

**Agriculture Development Council Minutes
Teleconference Business Meeting
Department of Agriculture Conference Room 225
Helena, Montana
May 17, 2017**

Members in attendance:

Ben Thomas, Director of Agriculture, Helena
Pam Haxby-Cote, Director of Commerce, Helena (by phone)
Lars Hanson, Vice Chair, Edgar (by phone)
Greg Jergeson, Chinook (by phone)
Patricia Quisno, Harlem (by phone)

Members absent:

Amy Kellogg, Chair, Kalispell (Lars Hanson, Vice Chair, presided over the business meeting in Ms. Kellogg's absence)
Tara Mastel, Whitehall (proxy received granting voting authority to Lars Hanson)

Montana Department of Agriculture Staff attending in person:

Kim Mangold, Deputy Director/Administrator, Agricultural Development Division
Christy Clark, Bureau Chief, Agricultural Development and Marketing Bureau
Libbi Lovshin, Administrator, Central Services Division, Montana Department of Agriculture
Zach Coccoli, Legal Counsel, Agricultural Development and Marketing Bureau
Angie Nelson, Marketing and Growth Through Agriculture Program Manager, Agricultural Development and Marketing Bureau
Cid Sivils, Accountant, Agriculture Development and Marketing Bureau
Lindra Davies, Program Specialist, Growth Through Agriculture program, Agriculture Development and Marketing Bureau

Lars Hanson, Acting Chair, called the meeting to order at 9:06 a.m., May 17, 2017.

Roll Call/Call for Proxies

- **Wednesday, May 17, 2017 a general, irrevocable proxy was received by phone from Agriculture Development Council member, Tara Mastel, granting voting authority to council member Lars Hanson, who was present as Ms. Mastel's representative.**

Public Comments

Acting Chair, Lars Hanson, called for public comments. No public comments were presented.

Business Items

~Review of November 15 and 16, 2016 Council Meeting Minutes

Motion: To accept the November 15 and 16, 2016 meeting minutes as presented.

By: Greg Jergeson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

~Review Legislative Outcomes/Changes

Christy Clark, Bureau Chief, Agriculture Development and Marketing Bureau, and Libbi Lovshin, Central Services Administrator, provided a review of legislative outcomes and changes as a result of the recent 2017 Legislative Session.

~Introduction of Directors of Commerce and Agriculture

Ben Thomas and Pam Haxby-Cote introduced themselves as the newly appointed Directors of Agriculture and Commerce respectively. By statutory appointment from Montana's Governor Bullock, they are also members of the Agriculture Development Council.

~Financial Report

Ms. Nelson and Cid Sivils, Agriculture Development and Marketing Bureau Accountant, gave a budget update of expenditures and activities for SFY2016-2017 as of May 11, 2017 and projected funding available for FY2018-2019. An official budget review will be provided during the Council meeting during the next Agriculture Development Council meeting.

~FY 2018/2019 Program Budget

Ms. Nelson provided an overview of the budget plan for the next two fiscal years.

Department of Commerce submitted a proposal requesting that the Council consider funding in the amount of \$40,000.00 for each of the next two fiscal years of 2018 and 2019 for a total of \$80,000.00.

Libbi Lovshin, Central Services Administrator, provided a budget update that occurred recently that would allow the Department of Agriculture to fulfill some of the Department of Commerce funding amount that was reduced as a result of unanticipated budget reductions in SFY2017.

Motion: (1) Approve the requested amount proposed by the Department of Commerce for the activities proposed in the amount of \$40,000.00 for each of the next two fiscal years of 2018 and 2019 for a total of \$80,000.00. **(2)** Provide Department of Commerce the balance of requested funding for SFY 2017 up to the amount of remaining funding available.

By: Benjamin Thomas

2nd: Greg Jergeson

Action: The motion carried with no dissenting votes.

Department of Agriculture submitted a proposal requesting that the Council consider setting aside funding in the amount of \$15,000.00 for each of the next two fiscal years of 2018 and 2019 for marketing events including the Grown in Montana Fair store and the new Montana Food Show for a total of \$30,000.00.

Ms. Nelson also provided an overview of the Agriculture Department's Development and Marketing Bureau marketing plan activities including the development of the new Market at the Capitol, hosting the Grown in Montana store at the Great Falls Fair in July and August, and hosting the Montana Food Show in Bozeman on October 10, 2017.

Motion: Approve funding for marketing purposes as proposed.

By: Patricia Quisno

2nd: Greg Jergeson

Action: The motion carried with no dissenting votes.

