

**Montana Agriculture Development Council Meeting Minutes
February 6-8, 2018
Conference Room 225
Montana Department of Agriculture
Helena, Montana**

Members in attendance:

Ben Thomas, Director of Agriculture, Helena (during absences proxy, granting authority to Christy Clark, Bureau Chief, Agriculture Development and Marketing Bureau, Department of Agriculture)

Pam Haxby-Cote, 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, Edgar

Greg Jergeson, Chinook

Tara Mastel, Whitehall

Members absent:

Patricia Quisno, Fort Belknap

Staff in attendance:

Christy Clark, Bureau Chief, Agriculture Development and Marketing Bureau, Department of Agriculture (proxy for Ben Thomas, Director of Agriculture during his absences February 6-8, 2018)

Tom Kaiserski, Bureau Chief, Research and Information Services Bureau, Montana Department of Commerce (General/Irrevocable Proxy for Director of Commerce Pam Haxby-Cote February 6-8, 2018)

Zach Coccoli, Staff Attorney, Montana Department of Agriculture

Angie Nelson, Program Manager, Growth Through Agriculture (GTA) Program, Montana Department of Agriculture

Lina Al Assadi, Accountant, Agriculture Development and Marketing Bureau, Montana Department of Agriculture (partial attendance)

Steph Hystad, Marketing Officer, Montana Department of Agriculture (partial attendance)

Jim Auer, Business Development Specialist, Montana Department of Agriculture

Kim Mangold, Deputy Director, Montana Department of Agriculture (partial attendance)

Jana Mertens, Hail Claim Technician, Montana Department of Agriculture

Todd Magill, IT Staff (partial attendance)

Public members in attendance:

February 6, 2018

Joe Willauer, Headwaters RC&D, Butte

February 7, 2018

Eric Bergman, Great Falls Development Authority, Great Falls

Jason Nitschke, Great Falls Development Authority, Great Falls
February 8, 2018

Taylor Lyon, Bear Paw Food and Ag Development Council, Havre
Brianna Ewert, Lake County Development Corporation, Ronan via Skype
Bonnie Marcum, Montana Department of Livestock, Helena
Dani Jones, Montana Department of Livestock, Helena
Mark Necodom, Ag Sciences Administrator, Montana Department of Agriculture
Ken Fichtler, Governor's Office of Economic Development (lunch)
Aaron Pratt, Business Development Specialist, Governor's Office of Economic
Development (Lunch)

Amy Kellogg, Chair, called the meeting to order at 8:17 a.m. Tuesday, February 6, 2018 and recessed the meeting at 4:45 p.m. Tuesday, February 6, 2018.

Council reconvened at 8:30 a.m. on Wednesday, February 7, 2018 and recessed the meeting at 5:00 p.m. Wednesday, February 7, 2018.

Council reconvened at 8:31 a.m. on Thursday, February 8, 2018 and adjourned the meeting on Thursday, February 8, 2018 at 4:15 p.m.

Roll Call/Call for Proxies

- *Tuesday, February 6, 2018 general, irrevocable proxy was received from Pam Haxby-Cote, 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 Haxby-Cote's representative.*
- *Tuesday, February 6, 2018 proxy was received from Ben Thomas, Director of Montana Department of Agriculture, granting voting authority to Christy Clark, Bureau Chief, Development and Marketing Bureau, Montana Department of Agriculture during his partial absence for the meetings on February 6-8, 2018.*

Public Comment

Chair, Amy Kellogg, called for public comments on the morning of Tuesday, February 6, 2018, Wednesday, February 7, 2018 and Thursday, February 8, 2018. No public comments were presented.

Review of November 17, 2017 Council Teleconference Minutes

Motion: To accept the November 17, 2017 minutes as presented.

By: Lars Hanson

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

Review of Budget and Financial Report

Angie Nelson, Growth Through Agriculture Program Manager, and Lina Al Assadi, Accountant, gave a summary of the budget for funding and financial review. \$732,149 total available for grants and loans.

