p.m. on Thursday, April 9, 2015.**

**Roll Call/Call for Proxies**

- *Wednesday, March 25, 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.*
- *Tuesday, March 31, 2015, 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.*

**Meeting Prep and Discussion and Introductions**

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

**Election of Officers**

Election of officers will be on the agenda for the Agriculture Development Council's (Council) summer business meeting.

**Public Comments**

Chair, Amy Kellogg, called for public comments on the morning of Wednesday, April 8, 2015. No public comments were presented.

Chair, Amy Kellogg, called for public comments on the morning of Thursday, April 9, 2015. No public comments were presented.

**Review of January 27 and 28, 2015 Council Business Meeting Minutes**

**Motion:** To accept the January 27 and 28, 2015 minutes as presented.

**By:** Kim Falcon

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

**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. HAMPTON ENTERPRISES DBA TIZER MEATS, Helena, MT, Matt Elvbakken**

***"Tizer Meats Packaging Equipment Upgrade"***

**Motion:** To fund the proposal as grant in the amount of \$50,000.00 for equipment purchases.

**Match:** As proposed in the application.

**By:** Lars Hanson

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

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

2. **LEWIS AND CLARK COUNTY EXTENSION, Helena, MT, Brent Sarchet**  
***“Fruit Tree Cultivar Research and Education Program Expansion”***  
**Motion:** To fund as a grant in the amount of \$9,932.00 for the purchase of fruit trees, supplies, travel costs, and soil testing as proposed in the application.  
**Match:** As proposed in the application.  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
3. **LAKE COUNTY COMMUNITY DEVELOPMENT CORPORATION, Ronan, MT, Jan Tusick**  
***“Building the Capacity of Mission Mountain Food Enterprise Center to Meet the Needs of Our Clients”***  
**Motion:** To fund as a grant in the amount of \$13,000.00 for the purchase of equipment including a simplex piston filler.  
**Match:** As proposed in the application for costs incurred after December 1, 2014.  
**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 Lake County Community Development Corporation and chose to recuse herself from discussion or voting on this proposal.
4. **RED GATE GARLIC, LLC, Stevensville, MT, Ted Ostheimer**  
***“Construction of New Garlic Processing, Storage, and Shipping Building”***  
**Motion:** Not to fund.  
**Future Consideration:** The 12-month limitation does not apply.  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
5. **COMMUNITY FOOD AND AGRICULTURE COALITION, INC, Missoula, MT, Annie Heuscher**  
***“Expanding Small Business Success Across Montana”***  
**Motion:** To fund as a grant in the amount of \$15,000.00 for supplies, materials, travel, lodging, facility rental, and consultant costs.  
**Match:** As proposed in the application.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Nancy Faroni  
**Action:** The motion carried with no dissenting votes.

6. **HOMESTEAD ORGANICS FARM, INC, Hamilton, MT, Laura Garber and Henry Wuensche**  
*“On-Farm Poultry in the Bitterroot: Breeding to Butchering”*  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
  
7. **LIVING RIVER FARMS, LLC, Stevensville, MT, Beau McLean**  
*“We Raise Pastured Poultry and Beef. In the Summer of 2015 We Will Process Pasture Raised Broilers for Resale Throughout Western Montana. We Will Also Process Poultry for Other Producers in Montana.”*  
**Motion:** Not to fund.  
**Future Consideration:** The 12-month limitation does not apply.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
  
8. **BUDDING TREE KOMBUCHA, LLC, Missoula, MT, Linda Jacobson**  
*“A Kombucha (Fermented Tea) Company Which Will Provide Kombucha Through Farmers Markets, Taps at Local Businesses, and Bottled to be Sold in Grocery Stores and Local Businesses. Unique Flavors Created by Using Locally Farmed Agriculture Products.”*  
**Motion:** Not to fund.  
**Future Consideration:** The 12-month limitation does not apply.  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Nancy Faroni  
**Action:** The motion carried with no dissenting votes.
  
9. **CLARK FORK ESTATES VINEYARD, LLC, Huson, MT, Jorge and Vicki Oaxaca (via teleconference)**  
*“Missoula Valley American Viticultural Area”*  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
  
10. **GREEN VENTURE ENTERPRISES, LLC, Butte, MT, Richard (Dick) King and Larry Wilbert**  
*“Prescriptive Organic Biocharging for Montana Farmlands”*  
**Motion:** Not to fund.  
**By:** Kim Falcon  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.

