

Montana Agriculture Development Council Minutes
Business Meeting
Comfort Suites Conference Room
Bozeman, Montana
August 5, 2014

Members in attendance:

Ron de Yong, Director of Agriculture, Helena
David Tyler, Chair, Belgrade
Patricia Quisno, Harlem
Amy Kellogg, Kalispell

Members absent:

Meg O'Leary, Director of Commerce, Helena
Bill Koenig, Vice Chair, Kalispell
Verges Aageson, Gildford

Montana Department of Agriculture Staff attending in person:

Kim Falcon, Bureau Chief, Agricultural Development and Marketing Bureau
Libbi Lovshin, Administrator, Central Services Division
Jayson O'Neill, Information Specialist
Ben Tiller, Legal Counsel, Agricultural Development and Marketing Bureau
Angie Nelson, Section Manager, Business Development /Growth Through Agriculture
Lindra Davies, Program Specialist, Growth Through Agriculture

Staff attending by phone:

Nancy Faroni, Section Manager, Business Resources Division, Montana Department of
Commerce (general/irrevocable proxy for Director of Commerce Meg O'Leary)
Cort Jensen, Legal Counsel, Montana Department of Agriculture

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 7:10 a.m., August 5, 2014.

Roll Call/Call for Proxies

- *Thursday, July 31, 2014 a general, irrevocable proxy notification was received by email from the office of Meg 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 by phone as Director O'Leary's representative.*
- *Thursday, July 31, 2014 a general, irrevocable proxy was received by phone from Council Member Verges Aageson granting voting authority to Council Member Patty Quisno who was present as Mr. Aageson's representative.*

- *Tuesday, August 5, 2014 a general, irrevocable proxy was received by phone from Council Vice Chair Bill Koenig granting voting authority to Council Chair, Dave Tyler who was present as Mr. Koenig's representative.*

Business Items

~Review of March 19 and 20, 2014 and May 28, 2014 Council Meeting Minutes

Motion: To accept the March 19 and 20, 2014 meeting minutes and May 28, 2014 teleconference minutes as presented.

By: Ron de Yong

2nd: Patty Quisno

Action: The motion carried with no dissenting votes.

~Agriculture Development and Marketing Bureau Update

Kim Falcon, Bureau Chief, Agriculture Development and Marketing Bureau provided an update on staffing and bureau structure changes.

She explained the recent development of one bureau as the result of merging the Agriculture Development and Marketing Bureau and Rural Development Bureau. Included in the bureau changes are the additions of two section manager positions from within the bureau who oversee the activities for business development and marketing and the renaming of the bureau to the Agriculture Development and Marketing Bureau.

Ms. Falcon announced that Angie Nelson and Walt Anseth would oversee the sections in addition to their previous program manager duties. Angie Nelson will continue to serve as the Growth Through Agriculture Program Manager in addition to serving as the section manager for the business development section.

~Mini Grant/Mini Loan/Trade Show Assistance Program Awards During FY2014

Mini Loans:

- **Manning Farms LLC** - A loan of \$5,000 for the purchase of deer fencing materials and installation costs for the vegetable farm and fruit orchard in Cascade, MT.
- **Triple Divide Spirits** - A loan of \$5,000 for the purchase of production equipment to assist the Helena, MT business meet the increased demand for their vodka and gin products.

Mini Grants:

- **A Land of Grass** - A grant of \$750 for the grass fed beef and lamb business located in Conrad, MT to attend the 2014 Northwest Regional Agvocacy Conference in Portland, OR and for website redesign and updates to enhance direct marketing of the business's meat products.
- **Future Agricultural Resources for Montana (FARM)** - A grant for \$2,500 was awarded for solar panel costs to utilize acreage of farmland for irrigation to train new farmers and establish a community garden in Missoula, MT.

