

**Montana Agriculture Development Council Meeting Minutes
October 16 & 17, 2012
Helena, Montana**

Members in attendance:

Ron de Yong, Director of Agriculture, Helena (partial attendance)
David Tyler, Chair, Belgrade (October 16th and 17th) (Proxy)
Verges Aageson, Gildford
Patricia Quisno, Harlem

Members absent:

Dore Schwinden, Director of Commerce, Helena
Ervin Schlemmer, Vice Chair, Joliet
Bill Koenig, Kalispell

Staff in attendance:

Joel Clairmont, Deputy Director,
Montana Department of Agriculture (October 16th and 17th) (Proxy)
Andy Poole, Deputy Director
Montana Department of Commerce (October 16th and 17th) (Proxy)
Cort Jensen, Chief Legal Counsel, Montana Department of Agriculture
Collin Watters, Bureau Chief, Agriculture Marketing and Business Development (AMBD)
Angie Nelson, Program Manager, Growth Through Agriculture (GTA) Program
Lindra Davies, Growth Through Agriculture Program Specialist
Angie DeYoung, Marketing Specialist (partial attendance)
Chad Lee, Business Development Officer (partial attendance)
Mark Bisom, Trade and International Relation Bureau, (partial attendance October 17th),
Montana Department of Commerce
Lonie Stimac, Marketing Specialist (partial attendance October 17th),
Montana Department of Commerce

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 8:15 a.m. Tuesday, October 16, 2012 and adjourned the meeting at 5:45 p.m. on Tuesday, October 16, 2012.

Council reconvened at 8:10 a.m. on Wednesday, October 17, 2012 and adjourned the meeting at 2:25 p.m. on Wednesday, October 17, 2012.

Roll Call/Call for Proxies

- *Thursday, October 11th, a proxy was received from Dore Schwinden, Director of Montana Department of Commerce granting voting authority to Andy Poole, Deputy Director, Montana Department of Commerce, who was present as Director Schwinden's representative.*

- *Monday, October 15th, a proxy was received from Ron de Yong, Director of Montana Department of Agriculture granting voting authority to Joel Clairmont, Deputy Director, Montana Department of Agriculture, who was present as Director de Yong's representative.*
- *Monday, October 15th, a proxy was received by phone from Bill Koenig granting voting authority to David Tyler who was present as the Council's Chair and as Mr. Koenig's representative.*
- *Monday, October 15th, a proxy was received by email from Ervin Schlemmer granting voting authority to Joel Clairmont who was present as Mr. Schlemmer'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 business meeting days.

Review of September 20, 2012 Council Teleconference Minutes

Motion: To approve the September 20th Council teleconference minutes as presented.

By: Verges Aageson

2nd: Bill Koenig (David Tyler as Mr. Koenig's proxy)

Action: The motion carried with no dissenting votes.

Targeted Areas

Targeted areas for funding were discussed and will be revisited at the next Council meeting when more members of the Council are able to meet for further discussion.

Election of Council Chairman

Motion: To nominate David Tyler as Council Chairman for FY2013.

By: Patricia Quisno

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

Election of Council Vice Chairman

The Council discussed nominations for Vice Chairman but decided to revisit this issue at the next Council meeting when more members of the Council are able to meet for further discussion.

Applications Presented and Council Determinations

1. **FORT BELKNAP INDIAN COMMUNITY/ISLAND MOUNTAIN DEVELOPMENT GROUP, Harlem, MT, Michelle Fox**
"Funding to Purchase Equipment for Little River Smokehouse"

Motion: To not fund the proposal.

Future reconsideration: The proposal is eligible to reapply for GTA funding in January 2013.

By: Joel Clairmont

2nd: Andy Poole

Action: The motion carried with no dissenting votes.

Patricia Quisno abstained from discussion and voting on this proposal.

