

Montana Agriculture Development Council Meeting Minutes
February 26 and 27, 2013
Helena, Montana

Members in attendance:

Ron de Yong, Director of Agriculture, Helena (partial attendance)
David Tyler, Chair, Belgrade
Verges Aageson, Gildford
Patricia Quisno, Harlem
Bill Koenig, Kalispell

Members absent:

Meg O'Leary, Director of Commerce, Helena
Ervin Schlemmer, Vice Chairperson, Joliet

Staff in attendance:

Joel Clairmont, Deputy Director,
Montana Department of Agriculture (February 26th and 27th) (Proxy)
Andy Poole, Deputy Director
Montana Department of Commerce (February 26th and 27th) (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 February 27th),
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 8:07 a.m. Tuesday, February 26, 2013 and adjourned the meeting at 5:25 p.m. on Tuesday, February 26, 2013.

Council reconvened at 8:25 a.m. on Wednesday, February 27, 2013 and adjourned the meeting at 2:30 p.m. on Wednesday, February 27, 2013.

Roll Call/Call for Proxies

- *Tuesday, January 29th, 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.*

- *Thursday, February 14th, a proxy was received from Megan O'Leary, Director of Montana Department of Commerce granting voting authority to Andy Poole, Deputy Director, Montana Department of Commerce, who was present as Director O'Leary's representative.*
- *Friday, February 22nd, 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 January 17, 2013 Council Teleconference Minutes

Motion: To accept the January 17, 2013 minutes as presented.

By: Joel Clairmont

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

Election of Council Vice Chairperson

Motion: To nominate Bill Koenig to serve as Vice Chairperson for the term of July 1, 2013 to June 30, 2014

By: Verges Aageson

2nd: Joel Clairmont

Action: The motion carried with one dissenting vote.

Set Mini Grant and Trade Show Assistance Program (TSAP) Funding for State Fiscal Year 2014

Motion: To fund the Mini Grant and TSAP programs in the amount of \$40,000 for SFY 2014.

By: Bill Koenig

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

Remaining GTA funding to Mini Grant and Trade Show Assistance Program (TSAP) Funding for State Fiscal Year 2013

Motion: To reallocate any FY13 funds remaining at the end of the fiscal year to the Mini Grant and TSAP programs.

By: Patricia Quisno

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

Set Next Meeting Date

The Council agreed to set November 12 and 13, 2013 as the next meeting date in Helena.

Issues***Fort Peck Landowners Association – 1050286 Acceptance of Reduced Match***

Motion: To accept Fort Peck Land Association's reduced match as reported and close the file.

By: Patricia Quisno

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

Miller Colony – 1150383 (grant) and 1150390 (loan) Project Update

Angie Nelson, Growth Through Agriculture Program Manager, announced the closure of Miller Colony's Coho salmon fish farm.

The Council directed Ms. Nelson to set up a conference call between staff and David Wipf, Project Manager, of Miller Colony prior to next meeting to discuss future activities toward the closure of the fish farm and invite Mr. Wipf to the Council's meeting in November.

Applications Presented and Council Determinations

1. **RANGE BREWING, Missoula, MT, Jon Clarenbach**
“Capital Brewery Equipment Needed for New Micro-Brewery in Dillon”
Motion: To not fund the proposal.
By: Joel Clairmont
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

2. **WILLIE'S DISTILLERY, INC, Ennis, MT, Robin Blazer**
“Equipment Acquisition, Agricultural By-Product Marketing, and Employee Retention and Expansion”
Motion: To not fund the proposal.
The business is eligible to apply for Mini Grant funding.
By: Bill Koenig
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.