- **RiverStone Health** - A grant for \$1,440 was awarded for costs to implement and promote the SNAP program at Healthy by Design Gardners' Market located in Billings, MT.
- **Lewis and Clark County Extension** - A grant for \$2,000 was awarded for travel costs to take extension agents and producers to the University of Saskatchewan in order to learn about the university's fruit breeding program.
- **Market Day Foods, Inc.** - A grant for \$780 was awarded to the local foods distribution company located in Bozeman, Montana to attend the 2014 National Food HUB Conference in North Carolina to learn about other local food distribution operations and key topics affecting these companies.
- **Philipsburg Brewing Company** - A grant for \$2,000 was awarded toward website development and implementation for the brewing company located in Philipsburg, Montana.
- **Kalispell Creamery, Inc.** - A grant for \$1,900 was awarded for advertising and promotion of new product lines for the business located in Kalispell, Montana.
- **Boja Farms** - A grant for \$250 was awarded to develop signage to assist the fruit orchard and produce farm near Bridger, Montana with agri-tourism and on farm sales opportunities.
- **MSU-Missoula County Extension** - A grant for \$2,500 was awarded for equipment to integrate a frost monitoring study associated with lengthening the growing season for vegetables.
- **Botanie Natural Soap, Inc.** - A grant for \$2,500 was awarded for website development and upgrades in order to improve and expand the Missoula, Montana company's online marketing and sales.
- **Great Northern Pasta Company, LLC** - A \$1,500 grant was awarded for redesign and print product labels to increase product sales for the pasta company in Whitefish, Montana.
- **MSU-Missoula County Extension** - A \$1,250 grant was awarded for costs to hold "Lunch on the Farm" events in order to increase direct and retail sales for local producers.

Mini Grant and Mini Loan:

- **Dell Center, Inc.** - A grant for \$2,500 was awarded for the purchase of signage and advertising for the new meat processing facility in Dell, Montana and a loan for \$5,000 was awarded for the purchase of a vacuum packaging machine.

Trade Show Assistance Program:

- **Cream of the West, LLC** - \$737.50, Washington School Nutrition Show
- **Montana Gluten Free Processors** (declined award) - \$1,200, Natural Products Expo West
- **Nature's Enhancement** - \$1,200, North Dakota Nursery and Greenhouse Association Convention and Trade Show
- **Omnivore** (Little Red Hills, LLC) - \$2,500, Natural Products Expo West
- **Robarr, LLC** - \$2,000, Healthy Beverage Expo

There were no objections from the Council as to the funding decisions of these awards.

~Standard Operating Procedures Review and Discussion

Angie Nelson, Section Manager, provided the Council with a draft document entitled "Montana Agriculture Development Council Standard Operation Guidelines Growth Through Agriculture Program" which included a consolidation of the standard operating procedures that had been set forth by the Council over the years, including the delegation of authority from the Council to the Department for certain activities.

The Council was in agreement to review the draft guidelines document and email Ms. Nelson with any questions and/or comments in the next couple of weeks.

~Growth Through Agriculture Budget Update for SFY 2015 (July 1, 2014-June 30, 2015)

Angie Nelson, Section Manager over the Growth Through Agriculture program explained to the Council that the Growth Through Agriculture program experienced additional budget cuts due to reduced coal severance tax collection. Libbi Lovshin, Central Services Division Administrator provided an update of the budget for SFY 2015. The Governor's budget office estimates indicated that the SFY2015 budget would be reduced an additional \$50,000 since the last budget review during the Council's May business meeting. As a result, the total projected cuts amounted to approximately \$110,000 for SFY2015.

Ms. Nelson reported that the Council's previously approved budget included \$25,000 for Mini Grants, \$25,000 for Mini Loans, and \$25,000 for the Trade Show Assistance Program (TSAP). Ms. Nelson proposed to reduce the total amount of funding approved for awards to mini-grants and TSAP to \$35,000 for SFY2015 to address part of the budget cuts. Under the proposal, mini-grant and TSAP applications would be considered together and compete against each other for the consolidated funds. In addition, she proposed to accept and review applications for both Mini-Grant and TSAP funding twice a year on a competitive basis.