- 2. JANET STOKES DBA SAGUARO FOOD PRODUCTS, Billings, MT, Janet Stokes**
“Saguaro Food Products-Increasing Production Capacity to Capitalize on New Markets with the Purchase of Equipment to Reflect the Dynamic Position that the Company Currently is at.”
Motion: To not fund the proposal.
Future reconsideration: The business is eligible to apply for Mini Grant funding. Consistent with program policy, the proposal will not be eligible to come before the Council a second time with 12 months of its last presentation.
By: Patricia Quisno
2nd: Joel Clairmont
Action: The motion carried with no dissenting votes.
- 3. MJ PFLIEGER INC DBA LAKELAND FEED & SUPPLY, Hamilton, MT, Mike Pflieger**
“Lakeland Feed and Supply ISO Certification Program”
Motion: To approve grant funding in the amount of \$30,000.00 to assist the feed manufacturing company, which has branches in Hamilton, Alberton and Dillon, MT, with the costs of ISO certification in order to improve its manufacturing processes, increase productivity and increase competitiveness to reach new customers.
Match: Previous investments over the past 12 months as detailed in the committee handout.
By: Joel Clairmont
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
- 4. LAKE COUNTY COMMUNITY DEVELOPMENT CORPORATION, Ronan, MT, Karl Sutton**
“Establishing the Market Feasibility for a Bitterroot Value Added Dairy Cooperative”
Motion: To fund the proposal as a grant in the amount of \$7,500 to assist with the completion of a market analysis study to determine the feasibility of a Western Montana value-added dairy cooperative.
Match: Matching funds of \$2,600 in cash match towards consultant costs and remaining match in required cash and in kind services as proposed in the application toward this project.
By: Andy Poole
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
- 5. WESTERN MONTANA GROWERS COOPERATIVE, Arlee, MT, Dave Prather**
“Establish the Feasibility for a Central Packing Facility to meet the Food Safety and Business Growth Needs of Montana Growers Cooperative”
Motion: To fund the proposal as a grant for 50% of costs up to \$7,665 to assist with the marketing and distribution cooperative which includes 38 farms, with the

completion of a feasibility study to address the organization's growing warehouse and storage needs.

By: Verges Aageson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

6. HEADFRAME SPIRITS, INC, Butte, MT, Courtney McKee

“Distilled Spirits Marketing and Spirits Database Development”

Motion: To fund the proposal as a grant for 50% of eligible costs up to \$33,250 to assist with database and software development for the micro distillery in Butte, Montana.

By: Verges Aageson

2nd: Joel Clairmont

Action: The motion carried with no dissenting votes.

7. WESTERN MONTANA SPECIALTY FOODS INC, Superior, MT, Mary Ippisch

“Western Montana Specialty Foods Processing Facility Development Project”

Motion: To not fund the proposal.

Future reconsideration: The business is eligible to apply for Mini Grant funding.

Consistent with program policy, the proposal will not be eligible to come before the Council a second time within 12 months of its last presentation.

By: Joel Clairmont

2nd: Andy Poole

Action: The motion carried with no dissenting votes.

8. DELL CENTER, LLC, Dell, MT, Jeanne Schnitzler

“Dell Center, LLC”

Motion: To fund, contingent upon receipt of committal of other financing needed to complete the proposed project by February 1, 2013, a total of \$30,000 to assist the business in Dell, Montana with the construction of a meat processing facility as follows:

- \$15,000 as a loan to assist with the purchase of equipment at a rate of 4% interest, 1 year deferral of payment and interest. The loan will be repaid over a period of 4 years.
- \$15,000 as a grant to assist with the purchase of equipment and construction costs.

Match: Construction costs and equipment purchases as specified in the application.

By: Joel Clairmont

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

9. AMERISH DEVELOPMENT CORP., Salem, NH, Michael Schwing (via teleconference)

“Amerish Development Corp. Cereal Straw Panelboard Manufacturing Plant Feasibility Study”

Motion: To not fund the proposal.

By: Joel Clairmont

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

10. **GLOBAL AGRO COMMODITIES LLC, Irving, TX, Divyesh Patel (via teleconference)**
“Global Agro Commodities, LLC-Wheat to Pulse Crop Elevator Conversion in Chester”

Motion: To approve a total of \$50,000 in funding to assist with engineering costs and equipment purchases needed to renovate the Chester elevator from a wheat facility to a pulse crop facility as follows:

- \$30,000 as a loan to assist with the purchase of equipment at a rate of 4% interest, 1 year deferred payment and interest. The loan will be repaid over a period of 4 years.
- \$20,000 as a grant to assist with engineering design costs.

Match: Construction costs, equipment purchases and design costs as specified in the application.

By: Joel Clairmont

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

Verges Ageson abstained from discussion and voting on this proposal.

11. **T.E.C.K. CORP DBA ON THE RISE BAKERY, Bozeman, MT., Melinda Pierson**
“On the Rise Bread Co.”

Motion: To fund as a grant in the amount of \$24,000 as proposed to assist with the purchase and installation of an oven for the expansion of On The Rise Bakery, effective September 14, 2012.

Match: Construction and equipment costs.