11. **TERRY L BOYD SR, LLC, Brockton, MT, Terry Boyd**  
**“Manic Organics”**  
**Motion:** To fund as a grant in the amount of \$12,500.00 for the purchase of a cooler unit and refrigerated trailer contingent on a satisfactory site review by staff.  
**Match:** For eligible costs incurred after April 30, 2014.  
**By:** Patricia Quisno  
**2nd:** Kim Falcon  
**Action:** The motion carried with 1 dissenting vote by Lars Hanson.
12. **KALISPELL KREAMERY, INC, Kalispell, MT, Mary Tuck**  
**“Hedstrom Dairy Herd Management Improvement by Way of New Technologies and Staff Training”**  
**Motion:** To fund as a grant to Hedstrom Dairy in the amount of \$29,713.00 for the purchase of a dairy herd management system.  
**Match:** As proposed in the application.  
**By:** Patricia Quisno  
**2nd:** Nancy Faroni  
**Action:** The motion carried with no dissenting votes.
- Note: Clarification received from presenter Mary Tuck that the applicant was actually Hedstrom Dairy.
13. **BOZEMAN SCIENTIFIC, LLC, Bozeman, MT, Bryan Blatt and Gary Strobel**  
**“Commercialization of Cineole, a Fungal Biofuel, Utilizing Montana Agricultural Waste Products”**  
**Motion:** Not to fund.  
**Future Consideration:** The 12-month limitation does apply.  
**By:** Nancy Faroni  
**2nd:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.
14. **CLOUD NINE FARM, Wilsall, MT, Allison Rooney**  
**“On-Farm and Mobile Salad Greens Processing Kitchen/Ready-to-Eat Fresh Salad Vending Unit”**  
**Motion:** To fund as a grant in the amount of \$12,500.00 for the costs toward a salad green processing kitchen.  
**Match:** As proposed in the application toward the processing kitchen and travel costs.  
**By:** Lars Hanson  
**2nd:** Kim Falcon  
**Action:** The motion carried with no dissenting votes.
15. **GREAT FALLS DEVELOPMENT AUTHORITY, INC, Great Falls, MT, Brett Doney and Neil Doty (Rebecca Engum via teleconference)**  
**“Agriculture Processing Industry Consultant to Develop Market Driven Business Cases to use for Growing and Locating Companies Into the Great Falls Region”**  
**Motion:** To fund as a grant in the amount of \$50,000.00 for consultant costs to complete business cases.

**Match:** As proposed in the application for eligible costs incurred after January 1, 2015.

**By:** Nancy Faroni

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

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

**16. GREAT HARVEST FRANCHISING, INC, Dillon, MT, Mike Ferretti**  
***“Great Harvest Radio Promotion Campaign”***

**Motion:** Not to fund.

**Future Consideration:** The 12-month limitation does apply.

**By:** Kim Falcon

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

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

**17. GREEN WAVE ENERGY, INC, Belgrade, MT, Dan Klemann and John Tiegen**  
***“Pilot Project for Algae Fences”***

**Motion:** Not to fund.

**Future Consideration:** The 12-month limitation does apply.

**By:** Kim Falcon

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

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

**18. AGRI-BEST FEEDS, INC, Billings, MT, Scott and Kim Anderson**  
***“Agri-Best Feeds Summer Feeding Research Project”***

**Motion:** Not to fund.

**Future Consideration:** The 12-month limitation does apply.

**By:** Kim Falcon

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

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

**NOTE:** Lars Hanson disclosed an affiliation with Agri-Best Feeds, Inc. and chose to recuse himself from discussion or voting on this proposal.

**19. POWDER RIVER MEAT COMPANY, LLC, Terry, MT, Travis and Tamara Choat (via teleconference)**

***“Powder River Meat Company Phase II Growth and Expansion Project”***

**Motion:** To fund as a grant in the amount of \$50,000.00 for equipment, construction and refrigerated trailer costs.

**Match:** As proposed in the application for eligible costs incurred after January 1, 2015.

**By:** Nancy Faroni

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

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

**20. YELLOWSTONE RIVER FARM, LLC, Terry, MT, Henry Dion (via teleconference)**

***“Yellowstone River Farm Phase I”***

**Motion:** To fund as a grant in the amount of \$18,279.00 for the purchase of equipment, bags, and labeling costs.

**Match:** As proposed in the application.

**By:** Patricia Quisno

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

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

**Other Presentations:**

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

~ **Department of Commerce Update** – Sean Becker, Business Resources Division Administrator, Montana Department of Commerce

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

~ **Growth Through Agriculture Program Update** – Angie Nelson, Section Manager/GTA Program Manager, Agriculture Development and Marketing Bureau, Montana Department of Agriculture

**Other Business – Issues and Requests:**

~ **Department of Commerce Biennial Funding Request for Trade and International Relations Bureau SFY 2016-2017** (\$40,000.00 each state fiscal year/SFY)

**Motion:** To approve Department of Commerce’s funding request for SFY 2016 and SFY2017 for a total of \$80,000.000 - \$40,000.00 for each state fiscal year.

