

**Montana Agriculture Development Council Meeting Minutes  
November 17 and 18, 2015  
Conference Room 225  
Montana Department of Agriculture  
Helena, Montana**

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  
Lars Hanson, Vice-Chair, Billings  
Patricia Quisno, Fort Belknap  
Greg Jergeson, Chinook  
Tara Mastel, Whitehall (present Wednesday, November 18, 2015)

Members absent:

Tara Mastel, Whitehall (absent Tuesday, November 17, 2015)

Staff in attendance:

Kim Falcon, Administrator, Development and Marketing Bureau  
Christy Clark, Bureau Chief, Development and Marketing Bureau  
Tom Kaiserski, Program Manager, Industry Development Program,  
Montana Department of Commerce (November 17<sup>th</sup> and 18<sup>th</sup>) (General/Irrevocable  
Proxy for Director of Commerce Meg O'Leary)  
Cort Jensen, Legal Counsel, Montana Department of Agriculture (partial attendance)  
Ben Tiller, Legal Counsel, Montana Department of Agriculture (partial attendance)  
Angie Nelson, Section Manager/Program Manager,  
Growth Through Agriculture (GTA) Program  
Cid Sivils, Accountant, Agriculture Development and Marketing Bureau,  
Montana Department of Agriculture  
Jim Auer, Specialty Crop Block Grant Coordinator,  
Montana Department of Agriculture (partial attendance)  
Jayson O'Neill, Public Information Officer,  
Montana Department of Agriculture (partial attendance)  
Treston Vermandel, Business Development Officer, Montana Department of Agriculture  
(partial attendance)  
Marty Earnheart, Marketing Officer, Montana Department of Agriculture (partial attendance)  
Steph Hystad, Marketing Officer, Montana Department of Agriculture  
Lindra Davies, Program Specialist, GTA Program, Montana Department of Agriculture  
Gary Hamel, Bureau Chief, Meat Inspection Bureau,  
Montana Department of Livestock (partial attendance)

Montana Department of Agriculture staff were available to the Agriculture Development Council (Council) for information purposes.

**Amy Kellogg, Chair, called the meeting to order at 8:30 a.m. Tuesday, November 17, 2015 and, adjourned the meeting at 5:00 p.m. Tuesday, November 17, 2015.**

**Council reconvened at 8:26 a.m. on Wednesday, November 18, 2015 and adjourned the meeting at 3:45 p.m. on Wednesday, November 18, 2015.**

#### **Roll Call/Call for Proxies**

- *Tuesday, August 4, 2015, an ongoing (until further notice), general, irrevocable proxy was received from Megan O'Leary, Director of Montana Department of Commerce granting voting authority to Tom Kaiserski, Program Manager, Industry Development Program, Department of Commerce, who was present as Director O'Leary's representative.*

#### **Public Comments**

Chair, Amy Kellogg, called for public comments on the morning of Tuesday, November 17, 2015. No public comments were presented.

Chair, Amy Kellogg, called for public comments on the morning of Wednesday, November 18, 2015. No public comments were presented.

#### **Review of August 6, 2015 Council Teleconference Business Meeting Minutes**

**Motion:** To accept the August 6, 2015 minutes as presented.

**By:** Greg Jergeson

**2<sup>nd</sup>:** Tom Kaiserski

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

#### **Election of Officers**

**Motion:** To reelect Amy Kellogg as Agriculture Development Council Chair and Lars Hanson as Vice-Chair.

**By:** Patricia Quisno

**2<sup>nd</sup>:** Ron de Yong

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

#### **Introduction of New Agriculture Development and Marketing Bureau Staff**

Angie Nelson, Section Manager/GTA Program Manager, introduced Christy Clark as the Bureau Chief and Stephanie Hystad as the Marketing Officer and Food and Agriculture Development Center Coordinator for the Agriculture Development and Marketing Bureau.

#### **Review of Meeting Procedures and Responsibilities**

Cort Jensen, Legal Counsel for the Montana Department of Agriculture provided an overview of meeting procedures and Council responsibilities including: conflict of interest, open meeting laws, ethics and lobbying issues, and guidelines for managing Council meetings. Mr. Jensen also offered to answer any Council questions regarding these issues.