3. **SILVER STAR FARMS, INC, Silver Star, MT, Darin Miller**
“Silver Star Farms: Produce/Mercantile Stand and Mobile Food Service”
Motion: To not fund the proposal.
By: Patricia Quisno
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

- 4. S AND T PROJECT MEATS, INC, Billings, MT, Tanya Flowers**
“Project Meats Continued Growth Expansion”
Motion: To fund the proposal as a loan in the amount of \$53,688 for equipment as proposed.
Terms: 0% interest rate, deferral of interest and repayment for one year with repayment over a period four years.
Match: Prior purchase of tipper tie clipper and horizontal meat slicer.
By: Verges Aageson
2nd: Andy Poole
Action: The motion carried with no dissenting votes.
- 5. TUMBLEWOOD TEAS, LLC, Big Timber, MT, Riza Gilpin**
“Tumblewood Teas MT Co-Packing and Expansion Opportunity”
Motion: To not fund the proposal.
The business is eligible to apply for Mini Grant/TSAP funding.
By: Bill Koenig
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
- 6. RED LODGE ALES BREWING COMPANY, Red Lodge, MT, Samuel Hoffman**
“Advertising and Marketing Project for Red Lodge Ales Brewing Company”
Motion: To not fund the proposal.
The business is eligible to apply for Mini Grant/TSAP funding in the upcoming year.
By: Joel Clairmont
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
- 7. ALGAE AQUA-CULTURE TECHNOLOGY, INC, Whitefish, MT, Robin Kelson and Adam de Yong**
“Processing System for Natural Fertilizing Soil Amendment from Waste Woody BioMass”
Motion: To fund as a grant for 50% of costs up to \$10,627.00 for fees associated with OMRI product certification and product chemical analysis, consulting services for plant studies, chlorophyll meter and soil test kit.
Match: The remaining 50% of funded costs.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.

 - Joel Clairmont and Ron de Yong were abstained from voting and were not present during the final determination on this proposal.
 - Andy Poole abstained from discussion and voting on this proposal.

(NOTE: applicant later withdrew application)

- 8. THE COMMUNITY FOOD CO-OP, INC, Bozeman, MT, Christina Waller and Pat Weaver**
“Central Kitchen Processing Center”
Motion: To fund the proposal as a grant in the amount of \$50,000 as proposed.
Match: Costs associated with the center’s deli remodel.
By: Andy Poole
2nd: Verges Aageson
Action: The motion carried with no dissenting votes.
- 9. BIG SANDY MEAT SHOP, LLC, Big Sandy, MT, Jim Dumas and Tiffany Melby (via teleconference)**
“Big Sandy Meat Shop Business Expansion: Walk-In Freezer Installation”
Motion: To fund the proposal as a grant in the amount of \$7,700 as proposed.
Match: Costs associated with hiring a third party for construction (including HVAC, three-phase wiring) and to move and set-up equipment.
By: Joel Clairmont
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.
- 10. ENERGY EXCHANGE ENTERPRISES (E3) ABN NATIVE AMERICAN TRADING CORPORATION (NATC), Missoula, MT, Damon Schlenske and Bert Gailushas (via teleconference)**
“E3 Hydroponic Growhouse”
Motion: To not fund the proposal.
By: Joel Clairmont
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.
- 11. M & M LANDSCAPING & DESIGN, INC, Kalispell, MT, Brad Hooley, Eric Gardner and Michael Heuscher**
“New Growth Through Agriculture Grant Application”
Motion: To fund the proposal as a grant up to 50% of eligible costs up to \$7,000 for the purchase of a boiler system and greenhouse.
Match: The remaining 50% of funded costs.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with one dissenting vote.
- 12. THE MONTANA DISTILLERY, LLC, Eureka, MT, Mark Hlebichuk**
“Purchase Flathead Distillers, Eureka, MT Move Distillery to Missoula, MT 59806”
Motion: To not fund the proposal.
The business is eligible to apply for Mini Grant/TSAP funding.
By: Joel Clairmont
2nd: Bill Koenig
Action: The motion carried with no dissenting votes.