**By:** Kim Falcon

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

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

**NOTE:** Nancy Faroni abstained from voting on this request.

~ **Set Mini-Grant and Trade Show Assistance Program (TSAP) Funding Request for Mini-Grant, Trades Show Assistance (\$35,000.00), and Mini-Loan (\$25,000.00) SFY 2016** (beginning July 1, 2015 to June 30, 2016)

**Motion:** To approve Department of Agriculture’s request for SFY2016 in the amount of \$35,000.00 for Mini-Grant and TSAP and \$25,000.00 for Mini-Loan funding.

**By:** Lars Hanson

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

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

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

Angie Nelson provided the Council with a report on the site visit requested by the Council.

In consideration of the business's request for forgiveness of \$25,000 loan agreement 0950205:

**Motion regarding Loan forgiveness:**

- To not approve the request for forgiveness of loan.
- To approve 12 months of interest only payments at the 4% in the loan agreement beginning May 1, 2015
- The company is required to provide a bill of sale from Woolly Bugger Studios, the awarded business to Poor Orphan Creamery business
- The business will pay the fee to refile the UCC lien on the loan collateral
- The business will submit FY 2015 financials by January 30, 2016
- The first interest only payment will be due May 1, 2015 and will be due the 1<sup>st</sup> of the month.
- Normal loan payment will begin May 1, 2016.

**By:** Lars Hanson

**Motion withdrawn**

**Motion regarding loan interest:** Interest to begin on loan from October 31, 2014 as stated in the loan documents.

**By:** Kim Falcon

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

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

**Motion regarding Loan forgiveness:**

- To not approve the request for forgiveness of loan.
- To approve 12 months of interest only payments at the 4% in the loan agreement beginning May 1, 2015
- The company is required to provide a bill of sale from Woolly Bugger Studios, the awarded business to Poor Orphan Creamery business
- The business will pay the fee to refile the UCC lien on the loan collateral
- The business will submit FY 2015 financials by January 30, 2016
- The first interest only payment will be due May 1, 2015 and will be due the 1<sup>st</sup> of the month.
- Normal loan payment will begin May 1, 2016.
- Accrued interest will be divided over 12 months.

**By:** Lars Hanson

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

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

**~ Kootenai Cannery, Eureka, MT – GRANT 1250516 Request for one year extension in order to complete the business's on farm energy project.**

**Motion:** To approve the extension through January 31, 2016.

**By:** Patricia Quisno

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

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



~ **Earl Colbry, Chester, MT – LOAN 0550884 for \$44,590.00**

**Motion:** To move forward with legal action on the delinquent loan.

**By:** Lars Hanson

**2nd:** Patricia Quisno

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

~ **GTA Administrative Rules Review** – Ben Tiller, Legal Counsel, Montana Department of Agriculture and Angie Nelson, Section Manager/GTA Program Manager, Agriculture Development and Marketing Bureau, Montana Department of Agriculture

**Motion:** To accept the rule changes as discussed with the Council and attached to the minutes.

**By:** Lars Hanson

**2nd:** Patricia Quisno

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

**Application Deadlines:**

~ Next GTA application – September 15, 2015 and January 29, 2016

~ 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

**Next Council Meetings (proposed dates):**

~ The Council was in agreement to schedule August 4-6, 2015 as their Summer tour meeting.

~ The Council was in agreement to schedule November 17-19, 2015 as their next business meeting in Helena.

**Public Comments**

Chair, Amy Kellogg, called for public comments at the end of the day on Wednesday, April 8, 2015. No public comments were presented.

Chair, Amy Kellogg, called for post-meeting public comments at the end of the day on Thursday, April 9, 2015. No public comments were presented.

**Adjourn**

**Motion:** To adjourn the meeting on Wednesday, April 8, 2015.

**By:** Kim Falcon

**2nd:** Lars Hanson

**Motion:** To adjourn the meeting on Thursday, April 9, 2015.

**By:** Lars Hanson

**2nd:** Patricia Quisno

Respectfully submitted by:

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