**Review Targeted Areas**

The Council reviewed the current targeted areas and were in agreement to retain the current targeted areas which are:

- Businesses expanding or adding value to Montana commodities, and
- Businesses transitioning beyond direct sales/farmers markets.

**Set Loan Rates**

**Motion:** To retain the current loan rates of 0% - low and 4% - high.

**By:** Lars Hanson

**2nd:** Patricia Quisno

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

**Review of Agenda, Council Packet, Overview of Applications and Funding Available**

Angie Nelson, Section Manager/Growth Through Agriculture Program Manager, gave a summary of the budget for funding and an overview of the agenda and applicant presentation schedule in preparation for the next two meeting days.

**Applications Presented and Council Determinations**

1. **ALTERNATIVE ENERGY RESOURCES ORGANIZATION, Helena, MT, Jennifer Hill-Hart, Nancy Matheson, and Pam Mavrolas**  
*“Catalyzing Increased Agricultural Sales Through a Common Understanding of Montana’s New Food Moderation Law”*  
**Motion:** To fund the proposal as grant in the amount of \$15,000.00 for consultant services, travel, advertising and promotion.  
**Match:** As proposed in the application.  
**By:** Ron de Yong  
**2<sup>nd</sup>:** Tom Kaiserski  
**Action:** The motion carried with no dissenting votes.
2. **THE LITTLE COMPANY, LLC, Missoula, MT, Pat and Anne Little**  
*“Equipment Purchase for Expansion of Commercial Kitchens”*  
**Motion:** To fund as a grant in the amount of \$30,000.00 for the purchase of commercial kitchen equipment.  
**Match:** For eligible costs incurred as of November 18, 2014.  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Ron de Yong  
**Action:** The motion carried with no dissenting votes.
3. **GAMBILL INC. DBA C&K MEATS AND MONTANA WESTERN FLAVORS, Forsyth, MT, Karla and Kelsi Gambill**  
*“C&K Meats – Montana Western Flavors Business Expansion”*  
**Motion:** To fund as a grant in the amount of \$50,000.00 for the purchase of meat processing equipment.  
**Match:** For eligible costs incurred as of June 1, 2015.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Greg Jergeson  
**Action:** The motion carried with no dissenting votes.

- 4. PERFECT CUTS, LLC, Columbia Falls, MT, Danny Hansen (by teleconference)**  
***“Perfect Cuts to Expand by Purchasing New Equipment”***  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Tom Kaiserski  
**Action:** The motion carried with no dissenting votes.
- 5. FLATHEAD LAKE CHERRY GROWERS’, INC, Bigfork, MT, Bruce Johnson**  
***“Flathead Cherry Growers, Inc. Value Added Expansion Project”***  
**Motion:** To fund as a loan in the amount of \$60,000.00 for facility upgrades including construction costs. Terms of the loan are 1 year deferred interest and repayment; 4% interest with repayment over a period of 5 years.  
**Contingencies:** Funding is contingent upon receipt of appropriate governmental approvals by December 1, 2016 and upon receipt of a signed lease agreement with Tabletree LLC by March 15, 2016  
**Match:** For eligible costs incurred as of March 18, 2015.  
**By:** Ron de Yong  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with one dissenting vote by Greg Jergeson.
- 6. HOMESTEAD ORGANICS FARM, INC, Hamilton, MT, Laura Garber**  
***“State Inspected Poultry Processing and Commercial Food Processing Hub for the Bitterroot Valley and Beyond”***  
**Motion:** To fund as a grant in the amount of \$34,500.00 for processing equipment, supplies, and materials.  
**Match:** As proposed in the application.  
**By:** Ron de Yong  
**2<sup>nd</sup>:** Greg Jergeson  
**Action:** The motion carried with no dissenting votes.
- 7. LIVING RIVER FARMS, LLC, Stevensville, MT, Beau McLean and Christopher Green**  
***“Pasture Raised Poultry in the Bitterroot”***  
**Motion:** To fund as a grant in the amount of \$23,000.00 for pastured poultry production equipment.  
**Match:** For eligible costs incurred as of February 1, 2015.  
**By:** Greg Jergeson  
**2<sup>nd</sup>:** Lars Hanson  
**Action:** The motion carried with no dissenting votes.
- 8. RAVALLI COUNTY ECONOMIC DEVELOPMENT AUTHORITY, Hamilton, MT, John Schneeberger**  
***“Bitterroot Food Processing Center Feasibility Study”***  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.

