

**Montana Agriculture Development Council Minutes**  
**Business Meeting**  
**Held at Apple Barrel Facility**  
**3250 Hwy. 2 East Kalispell, MT**  
**July 25, 2013**

Members attending in person:

Ron de Yong, Director of Agriculture, Helena  
David Tyler, Chair, Belgrade  
Bill Koenig, Vice-Chair Kalispell  
Patricia Quisno, Harlem  
Verges Ageson, Gildford

Members absent:

Meg O'Leary, Director of Commerce, Helena  
Amy Kellogg, Kalispell

Staff attending in person:

Joel Clairmont, Deputy Director, Montana Department of Agriculture  
Collin Watters, Bureau Chief, Agricultural Marketing and Business Development Bureau  
Angie Nelson, Program Manager, Growth Through Agriculture  
Natalie Griffin, Marketing Intern, Agricultural Marketing and Business Development Bureau  
Ron Zellar, Public Information Officer, Montana Department of Agriculture (partial attendance)  
Angelyn DeYoung, Domestic Marketing Officer, Agricultural Marketing and Business Development Bureau (partial attendance)  
Mark Bisom, Bureau Chief, Trade and International Relations Bureau, Montana Department of Commerce

Staff attending by phone:

Cort Jensen, Chief Attorney, Montana Department of Agriculture (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 7:12 a.m., July 25, 2013.*

**Roll Call/Call for Proxies**

- *Mark Bisom, Bureau Chief, Montana Department of Commerce, was present as Director O'Leary's representative.*

## **Business Items**

### ***Review of February 26 & 27, 2013 Council Meeting Minutes***

**Motion:** To approve the minutes as presented.

**By:** Ron de Yong

**2<sup>nd</sup>:** Verges Aageson

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

### ***Farm to School Special Funding Opportunity Report***

Angie Nelson provided the Council with a summary of applications received and those that were awarded funding.

**Motion:** To concur with the GTA May 13<sup>th</sup> Farm to School Funding Opportunity award decisions made.

**By:** Patty Quisno

**2<sup>nd</sup>:** Bill Koenig

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

### ***Mini-Grant/Trade Show Assistance (TSAP) Awards Since Last Council Meeting***

Angie Nelson provided the Council with a list of Mini Grant applications that were funded for Fiscal Year 2013. No additional Trade Show Assistance awards had been made since the last Council meeting in February 2013.

**Motion:** To concur with the SFY2013 Mini-Grant award decisions made.

**By:** Bill Koenig

**2<sup>nd</sup>:** Verges Aageson

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

### ***Mini-Loan Program Proposal***

Angie Nelson provided the Council with a proposal for a Mini-Loan Program to be run similar to the Mini-Grant program with a maximum amount of \$5,000 and the funding to come from the Seed Capital account as follows:

#### **Proposed Growth Through Agriculture Mini-Loan Program Outline**

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#### **Overview**

- The “Mini-Loan Program” (MLP) would be operated under the Growth Through Agriculture program using the same application, application review process and final reporting process as the Mini-Grant Program, however with the added requirements of financial projections and credit check releases required.
- Funding for Mini-Loans would come from the Seed Capital Account (SCAP) - both principal and interest would be repaid back to that account.

**Eligible Applicants** – Same as Mini-Grant

- Individuals
- Businesses and Industry Organizations
- Public and Private Agencies and Organizations
- Educational Institutions
- Local Governments

**Maximum Loan Amount** - \$5,000

Standard Loan Terms - 6 Month deferral of payment and interest –

1 Year repayment with Same Interest Rate as Set by Council (currently 4%)

Example: \$5,000 Loan at 4% over 1 year – 12 monthly payments of \$425.75

Total Interest Repaid: \$108.99

Deviations from these terms will be directed to the Council Chairman who will determine if full Council involvement is necessary.

**Targeted Use of Funds** (including but not limited to) 50% of the cost of -

- Small Processing Equipment
- Construction
- Infrastructure costs

**Funds NOT to be used for -**

- Land
- Vehicles
- Tractors
- Payroll

**Application Review** –

- Applications will be reviewed by at least 3 member panel of Agriculture Department staff, typically the GTA Program Manager and at least two other AMBD staff.
- The review panel will review and make recommendations.
- Program Manager will provide the application and panel recommendation to the Council Chairman or designee to provide input.
- Program Manager will then route the panel recommendation and the Chairman or designee's input to the Director who will make the final decision to fund or not to fund.

**Required Documents – (in addition to Mini-Grant Application Form)**

- Financial Statements
- Credit Check Release

**Additional Notes -**

- Would provide a link to Rural Development's Loan Program with statement such as, if you have financing needs for a production agriculture project, please contact the Department of Agriculture's Rural Development Loan Program for more information on the best way to finance that type of project.
- Mini-Grant/Mini-Loan application – Same application form – applicants will potentially be able to apply for up to \$7,500 (\$2,500 grant/\$5,000 loan) similar to the way full GTA applications are received and reviewed
  - Example could apply for \$2,500 for graphic design, labels and marketing costs and \$5,000 towards a piece of equipment.

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Discussion: Bill Koenig suggested that an additional targeted use of funds for mini-loans should be added to include working capital/inventory.

**Motion:** To approve the implementation of the proposed Mini-Loan Program for one year using \$50,000 of funding from the Seed Capital Account as proposed with the addition of an additional targeted use of funds for inventory / working capital.

**By:** Verges Ageson

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

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

***Growth Through Agriculture Grant and Loan Status Review***

Ms. Nelson provided a list of active grants and loans and provided a reporting and repayment status review of the following grants and loans:

- Grants – Past Due Reporting – All reporting current as of July 5, 2013.