Election of Officers

Motion: Amy Kellogg nominated to remain as Chair.

By: Greg Jergenson

2nd: Tara Mastel

Action: The motion carried with no dissenting votes.

Motion: Lars Hanson nominated to remain as Vice Chair.

By: Tom Kaiserski

2nd: Greg Jergeson

Action: The motion carried with no dissenting votes.

Review of Council Meeting Protocol & Conflict of Interest

Amy Kellogg, Chair reminded the Council of their responsibilities to each presenter and to be respectful of the time. Zach Coccoli, staff attorney, reviewed the code of ethics and conflict of interest.

Application Presentations

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|---|----------------------------|
| <p>1. Duckworth, Inc.
 <i>Expansion of US production of Wool Socks from Montana Wool</i>
 Robert Bernthal and Evan Helle
 Award: \$25,000 Grant \$25,000 Loan</p> | <p>\$50,000.00</p> |
| <p>2. Trout Culture LLC
 <i>Trout Culture Smokehouse Facility</i>
 Justin Gatewood, Virginia City, MT presented via Skype
 Not funded</p> | <p>\$49,585.82</p> |
| <p>3. MSE Consulting, LLC dba Rocky Mountain Agriscience
 <i>Application of Israeli Hydroponics Technology in Montana for Affordable Local Sourcing through Enhanced Crop Density and Extended Growing Season</i>
 Chad Miller, Florence, MT and Jim Grebe
 Award: \$50,000 Grant</p> | <p>\$150,000.00</p> |
| <p>4. Philipsburg Creamery LLC
 <i>Philipsburg Montana Creamery</i>
 Mark Weber, LouRae Myhre-Weber Philipsburg, MT
 Award: \$8,000 Grant</p> | <p>\$12,985.00</p> |

- 5. Crooked Yard Hops LLP** **\$34,770.00**
Crooked Yard Hops/Highlander Brewing Co. Hopyard Expansion Collaboration
Jake TeSelle, Bozeman, MT
Not funded
- 6. Reedfly Farm LLC** **\$40,000.00**
Yellowstone Hops
Robin Naughton, Emigrant, MT presented via Skype
Not funded
- 7. Mark E Nardin** **\$35,000.00**
Emigrant Farms; Start-up Production Hop farm to supply local breweries with Montana grown products for a farm to finish product. Through marketing efforts, the hop farm will be expanding to out of state breweries.
Mark Nardin, Pray, MT
Not funded
- 8. Bell Crossing Farms, LLC** **\$28,035.00**
Bell Crossing Farms Expansion Project
Desiree Funston, Stevensville, MT
Not funded
- 9. Clay Boyce** **\$50,000.00**
HOPS
Clay Boyce, Winifred, MT
Award: \$8,000 grant
- 10. Christopher Hamilton** **\$50,000.00**
Bitterroot Island hops farm
Christopher Hamilton, Billings, MT
Not funded
- 11. Cowtown Ag Supply, LLC** **\$150,000.00**
Cowtown Ag Manufacturing, LLC Cone Hopper Bins.
Steven Morris, Miles City, MT Presented via Skype
Award: \$25,000 Grant \$25,000 Loan
- 12. Little Frisia Farms LLC** **\$150,000.00**
Ranch-Raised Wagyu Beef-to-Market
Colter DeVries, Roberts, MT
Not funded