13. **LITTLE RED HILLS, LLC, Missoula, MT, Cooper Burchenal**
“Purchase of Horizontal Flow Wrapper with Nitrogen Gas Flush, Packaging Printer, Residual Oxygen Analyzer and Smoketrucks for Omnibar Food Bar Production”
Motion: To fund the proposal as a loan in the amount of \$24,182 for production and packaging equipment as proposed.
Terms: 4% interest rate, deferral of interest and repayment for one year with repayment over a period three years.
Match: The remaining equipment costs as proposed.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
14. **MONTANA GLUTEN FREE PROCESSORS, LLC, Belgrade, MT, Gary Iverson, Pat Field, Dean Miller and Cathy Evans**
“Marketing Montana Gluten Free 2013”
Motion: To not fund the proposal.
The business is eligible to apply for TSAP funding in the upcoming year.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.
15. **FLATHEAD LAKE CHERRY GROWERS’, INC, Big Fork, MT, Dale Nelson**
“Expanding Regional Market Opportunities for the Montana Flathead Cherry”
Motion: To fund the proposal as a grant in the amount of \$5,080 for costs associated with website upgrades, QR coding, bill board advertising and point of purchase materials.
Match: Prior marketing costs as documented in the application.
The business is also eligible to apply for Mini-Grant and TSAP funding.
By: Verges Aageson
2nd: Patricia Quisno
Action: The motion carried with one dissenting vote.
16. **THOMAS BRITZ DBA BRITZ RANCH, Whitefish, MT, Thomas Britz (via teleconference)**
“Economic Feasibility of Commercial Hops Production in Northwest Montana”
Motion: To fund the proposal as a grant in the amount of \$11,820 as proposed.
Requirements: Final report due in five years. Once the initial project is completed, annual reports will be required until year five when the hops plants will be mature enough for production. Final deliverable will include the completion of a final report including research data that will be made available to the public, Department of Agriculture and MSU Extension services.
Match: As proposed.
By: Bill Koenig
2nd: Patricia Quisno
Action: The motion carried with no dissenting votes.

**17. SHADY GROVE FARMS ABN for MONTANA NATIVE NURSERY, INC,
Plains, MT, Bill Furry (via teleconference)
“Organic Blueberry Farm”**

Motion: To fund the proposal as a grant in the amount of \$10,000 as proposed.

Requirements: Final report due in five years. Once the initial project is completed, annual reports will be required until year five when the blueberry plants will be mature enough for production. Final deliverable will include the completion of a final report including research data that will be made available to the public, Department of Agriculture and MSU Extension services.

Match: Previously purchased mulch spreader.

By: Bill Koenig

2nd: Verges Aageson

Action: The motion carried with no dissenting votes.

Other Presentations:

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

Motion: To approve funding in the amount of \$40,000 each for SFY 2014 and 2015 to support activities performed by the Department of Commerce’s International Trade and Relations Bureau.

By: Verges Aageson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

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

Motion: To approve funding in the amount of \$90,000 each for SFY 2014 and 2015 to support activities performed by the Department of Agriculture’s Domestic Marketing Officer.

By: Verges Aageson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

~ **Food and Agricultural Development Centers (FADC) – Updates**

Updates were provided by Tiffany Melby, Bear Paw Development Corporation, Joel Bertolino, Beartooth RC&D Area, Inc. and Jan Tusick, Mission Mountain Food Enterprise Center/LCCDC by phone regarding current and past projects, trends that they are seeing in servicing food and agricultural development clients. Julie Jaksha, SBDC Director for Headwaters RC&D Area, Inc. also provided an update for the FADC and Joe Willauer, new Food and Agricultural Development Coordinator at Headwaters RC&D Area, Inc. also came to the Council meeting in person and to introduce himself to the Council and staff.

Other Business:

Chair, David Tyler, called for other business. No other business was presented.

Public Comments

Chair, David Tyler, called for public comments Tuesday, February 26, 2013. No public comments were presented.

Chair, David Tyler, called for public comments Wednesday, February 27, 2013. No public comments were presented.

Respectfully submitted by:

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