

**Montana Agriculture Development Council Minutes
Teleconference Business Meeting
Department of Agriculture Conference Room 225
Helena, Montana
August 2, 2016**

Members in attendance:

Ron de Yong, Director of Agriculture, Helena
Amy Kellogg, Chair, Kalispell (by phone)
Lars Hanson, Vice Chair, Edgar (by phone)
Greg Jergeson, Chinook (by phone)
Tara Mastel, Whitehall (by phone)

Members absent:

Meg O'Leary, Director of Commerce, Helena
Patricia Quisno, Harlem

Montana Department of Agriculture Staff in attendance:

Kim Mangold (formerly Falcon), Deputy Director/Administrator, Agricultural Development Division
Christy Clark, Bureau Chief, Agricultural Development and Marketing Bureau
Libbi Lovshin, Administrator, Central Services Division (partial)
Andy Fjeseth, Information Specialist
Cort Jensen, Legal Counsel
Angie Nelson, Section Manager/ Growth Through Agriculture Program Manager
Cid Sivils, Accountant, Agricultural Development and Marketing Bureau
Lindra Davies, Program Specialist, Growth Through Agriculture (by phone)

Amy Kellogg, Chair, called the meeting to order at 9:06 a.m., August 2, 2016.

Roll Call/Call for Proxies

There were no proxies presented for this meeting.

Public Comments

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

Business Items

~Review of June 2, 2016 Council Meeting Minutes

Motion: To accept the June 2, 2016 meeting minutes as presented.

By: Lars Hanson

2nd: Tara Mastel

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 expenditures for SFY2014-2016 as of July 27, 2016 and projected funding available for FY2017.

~Mini Grant/Mini Loan/Trade Show Assistance Program (TSAP) Awards Since January 2016

Mini-Grant Awards:

Montana Poultry Growers Cooperative

A grant for \$2,080.50 to purchase specialized poultry processing equipment for the new poultry processing facility located in Hamilton, Montana.

Flathead Lake Cheese LLC

A grant for \$2,500.00 for the purchase of a custom label printing system that will allow the cheese processors located in Polson, Montana to efficiently package cheese.

Wood, Barrel and Farms

A grant for \$2,350.00 to purchase greenhouse construction materials, mobile refrigeration, harvesting and tilling equipment to expand the vegetable farm north of Helena, Montana.

Tabletree Montana LLC

A grant for \$2,500.00 to assist the company located in Bigfork, Montana to purchase labeling for Montana cherry juice bottles that will include the Grown in Montana logo.

Trade Show Assistance Program Awards:

No awards were made since January 2016.

Mini-Loan Awards:

No awards were made since January 2016.

The Council had no objections to the Mini-Grant projects awarded.

~Growth Through Agriculture Grant and Loan Status Review

Grant reporting past due:

Angie Nelson, Section Manager/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, 2016.

- GRANT 1450699 and LOAN 1450700 Global Agro Commodities, LLC

Loan payments past due:

Angie Nelson, Section Manager/Growth Through Agriculture Program Manager, provided a report of loan payments – no delinquent loans to report.

~Requests

Ms. Nelson provided a summary of the following request to the Council for approval.

- 1150425 Wee Chef LLC, Columbia Falls
The business has requested that the Council approve closeout of the Growth Through Agriculture contract and accept reporting and payments received from the sale of equipment purchased through their Growth Through Agriculture award.
Motion: To approve the closeout of the project and consider the grant contract obligations met.
By: Lars Hanson
2nd: Greg Jergeson
Action: The motion carried with no dissenting votes.

~Legal Issues

Cort Jensen, Department of Agriculture Legal Counsel, in the absence Legal Counsel for the Agriculture Development and Marketing Bureau, gave an update on legal issues relative to Growth Through Agriculture contracts.

- 0550884 Colbry Farms, Chester
The business is to provide a payment plan or other options by the end of August 2016.
- 1150463 XL Feeds, LLC, Kalispell
Legal proceedings are moving forward, but matters are pending the prevalent outcomes of a review by the County Attorney for Lake County. Council determination on this issue was not necessary at this time.

The Council was provided a notice of adoption for an amendment to ARM pertaining to the Growth Through Agriculture program. Cort Jensen reviewed the ARM amendments with the Council.

~Contract Change Decisions Made Without Full Council Action

Angie Nelson, Growth Through Agriculture Program Manager, informed the Council on the following contract change decisions made that were 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, Chester – 0650958 – request to make an annual interest only payment. Request not approved but a partial annual payment for 50% of the amount due was approved & received.

-Glacier Sun, Kalispell –15GTAL004 and 15GTAG005 – extension to January 2017

-Global Agro Commodities, LLC, Chester – GRANT 1450699 and Loan 1450700 – budget change/extension requests were not approved

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

By: Lars Hanson

2nd: Ron de Yong

Action: The motion carried with no dissenting votes.

~ Updates/Items for Discussion

- North 40 Ag Inc

Angie Nelson informed the Council of the business's decision to decline their award offered by the Council during their business meeting in November 2015.

- Targeted Areas Eligible for Low Interest Rates

Currently the designated areas are:

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

No further discussion was necessary.

- Site Visits

Angie Nelson traveled to Corvallis for Field Days at Western Ag Research Center and while there, she visited a few of the businesses in the area funded through the Growth Through Agriculture program.

She provided the Council with a report of activities occurring at Bill Furry's blueberry farm in Plains; Red Gate Garlic LLC and Living River Farms of Stevensville, and Homestead Organics Farm in Hamilton. She also reported on a visit to a new hops farm in Ravalli County that might be interested in the Growth Through Agriculture program.

~Application Deadlines

- Thursday, September 15, 2016 at 2:00 p.m.

~Next Council Meeting

- Scheduled for November 15-17, 2016 in Department of Agriculture's conference room 225 to review applications received by September 15, 2016 application deadline.

Public Comment Period

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

Adjourn

Motion: To adjourn the meeting

By: Greg Jergeson

2nd: Tara Mastel

Action: The motion carried with no dissenting votes.

Amy Kellogg, Chair, adjourned the meeting at 10:45 a.m., August 2, 2016.

Respectfully submitted by Lindy Davies, Growth Through Agriculture Program Specialist