9. **SCHULDT SERVICES, Miles City, MT, Michael and Cheryl Schuldt, Ryan and Levi Keyes**  
***“Improving Value and Quality of Montana Wool Through a Modern Mobile Sheep Shearing Facility”***  
**Motion:** To fund as a grant in the amount of \$20,000.00 for equipment, supplies and materials for construction of a mobile sheep shearing trailer.  
**Match:** For eligible costs incurred as of November 18, 2015.  
**By:** Greg Jergeson  
**2<sup>nd</sup>:** Tara Mastel  
**Action:** The motion carried with no dissenting votes.
10. **BROOKSIDE WOOLEN MILL, Malta, MT, Thayne Mackey (by teleconference)**  
***“Expand Brookside Woolen Mill Operation With Machinery to Meet Immediate Need From Commercial Buyers for Organic Wool Products and Expanding Markets for Montana Wool Producers”***  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Ron de Yong  
**Action:** The motion carried with no dissenting votes.
11. **GEARHEAD BIOLUBRICANTS, LLC, Bigfork, MT, Duane Johnson**  
***“Gearhead Biolubricants: Developing a Vegetable Oil-Based Engine Oil”***  
**Motion:** Not to fund.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Patricia Quisno  
**Action:** The motion carried with no dissenting votes.
12. **FLAT EARTH, INC., Bozeman, MT, Douglas Roberts**  
***“Crop Height Sensor an Ultra-Wide Band Radar Approach to Accurately Measure the Height of a Crop”***  
**Withdrawn:** Growth Through Agriculture staff received notice by email on November 3, 2015 that the applicant chose to withdraw this application.
13. **GREAT HARVEST FRANCHISING, INC., Dillon, MT, J Michael Ferretti and Eric Keshin**  
***“Great Harvest Sales Growth and Job Retention Program”***  
**Motion:** To fund as a loan in the amount of \$50,000.00 for the purpose of marketing and advertising. Terms of the loan are 18-month deferred interest and repayment; 4% interest with repayment over a period of 4 years.  
**Match:** As proposed in the application.  
**By:** Tom Kaiserski  
**2<sup>nd</sup>:** Ron de Yong  
**Action:** The motion carried with one dissenting vote by Greg Jergeson.

- 14. MONTANA GLUTEN FREE PRAIRIE, LLC, Belgrade/Manhattan, MT, Deb and Rick Wheaton**  
*“Cookie Processing Equipment Expansion”*  
**Motion:** To fund as a loan in the amount of \$11,500.00 for the purchase of cookie processing equipment. Terms of the loan are 1-year deferred interest and repayment; 4% interest with repayment over a period of 3 years.  
**Match:** As proposed in the application.  
**By:** Patricia Quisno  
**2<sup>nd</sup>:** Tara Mastel  
**Action:** The motion carried with no dissenting votes.
- 15. ELK RIDGE BREWING COMPANY, LLC, Deer Lodge, MT, Quinnelle Sagar and Caleb Burton**  
*“Elk Ridge Brewing Company”*  
**Motion:** Not to fund.  
**Future Consideration:** The 12-month limitation does not apply.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Tara Mastel  
**Action:** The motion carried with no dissenting votes.
- 16. DRY HILLS DISTILLERY, LLC, Bozeman, MT, Jeffrey and Erica Droge**  
*“Dry Hills Distillery”*  
**Motion:** To fund as a grant in the amount of \$48,000.00 for distillery equipment.  
**Match:** For eligible costs incurred as of June 1, 2015.  
**By:** Lars Hanson  
**2<sup>nd</sup>:** Tom Kaiserski  
**Action:** The motion carried with no dissenting votes.
- 17. FIVE FALLS DISTILLERY, CO., Sun River, MT, Jason Grout**  
*“New Micro-Distillery in Great Falls”*  
**Withdrawn:** Growth Through Agriculture staff received notice by phone on November 16, 2015 that the applicant chose to withdraw the proposal at this time due to illness.
- 18. CROSS COUNTRY BREWING, LLC, Glendive, MT, Lonnie and Justin Cross**  
*“Microbrewery Start-Up in Glendive MT”*  
**Motion:** To fund as a grant in the amount of \$45,000.00 for the purchase of brewing equipment.  
**Match:** As proposed in the application.  
**By:** Greg Jergeson  
**2<sup>nd</sup>:** Tom Kaiserski  
**Action:** The motion carried with no dissenting votes.
- 19. THE NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY, INC., Butte, MT, Kathleen Hadley and Travis McAdam**  
*“Governor’s 2016 Montana Food and Agriculture Summit”*  
**Motion:** To fund as a grant in the amount of \$25,000.00 for event costs including venue, scholarships, facilitators, and keynote speakers.