- 13. Miller Holdings LLC. DBA Miller's Custom Processing** **\$9,500.00**
Miller's Custom Processing Expansion Project
Thomas Miller, Roberts, MT Presented via Skype
Not funded
- 14. Beartooth Fertilizer Inc** **\$50,000.00**
Beartooth Fertilizer Inc Business Expansion Project
Christopher Skorupa, Red Lodge, MT
Award: \$50,000 Grant
- 15. Bridger Malt House LLC** **\$50,000.00**
Production expansion of the Bridger Malt House, a Bozeman-based malting operation processing Montana-grown barley into specialty malts that Montana Craft Brewers & Distillers will use in their products.
Thomas Griffin, Bozeman, MT
Award: \$25,000 Grant
- 16. The Butcher Shop LLC** **\$50,000.00**
The Butcher Shop Start Up
Eric Norton, Billings, MT
Withdrawn – via email from applicant 2/5/2018
- 17. Daniels Gourmet Meats and Sausages** **\$50,000.00**
Daniels Gourmet Meats
Austin Daniels, Bozeman, MT
Not funded
- 18. Robbie Cattle Co., INC** **\$50,000.00**
Montana Fresh Beef Integrated ranch to table marketing processing
Scott Robbie, Park City, MT
Not funded
- 19. Montana Gourmet Mushrooms LLC** **\$6,600.00**
Gourmet Mushroom Production
Daniel Mcadams, Billings, MT
Withdrawn – via email from applicant 2/3/18
- 20. Becky's Berries** **\$50,000.00**
Manufacturing facility expansion
Becky Stahl, Absarokee, MT
Award: \$25,000 Grant

- 21. Montana Fruit and Cider Company LLC** **\$150,000.00**
Mobile Fruit Processing
Brent Sarchet, Boulder, MT Presented by Toby Day, Missoula
Award: \$50,000 Grant
- 22. Cowboy Cricket Farms LLC** **\$28,253.00**
Freezer for new commercial kitchen to process crickets and value-added products for the creation of more jobs and increased Montana exports.
James Rolin, Bozeman, MT
Award: \$8,600 Grant
- 23. Vickie's Pierogies LLC** **\$4,980.00**
Manufacturing High-Protein Pierogies Using Pulses: A Feasibility Study
Vickie Backus, Bozeman, MT
Not funded
- 24. 2J's Natural Foods, Inc.** **\$19,930.83**
West Bank Landing Specialty Grocery Store
Michael Vetere, Great Falls, MT
Award: \$20,000 Grant
- 25. Pardue Grain Inc** **\$150,000.00**
Pulse Processing Plant
Roger Sammons, Cut Bank, MT
Not funded
- 26. Joe Bailly** **\$5,000.00**
LPE Optimizer
Joe Bailly, Conrad, MT
Award: \$5,000 Grant
- 27. Port of Northern Montana** **\$30,000.00**
Port of Northern Montana Regional Freight Aggregation and Transportation Innovation Center Market Development Analysis.
Larry Bonderud, and Curtis Shuck, Shelby, MT
Not funded
- 28. House of Ferments** **\$6,342.00**
House of Ferments Market Expansion Project
Erin Belmont, Darby, MT
Award: \$6,000 Grant

- 29. Willow Mountain Winery LLC** **\$144,710.00**
Construction and development of an estate vineyard/winery northeast of Corvallis, MT
Roxann and Brian McGuire, Corvallis, MT
Not funded
- 30. Kalispell Creamery Inc.** **\$91,587.00**
Kalispell Creamery Yogurt Factory.: Reintroducing the only Montana made yogurt with new marketing strategies; focused product expansion; facility improvements.
Mary and Jared Tuck, Kalispell, MT
Award: \$40,000 Loan
- 31. Leonard DeSmul DBA Country Way Orchards** **\$150,000.00**
Equipment and materials required to manufacture and package apple, pear and cherry cider.
Leonard and Jenn DeSmul, Kalispell, MT
Not funded
- 32. Blaine Mountain Salsa Works, LLC** **\$30,000.00**
Blaine Mountain Salsa Works Expansion to increase local sourced ingredients
Daniel Erickson, Kalispell, MT
Withdrawn – via email 2/1/18
- 33. Limberlost Brewing Company, LLC** **\$32,200.00**
Limberlost Brewing Company, Thompson Falls Start-Up
Zachary Whipple-Kilmer, Thompson Falls, MT Presented via Skype
Not funded
- 34. OTRB Co. dba On the Rise Bread Co.** **\$46,963.00**
Montana Grains & Distribution
Fletcher Kasmer, Bozeman, MT
Award: \$25,000 Loan
- 35. Talking Water Distillery, LLC** **\$150,000.00**
Talking Water Distillery: A Montana Distillery using Montana Fruits and Grains.
Justin Kalmbach, Polson, MT
Not funded
- 36. Ronan Cooperative Brewery** **\$150,000.00**
Establishing Operations for Montana's First Cooperative Brewery: Adding Value to Montana-Grown Barley & Hops to Brew Montana-Made Craft Beer
Barb & Gail Nelson, Ronan, MT
Award: \$50,000 Grant