By: Verges Ageson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

12. **KALISPELL KREAMERY, INC, Kalispell, MT, Mary Tuck**
“Kalispell Creamery, Inc.-Expanding Markets and Product Lines into Natural Yogurts and Cottage Cheese Production”

Motion: To fund the proposal as a loan in the amount of \$35,570 to assist with the purchase of yogurt and cottage cheese making equipment in order to diversify the company’s product line, increase its markets and make distribution costs more economical. Terms of the loan are one year deferral of interest and repayment with four percent interest rate and repayment to occur over a period of five years.

By: Andy Poole

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

13. **MONTANA YOGURT COMPANY, LLC, Missoula, MT, David Merrill**
“Montana Yogurt Company, LLC—Launching Montana’s First Yogurt Production Facility”

Motion: To not fund the proposal.

Future reconsideration: The business is eligible to apply for GTA funding in January 2013.

By: Patricia Quisno

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

14. FLATHEAD VALLEY COMMUNITY COLLEGE, Kalispell, MT, Martin Fisher (in person) and Heather Estrada (via teleconference)

“Catalyzing Market Creation Through Multifunctional Agriculture (CMCMA)”

Motion: To fund the proposal as a grant in the amount of \$18,200 for consultant costs to assist Flathead Valley Community College with the development and implementation of a new multi-functional agriculture entrepreneurship curriculum that will to assist farmers and ranchers in developing additional income streams for their businesses in the Flathead Valley and Montana.

Match: As proposed in the application.

By: Andy Poole

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

15. FLATHEAD LAKE CHEESE LLC, Polson, MT, Wendi Arnold
“Phase Two FLC Project”

Motion: To not fund the proposal.

Future reconsideration: The business is eligible to apply for Mini Grant funding.

Consistent with program policy, the proposal will not be eligible to come before the Council a second time within 12 months of its last presentation.

By: Joel Clairmont

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

16. GREAT NORTHERN PASTA COMPANY, LLC, Whitefish, MT, Jeff Russell
“GNPC Business Expansion”

Motion: To fund, contingent upon a signed lease agreement, copy of documentation of financing and corresponding costs by February 1, 2013, as a grant in the amount of \$49,900 to assist with the equipment and construction costs associated with the expansion costs of Great Northern Pasta Company, LLC’s production facilities.

Match: Cash match as proposed in the application.

By: Joel Clairmont

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

Other Presentations:

~ **Justin & Tammi Michels dba Kootenai Cannery** – Budget Change Request

Motion: To approve the budget change request as proposed contingent on completion and approval from the county sanitarian of the handmade range as appropriate for use in the jam production facility.

By: Patricia Quisno

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

~ **AERO** – Final Report/Deliverables Presentation and Discussion

Motion: To request that AERO, compare and define elements from the organizations original scope of work to those currently offered as deliverables and that AERO could request to amend the original contract and provide a revised final report accordingly.

By: Andy Poole

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

~ **Going to the Sun Fiber Mill** – Loan Status Discussion

Motion: To convert the remaining \$49,600 in principle and all accrued interest of Going to the Sun Fiber Mill's loan to a grant.

By: Joel Clairmont

2nd: Andy Poole

Action: The motion carried with no dissenting votes.

~ **Mission Mountain Laboratories, Inc. – Loan Deferral Request**

In a discussion by teleconference with Kimberly Nuccio of Mission Mountain Laboratories, Inc., the Council stated that if she provided the requested invoices documenting the purchase of equipment with GTA funds by the end of October 2012, it would be willing to consider keeping the award as a grant. Ms. Nuccio stated that she would submit the invoices as requested.

~ **Department of Commerce Update** – Mark Bisom, Bureau Chief, International Trade and Relations Bureau, Department of Commerce

~ **Department of Commerce Staff Presentation** – Lonie Stimac, International Trade and Relations Bureau, Department of Commerce

~ **Department of Commerce Overseas Office Update** – Andy Poole, Deputy Director, Montana Department of Commerce

Motion: To reduce funding to the Department of Commerce for overseas trade activities from \$90,000 to \$40,000 for FY 2013.

By: Andy Poole

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

~ **Department of Agriculture Update** – Collin Watters, Bureau Chief, Agriculture Marketing and Business Development, Department of Agriculture

Other Business:

~ **Next Council Meeting**

The next Council meeting date will be further discussed at a later date and coordinated to allow input from all of the Council members.

Public Comments

Chair, David Tyler, called for public comments Tuesday, October 16, 2012. No public comments were presented.

Chair, David Tyler, called for public comments Wednesday, October 17, 2012. No public comments were presented.

Respectfully submitted by:

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