**Contingencies:** Funding is contingent upon agreement of event dates and details between the Department of Agriculture and The National Center for Appropriate Technology, Inc. by January 10, 2016

**Match:** As proposed in the application for eligible costs incurred as of November 18, 2015.

**By:** Greg Jergeson

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

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

**NOTE:** Ron de Yong recused himself from discussion and voting on this proposal.

**Other Presentations:**

~ **Department of Agriculture Updates** –

Angie Nelson, Section Manager, Agriculture Development and Marketing Bureau

~ **Marketing Staff Updates and GTA Success Stories** — Treston Vermandel, Shepard, MT, Billings and Eastern Montana Business Development Specialist; Marty Earnheart, Helena, MT, Marketing Officer; Steph Hystad, Helena, MT, Marketing Officer and Food and Agriculture Development Center Program Coordinator; Jim Auer, Helena, MT, Specialty Crop Block Grant, Grant Coordinator

~ **Department of Commerce Update** – Sean Becker, Administrator, Montana Office of Tourism and Business Development, and Angie DeYoung, International Trade Director Office of Trade and International Relations, Montana Department of Commerce

~ **Food and Agriculture Development Center Program** – Joe Willauer, Director, Butte Food and Agriculture Development Center housed within Headwaters RC& D.

**Other Business – Issues and Requests:**

~ **Headframe Spirits, Butte, Montana** – Grant 1350599 – Council Review of Grant to Loan Conversion at 10% Interest

Angie Nelson provided an update that the grantee had provided a final report on November 9, 2015 and provided copies for the Council's review.

**Motion:** To approve the business's final report and close the account.

**By:** Lars Hanson

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

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

~ **XL Feeds, LLC, Kalispell, Montana** – Loan 1150463 – Legal Counsel Update  
Cort Jensen, Chief Legal Counsel, Montana Department of Agriculture provided the Council with a report of legal activities accomplished to date.

No Council action was necessary.

~ **Commercial Lynks, Alexandria, Virginia** – Grant 1250551 – Extension Request  
Andrew Van Haur introduced himself as the Grain Procurement Merchandiser for Commercial Lynks looking to relocate in an office in Shelby, MT. He provided a PowerPoint presentation with the business's background information and reasoning for requesting a 1-year extension to complete the project.

**Motion:** To approve an extension to May 31, 2016.

**By:** Greg Jergeson

**2nd:** Lars Hanson

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

~ **Kalispell Bottling Company, LLC** (now Country Way Orchards), **Kalispell, Montana** – Grant 1250552 - Extension Request

**Motion:** To not approve an extension.

**By:** Ron de Yong

**2nd:** Lars Hanson

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

**NOTE:** Growth Through Agriculture staff received an email notice on November 18, 2015 from Bud DeSmul of Country Way Orchards explaining that he plans to purchase the bottling equipment by January 31, 2016 and finalize his project. He is no longer requesting a 1-year extension.

**Application Deadlines:**

~ Next GTA application – January 29, 2016 at 2:00pm

~ Mini-Grant and Trade Show Assistance Program – December 1<sup>st</sup> and June 1<sup>st</sup> (or closest date falling during a weekday)

~ Mini-Loan – open cycle

**Next Council Meetings (proposed dates):**

~ The Council was in agreement to schedule January 12, 2016 at 9:00 a.m. as their next teleconference business meeting.

~ The Council was in agreement to schedule March 22-24, 2016 as their next business meeting in Helena.

~ The Council was in agreement to schedule sometime during the first through third week in August, 2016 as their Summer tour meeting.

Respectfully submitted by:

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