- 37. Foothills Farm, LLC** **\$12,000.00**
Heated greenhouse and walk in cooler for Foothill Farm
Julie Pavlock, St Ignatius, MT
Not funded
- 38. HARLEQUIN PRODUCE LLC** **\$26,268.00**
Enhancing Post Harvest Processes and Production Capacity to Improve Farm Efficiencies and Yields
Kathlyn Hess, Arlee, MT
Not funded
- 39. Miriam's Inspired Skin Care LLC** **\$12,000.00**
Miriam's Inspired Skin Care presents herbal-tallow infusions
Rebecca Elderkin, Missoula, MT
Award: \$8,000 Grant
- 40. HAMPTON ENTERPRISES, INC. dba TIZER MEATS** **\$17,900.00**
Tizer Meats - Processing & Kill Floor Equipment
Matt Elvbakken and Savannah McGarry, Helena, MT
Not funded
- 41. Apple Bar Enterprises** **\$23,550.00**
Establishment of Apple Bar Enterprises
Catherine and Ken McNeil, Helena, MT
Award: \$16,000 Grant
- 42. OddPitch Brewing Co.** **\$49,059.50**
OddPitch Brewing Co.
Gabriel Stinchfield, Missoula, MT
Not funded
- 43. Theresa Simons** **\$135,188.00**
Shady Grove Orchards and Farm
Theresa and Seth Simons, Stevensville, MT
Not funded
- 44. Go Roam Free LLC** **\$150,000.00**
Growing and Sustaining the Production of 'GoRoamFree Bison Bites' a brand-new, healthy, fast-growing and delicious Montana food product
Jonathan Sepp and Brittany Masters, Hot Springs, MT
Award: \$25,000 Grant \$50,000 Loan

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| <p>45. Big Sandy Organics, LLC
 <i>Big Sandy Organics LLC Expansion and Re-brand</i>
 Thomas Dilworth, Big Sandy, MT
 Award: \$40,000 Loan</p> | <p>\$149,917.00</p> |
| <p>46. Dr. Jesse Therien
 <i>Nordic Brew Works</i>
 Jesse Therien, Bozeman, MT Presented via Skype
 Not funded</p> | <p>\$150,000.00</p> |
| <p>47. Farver Farms
 <i>Farver Farms Commercial Kitchen</i>
 Shauna Farver, Scobey, MT Presented via Skype
 Award: \$20,000 Grant</p> | <p>\$42,445.00</p> |
| <p>48. Windrift Hill - ABN for Windrift Hill Properties, LLC
 <i>Windrift Hill Expansion Project - New Manufacturing Facility - Conrad MT</i>
 Amber Hofstad and Deena Maier, Conrad, MT
 Award: \$25,000 Grant \$20,000 Loan</p> | <p>\$150,000.00</p> |
| <p>49. Blue Ridge Brewing
 <i>BLUE RIDGE BREWING</i>
 Brianna and Bryan Shores, Malta, MT
 Award: \$25,000 Grant</p> | <p>\$50,000.00</p> |
| <p>50. High Horizon Gardens and Tomato 1, 2, 3, LLC
 <i>Establishment of High Horizon Gardens and Tomato 1, 2, 3, LLC</i>
 Cody Miles, Gillette, WY Presented via Skype
 Award: \$19,000 Grant</p> | <p>\$19,097.50</p> |
| <p>51. Montana Tavern Association
 <i>Montana Tavern Association Montana Craft Product Phone App Development</i>
 Margaret Herriges and Dax Cetraro, Helena, MT
 Not funded</p> | <p>\$25,000.00</p> |
| <p>52. Bear Canyon Farm
 <i>Establishment of Bear Canyon Farm</i>
 Eric and Katie Harris, Bozeman, MT
 Not funded</p> | <p>\$50,000.00</p> |
| <p>53. Prairie Grass Ranch
 <i>Prairie Grazed Meats</i>
 Sarah Manuel, Havre, MT
 Award: \$8,000 Grant</p> | <p>\$26,000.00</p> |

