

Montana Agriculture Development Council Minutes
Teleconference Business Meeting
Department of Agriculture Conference Room 225
Helena, Montana
August 6, 2015

Members in attendance:

Ron de Yong, Director of Agriculture, Helena

Meg O'Leary, Director of Commerce, Helena (through proxy, granting voting authority to Tom Kaiserski, Program Manager, Industry Development Program, Department of Commerce)

Amy Kellogg, Chair, Kalispell (by phone)

Lars Hanson, Vice Chair, Edgar (through proxy, granting voting authority to Patricia Quisno)

Patricia Quisno, Harlem (by phone)

Greg Jergeson, Chinook

Tara Mastel, Whitehall (by phone)

Montana Department of Agriculture Staff attending in person:

Kim Falcon, Bureau Chief, Agricultural Development and Marketing Bureau

Jayson O'Neill, Information Specialist

Ben Tiller, Legal Counsel, Agricultural Development and Marketing Bureau

Angie Nelson, Section Manager/ Growth Through Agriculture Program Manager

Lindra Davies, Program Specialist, Growth Through Agriculture

Cid Sivils, Accountant, Agricultural Development and Marketing Bureau

Jim Auer, Specialty Crop Block Grant Manager

Staff attending by phone:

Treston Vermandel, Agriculture Business Development Specialist

Amy Kellogg, Chair, called the meeting to order at 8:05 a.m., August 6, 2015.

Roll Call/Call for Proxies

- Monday, August 3, 2015 a general, irrevocable proxy was received by phone from Council Member Lars Hanson granting voting authority to Council Member Patricia Quisno who was present by phone as Mr. Larson's representative.

- Tuesday, August 4, 2015 a general, irrevocable proxy notification was received by email from the office of Megan O'Leary, Director of Montana Department of Commerce granting voting authority to Tom Kaiserski, Program Manager, Industry Development Program, Montana Department of Commerce, who was present as Director O'Leary's representative.

Public Comments

Chair, Amy Kellogg, called for public comments. No public comments were presented.

Business Items

~Review of May 20, 2015 Council Meeting Minutes

Motion: To accept the May 20, 2015 meeting minutes as presented.

By: Patricia Quisno

2nd: Ron de Yong

Action: The motion carried with no dissenting votes.

~Mini Grant/Mini Loan/Trade Show Assistance Program (TSAP) Awards from January 1, 2015 through August 5, 2015

Mini Grants:

Alternative Energy Resources Organization (AERO)

A grant of \$2,500 for costs to promote local food opportunities through the organization's Abundant Montana online directory.

Stonehouse Distillery, LLC

A grant of \$2,500 for the distilling operation located in Winston, Montana to increase processing capacity with the purchase of distillery production equipment.

Black Bear Soups, LLC

A grant of \$1,600 to complete a marketing/branding package for the soup making business located in Hamilton, Montana using locally sourced produce.

Farm to Fork Co-op

A grant of \$2,500 to develop an online website resource where producers can list their products and consumers can order and purchase them.

Whipped, LLC

A grant of \$2,500 for the specialty bakery located in Bozeman, Montana to purchase expansion equipment in preparation for writing a cookbook featuring recipes utilizing Montana agriculture products and highlighting local producers.

Mr. McGregor's Garden, LLC

A grant for \$2,500 for the purchase of labels to expand the manufacturing of syrup and jam by a producer in Bozeman, Montana utilizing local fruit.

Trade Show Assistance Program:

Gluten Free Prairie, LLC

A grant of \$2,475 for the certified gluten-free food product company located in Manhattan, Montana to participate in the Natural Products Expo East trade show in Baltimore, Maryland.

Motion: To ratify Mini Grant and TSAP awards funded between January 1, 2015 and August 5, 2015.

By: Patricia Quisno

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

~Growth Through Agriculture Budget Update for FY2014-2016

Angie Nelson, Section Manager/Growth Through Agriculture Program Manager, gave a budget update of actual expenditures for FY2014 and 2015 and projected funding available for FY2016.