~Review Growth Through Agriculture Application Deadline and Mini-Grant/Mini-Loan/Trade Show Assistance Program for FY 2018

During the business meeting June 2, 2016, the Council voted to suspend the Mini Grant, Mini Loan, and Trade Show Assistance Programs for one year in order to reserve funding for FY2017 applicants.

During the same business meeting the Council voted to schedule one application deadline for FY2017 of September 15, 2016 and during their November 2016 meeting, the Council scheduled one application deadline of September 15, 2017.

Christy Clark, Bureau Chief, Agriculture Development and Marketing Bureau and Ms. Nelson proposed that the Council review the suspended programs and extend the September 15, 2017 deadline to November 15, 2017.

The proposed extension was the result of feedback from applicants who stated that September is a busy month and therefore difficult for agriculture producers to complete an application.

Proposed language:

“GTA Deadline: September 15, 2017

Extended Deadline – November 15, 2017

The GTA program will begin receiving applications as of September 15, 2017; however, the Council will continue to accept applications until November 15, 2017 at 2:00pm.

Reimbursement for applications will be considered from the Ag Council from September 15, 2017 and documentation of matching funds will be considered from November 15, 2016.

IMPORTANT NOTE: Please be sure not to request GTA funds for any project expenditures before September 15, 2017.”

Motion: To extend the application deadline to November 15, 2017 and approve the proposed language.

By: Benjamin Thomas

2nd: Pam Haxby-Cote

Action: The motion carried with no dissenting votes.

Motion: To continue suspension of the Mini Grant, Mini Loan, and Trade Show Assistance Program for FY2018.

By: Greg Jergeson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

~Review Targeted Areas

The Council reviewed the current targeted areas and agreed to retain the current targeted areas which are:

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

~Review Loan Rates

The Council reviewed the current loan rates, which are low of 0% and high of 4%.

Motion: To retain the current low loan rate of 0% and increase the high interest rate to 5%.

By: Greg Jergeson

2nd: Patricia Quisno

Action: The motion carried with no dissenting votes.

~Growth Through Agriculture Grant and Loan Status Review

Angie Nelson, Growth Through Agriculture Program Manager, reported that GTA recipient reporting and repayments are current.

~Requests

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

- 0950205 Woolly Bugger/Poor Orphan Creamery, Sheridan, MT
The business has requested that the Council approve forgiveness of their Growth Through Agriculture loan contract.
Motion: To deny the business's request to forgive their loan.
By: Patricia Quisno
2nd: Greg Jergeson
Action: The motion carried with no dissenting votes.
- 17GTAG014 -Tabletree Montana LLC, Bigfork, MT – Review the contract award contingency which included approval of the business's product labels from Montana Department of Health and Human Services by March 1, 2017 and documentation of match and other project sources of funds needed to move the project forward by March 1, 2017.
- Department staff attorney, Zach Coccoli, provided an update on the project based on his review of the current situation of the licensure with DPHHS and reported that DPHHS reported favorably regarding the process the company is working through for licensure and label approvals, but further work will not be completed until the company can purchase processing equipment. Mr. Coccoli therefore recommended the Council strike the contingency to allow the company to move forward and continue their licensure process.
Motion: To strike the award contingency to allow the business to move forward with the proposed project.
By: Greg Jergeson
2nd: Benjamin Thomas
Action: The motion carried with no dissenting votes.

~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 made per program policy without full Council action as a result of determinations made by the Program Manager and/or Amy Kellogg, Council Chairman.

-Woolly Bugger/Poor Orphan Creamery – 0950205 – Approved interest only payments until May 1, 2017 and 50% annual payment.

-Powder River Meat Company – 15GTAG014 – Approved one-year extension.

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

By: Patricia Quisno

2nd: Greg Jergeson

Action: The motion carried with no dissenting votes.

~ Other Business

- *Agriculture Development Council Terms Expiring July 1, 2017*

- Lars Hanson
- Patricia Quisno
- Tara Mastel

No further discussion was necessary.

~Application Deadlines

- November 15, 2017 at 2:00 p.m.

~Next Council Business Teleconference Meeting

- Tentatively scheduled for November 17, 2017 at 9:00 a.m.

~Next Council Meeting to Review November 15, 2017 Applications

- February 6-8, 2018.

Public Comment Period

Lars Hanson, Acting Chair, called for public comments. No public comments were presented.

Adjourn

Motion: To adjourn the meeting

By: Patricia Quisno

2nd: Pam Haxby-Cote

Action: The motion carried with no dissenting votes.

Lars Hanson, Acting Chair, adjourned the meeting at 10:28 a.m., May 17, 2017.

Respectfully submitted by:

Lindy Davies, Growth Through Agriculture Program Specialist