54. Montana Beef and Game Company**\$142,000.00***Montana Beef and Game – Expanding Value Added Meat Processing Capacity*

Travis Byerly, Bozeman, MT

Not funded**Contingencies**

All awards are contingent upon verification of successful credit check reviews and review of any resulting issues by GTA staff and Department legal counsel.

- Miriam’s Inspired Skin Care LLC contingent on meeting state and federal requirements, including FDA requirements.
- Go Roam Free LLC contingent on documentation of compliance with state and federal product processing and labeling requirements by May 1, 2018.
- Ronan Cooperative Brewery contingent upon providing documentation of funds raised to complete the project.

Motions

Motion: No funding for proposals as indicated above and reflected on decision spreadsheet.

By: Tara Mastel

2nd: Lars Hanson

Action: The motion carried with no dissenting votes.

Motion: Go Roam Free LLC \$50,000 loan. Loan terms three-year loan; 5% interest; 1 year deferred payment and interest. Interest only payments begin at end of first and second year; Principle due at end of year three. \$25,000 grant also awarded.

By: Lars Hanson

2nd: Tara Mastel

Action: The motion carried with no dissenting votes.

Motion: All loans other than above for Go Roam Free LLC are seven year term; 5% interest rate; one year deferral of payment and interest.

By: Lars Hanson

2nd: Tara Mastel

Action: The motion carried with no dissenting votes.

Motion: Approve all grant amounts and terms as presented above and as reflected on decision spreadsheet.

By: Greg Jergenson

2nd: Tom Kaiserski

Action: The motion carried with no dissenting votes.

Other Business

The discussion of proposed scoring for future proposals was tabled for further review by the Council until the end of March. The Council will have a phone conference at that time.

Public Comment

Chair, Amy Kellogg, called for public comments before adjourning the evenings of Tuesday, February 6, 2018, Wednesday, February 7, 2018 and Thursday, February 8, 2018. No public comments were presented.

Respectfully submitted by:
Jana Mertens, Hail Claims Technician
Montana Department of Agriculture

Growth Through Agriculture Program Budget Update									
As of 01.29.2018									
	FY2017 Actual				FY2018 Budget				
	59GTA-V5	59GTA	SCAP	Total	59GTA-V5	59GTA	SCAP	Total	
Personel Services	313,084	800		313,884	211,000	74,740		285,740	
<i>Angie Nelson - GTA Program Manager (90%)</i>	X			-		X		-	
<i>Lindy Davies - GTA Program Specialist</i>	X			-				-	
<i>Stephanie Hystad - Marketing Officer (75%)</i>	X			-	X			-	
<i>Treston Vermandel - E. MT Business Development (75%)</i>	X			-	X			-	
<i>Marty Earnheart - Marketing Specialist (50%)</i>					X				
Indirect Expenses		-				3,298		3,298	
Operating Expenses	53,404	8,422		61,826	34,370	76,981		111,351	
<i>Council Meeting Exp, Program Mgr, Loans</i>						32,000			
<i>Available for Loans</i>						44,981			
Council Approved Marketing Events (GF Fair, Food Show)				-	15,000			15,000	
Commerce - Trade & International Relations Bureau		40,000		40,000		40,000		40,000	
Grants & Loans	258,512	259,988	139,228	657,728	364,630.00	145,538	177,000	732,149	
Total	625,000	309,210	139,228	1,073,438	625,000	340,557	177,000	1,142,557	
Original Appropriation	625,000	423,511	139,228	1,187,739	625,000	390,557	142,292	1,173,920	