~Growth Through Agriculture Grant and Loan Status Review

Grant reporting past due:

Angie Nelson, Growth Through Agriculture Program Manager, reported on correspondence and the past due processes for the following businesses that have reports and final reports that were due January 31, 2015.

- 1450728 Ranchland Packing Co., Butte
- 1350599 Headframe Spirits, Inc., Butte

Loan payments past due:

Angie Nelson, Growth Through Agriculture Program Manager, reported on correspondence and the past due processes for the following businesses that have payments due.

- 0650958 Earl Fisher Bio-Fuels, Chester
- 1450727 Western Feedstock Technologies, Bozeman
- 1150381 Pioneer Meats, Big Timber

~Requests

Ms. Nelson provided a summary of requests made by Growth Through Agriculture recipients to the Council for approval.

- 1450714 Anderson Orchards, Rudyard

The business has requested that the Council approve closeout of the Growth Through Agriculture contract and deobligate the remaining Growth Through Agriculture funding committed to the project.

Motion: To accept documentation received for reporting requirements and funding spent so far, deobligate remaining funding, close the project and consider the grant contract obligations met.

By: Ron de Yong

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

- Homestead Organics Farm, Inc., Hamilton

The business has requested to re-submit a proposal within the 12-month application limitation.

Motion: To waive the 12-month application limitation requirement.

By: Greg Jergeson

2nd: Tara Mastel

Action: The motion carried with no dissenting votes.

~Legal Issues

Ben Tiller, the Agriculture Business Development and Marketing Bureau Legal Counsel, gave an update on legal proceedings regarding these businesses.

- 0550884 Colbry Farms, Chester
Motion: To pursue past due amounts to judgement.
By: Patricia Quisno
2nd: Ron de Yong
Action: The motion carried with no dissenting votes.
- 0750029 US Omega3 Foods, LLC, Florence and 1050358 Montana Food Products, Laurel
The Council authorized Legal Counsel, Ben Tiller, to look into assets available towards the amounts owed on these contract and provide a report to the Council at the during the next business meeting scheduled to be held November 2015.
- 1150463 XL Feeds, LLC, Kalispell
Ben Tiller reported that a proof of claim has been filed in the XL Feeds bankruptcy, but that matters are on hold pending the outcome of a state court appeal. Council determination on this issue was not necessary at this time.
- 1150376 Mission Mountain Laboratory, Inc., Arlee
Payments are being made, and no action recommended at this time. Council determination on this issue was not necessary at this time.

~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 Amy Kellogg, Council Chairman.

-Earl Fisher BioFuels – 0650958 – loan extension until June 2016 with interest only payment due

-Kalispell Bottling Company – 1250552 – extension to January 2016

-Missoula County Extension – 1450678 – extension to January 2016

-Missoula County Extension – 1450679 – extension to July 2016

-Kalispell Creamery – 1350604 – revised amortization schedule

-Prairie Heritage Farm – 1250511 – extension to January 2016

-Commercial Lynks – 1250551 – extension to January 2016

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

By: Patricia Quisno

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

~ Updates/Items for Discussion

- *Review of Montana Department of Commerce Activities Report*
Tom Kaiserski, Program Manager, Industry Development Program, Montana Department of Commerce provided the Council with a report on activities performed in coordination with the Department of Agriculture.

- *Presentations Ideas for November 2015 Council Meeting*
 - Invite Montana Department Agriculture staff to present their marketing project successes.
 - Presentations by Bud De Smul of Kalispell Bottling Company, LLC and Jay Gnanasekaran of Commercial Lynks, Inc.

~Application Deadlines

- Full Application Deadlines – Tuesday, September 15, 2015 and Friday, January 29, 2016
- Mini Grant Deadline – Tuesday, December 1, 2015

~Next Council Meeting

- Scheduled for November 17-19, 2015 to review applications received by September 15, 2015 application deadline.

Public Comment Period

Amy Kellogg, Chair, called for public comments. No public comments were presented.

Adjourn

Motion: To adjourn the meeting

By: Patricia Quisno

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

Amy Kellogg, Chair, adjourned the meeting at 9:55 a.m., August 6, 2015.

Respectfully submitted by:

Lindy Davies, Growth Through Agriculture Program Specialist