- Loans – Past Due Repayments

- XL Feeds, LLC - 1150463
  - Angie Nelson stated that the loan for XL Feeds was past due as of 6/21/2013 and a deferral request was received 7/19/2013.
  - She also reported to the Council that the recipient had reported that equipment was purchased & delivered May 2013 – reminder of 1st loan payment due discussed at that time

- Ms. Nelson also reported that she had visited the business on 7/23/2013 to confirm pelletizer had been purchased, equipment installation is not complete and therefore not in service to date.

**Motion:** To approve the deferral of payments for the period of 6 months with interest continuing to accrue.

**By:** Ron de Yong

**2<sup>nd</sup>:** Mark Bisom

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

- Earl Fisher BioFuels – 0650958
  - Angie Nelson reported to the Council that a loan payment was past due as of 6/28/2013 and that she had sent 2 reminders in May & June by email. Payment had not been received as of the time of the meeting and a past due notice had been sent.

### ***Requests***

- Vintage Cheese of Montana, LLC – 1050340 – Loan Deferral or Forgiveness

**Motion:** To convert \$39,864 in principle and all accrued interest of Vintage Cheese of Montana, LLC's loan#1050340 to a grant.

In consideration for the change in terms, the Council will require a report and staff site visit in one year's time.

**By:** Ron de Yong

**2<sup>nd</sup>:** Verges Aageson

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

### ***Issues***

- Café De Camp, Inc. – 1250545 –
  - Ms. Nelson reported that the restaurant had closed and partnership had dissolved. It was also reported that one of the owners, Jason Corbridge still intends to open as of the same concept under a different name.
  - The Council was in agreement that this award should be closed and Mr. Corbridge and interested parties would be eligible to reapply in the future for GTA funding.
- Goldwest of Montana, LLC, Whitehall, MT – Mini-Grant
  - Ms. Nelson reported that the business had closed, no funds were reimbursed to the company and the \$675 awarded was returned to state general fund.
- Ganesha, LLC – Three Hearts Farm - Dean Williamson – Update
  - Angie Nelson informed the Council that Mr. Williamson has indicated he was able to complete the proposed project for \$4,000. Since the grant does not close until July 2014, the contract will remain open with remaining balance of \$3,500.

Council was in agreement that they were open to reviewing proposals for alternate uses of the remaining grant funding.

- Wee Chef – 1150425 – Update
  - Some equipment that was not purchased with GTA funding was purchased by Montana Coffee Traders this past quarter using the GTA funds awarded to the Montana Coffee Traders company. (See budget amendment change listed below)
- Mission Mountain Laboratory, Inc. 1150376 –
  - Ms. Nelson reported that loan payments have been received for a total of \$6,997.18 as of 6/21/2013; that the invoices for items purchased with GTA funds still had not been received and a follow up letter was sent June 2013.
  - Cort Jensen, the Department of Agriculture’s Legal Counsel gave a report on the processes and procedures for legally moving forward with this business.
- USOmega3 Foods, LLC – 0750029 and Montana Food Products 1050358
  - Cort Jensen, the Department of Agriculture’s Legal Counsel gave a report on the processes and procedures for legally moving forward with this business.

***Updates***

- Colbry Farms – Loan 0550885 –
  - Ms. Nelson reported that the interest only payment due 10/31/2012 was received 12/17/2012 and that the greenhouse was listed for sale on the Department’s Equipment Classifieds June 2013. It was also reported that the next payment of \$16,604.45 will be due 10/31/2013.
- Justin and Tammi Michels/Kootenai Cannery – 1250516 – Budget Amendment Request
  - Ms. Nelson provided an update that no funds had been reimbursed to date. She stated that she is still waiting for completion of the home designed range approval by the County sanitarian. The past due report had also now been submitted.

***Contract Changes Performed Without Full Council Action:***

Angie Nelson informed the Council on the following contract changes that were approved per program policy without full Council action as a result of determinations made by the Program Manager and/or David Tyler, Council Chairman.

- Hampton Enterprises Inc dba Tizer Meats – 1250518 – Budget Change
- XL Feeds – Reporting Extension from July 2013 to January 2014
- Healthy Pantry – 1250515 Extension from July 2013 to January 2014
- Montana Coffee Traders – 1 Year Extension to January 2014 & Budget Change

- Lori Parr – Greater than 10% line item deviation approval and contract closeout
- Little Red Hills – Extension and Budget Change

**Motion:** To approve the contract changes made without full Council action.

**By:** Patricia Quisno

**2<sup>nd</sup>:** Verges Aageson

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

***Other Updates:***

- Agriculture Development Council Member Appointments –  
Angie Nelson reported the following Council member appointments:
  - Verges Aageson was reappointed with a term expiring July 1, 2015
  - Amy Kellogg, owner of Country Pasta in Polson was appointed with a term expiring July 1, 2015
- Next Council Meeting  
Angie Nelson reminded the Council that the next meeting was scheduled for November 12 and 13, 2013 to review applications received by the September 16, 2013 application deadline.
- Ideas of Fall Meeting Presentations – Ms. Nelson solicited ideas for presentations for the Fall meeting and asked the Council to let her know over the next month or two if there are any projects or businesses they'd like an update from.
  - The Council requested a written update from the Miller Colony project.

**Public Comment Period**

David Tyler, Chair, called for public comments. No public comments were presented.

**Adjourn**

Hearing no public comment, David Tyler, Chair, adjourned the meeting at 9:01 a.m., July 25, 2013.

Respectfully submitted by:

Angie Nelson, Growth Through Agriculture Program Manager