The Council agreed with Ms. Nelson's suggestions regarding the review of Mini Grant and Trade Show Assistance applications.

Motion: To revise the SFY2015 budget to reflect a total of \$35,000 for the Growth Through Agriculture Mini Grant and Trade Show Assistance (TSAP) programs for SFY2015.

By: Patty Quisno

2nd: Amy Kellogg

Action: The motion carried with one dissenting vote by Nancy Faroni.

~Growth Through Agriculture Grant and Loan Status Review

GRANT REPORTING PAST DUE:

Angie Nelson, Section Manager, reported on correspondence and the past due processes for the following businesses that have reports and final reports that were due April 30, 2014.

- The Orchard at Flathead Lake, LLP - 1250517
- Dell Center, LLC - 1350600 and 1350601
Ms. Nelson reported that a report was received from Dell Center, LLC since the completion of the agenda for this meeting.
- Little Red Hills, LLC - 1350629
Ms. Nelson reported that a report was received from Little Red Hills, LLC since the completion of the agenda for this meeting.
- T.E.C.K. Corp dba On the Rise Bread Co. - 1350608 and 1350648

LOAN PAYMENTS PAST DUE:

Angie Nelson, Section Manager, reported on correspondence and the past due processes for the following businesses that have payments due.

- Earl Fisher Bio-Fuels – 0650958
- Colbry Farms – 0550885

~Requests

Ms. Nelson provided a summary from a request made by a Growth Through Agriculture recipient to the Council for approval.

- Lakeland Feed and Supply – 1350596
The business has requested that the Council deobligate remaining Growth Through Agriculture funding and approve closeout of the project.

The Council was in agreement to revisit the business' request once documentation of control processes implemented towards ISO certification of the Lakeland Feed and Supply facility is completed.

~Legal Issues

Cort Jensen, the Department of Agriculture's Legal Counsel gave a report on the processes and procedures for moving forward with legal proceedings regarding these businesses.

- XL Feeds, LLC – 1150463
- US Omega3 Foods, LLC – 0750029 and Montana Food Products – 1050358

~Updates

Angie Nelson, Section Manager, provided an update on the following businesses whose files remain open at the discretion of the Council.

- Mission Mountain Laboratory, Inc. – 1150376
- Wee Chef – 1150425

~Contract Change Requests Allowed Without Full Council Action

Angie Nelson, Growth Through Agriculture Program Manager, 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.

- Thomas Britz dba Britz Ranch – 1350631 – budget change
- Prairie Heritage Farms – 1250511 – budget change
- Hampton Enterprises dba Tizer Meats – 1250518 – budget change
- Mannix Brothers Inc. – 1250550 – budget change and extension
- Little Red Hills – 1250526 Mini Grant – budget change
- Mountain View Gardens – 1450697 – change in ownership
- Kalispell Bottling Company – 1250552 – contract extension
- Commercial Links – 1250551 – contract extension

Motion: To approve the contract changes that were made without full Council approval.

By: David Tyler by proxy for Bill Koenig

2nd: Patty Quisno by proxy for Verges Ageson

Action: The motion carried with no dissenting votes.

~ Presentations Ideas for November Council Meeting

- Invite Lonie Stimac, new Bureau Chief for the Trade and International Relations Bureau at the Montana Department of Commerce to the meeting
- Legislative update

~Application Deadlines

- Full Application Deadlines – Monday, September 15, 2014 and Friday, January 30, 2015
- Mini Grant Deadline – Monday, December 1, 2014

~Next Council Meeting

- November 18-19, 2014

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 8:25 a.m., August 5, 2014.

Respectfully submitted by:

Lindy Davies, Growth Through Agriculture Program Specialist