



MONTANA DEPARTMENT OF **AGRICULTURE**

Montana Growth Through Agriculture Business Acceleration and Marketing Guidelines

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Refer any questions to:

Montana Growth Through Agriculture Program
Montana Department of Agriculture
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Legal Authority:

MCA Sections 90-9-102 and 90-9-401 (Montana Code Annotated)
ARM 4.16.101 – 4.16.701 (Administrative Rules of Montana)

OVERVIEW

The Montana Growth Through Agriculture (GTA) program was created by the 1987 Legislature and is administered by the seven-member Montana Agriculture Development Council, which is attached to the Montana Department of Agriculture (MDA). The legislative purpose of the program is to strengthen and diversify Montana's agricultural industry through loans and grants to assist the development of innovative agricultural business organizational improvements and the commercialization and marketing of new agricultural products in order to keep pace with a transforming agricultural industry and to create new jobs and expand small business opportunities.

Program Purpose

The intent of GTA Business Acceleration and Marketing program (BAM) is to aid in the access, development, and expansion of viable agriculture products.

- Help businesses access and develop new and existing markets.
- Support businesses in overcoming market barriers
- Expand businesses' digital/web offerings, including e-commerce.
- Fund projects still in early expansionary phase of development
- Support startup businesses in minimizing time to profitability.
- Offer expanding businesses the ability to establish groundwork for capital expenditure.
- Accelerate new, innovative products up to commercialization.

General Criteria for Funding

Projects must be consistent with the goals of the Growth Through Agriculture Act and:

- Primarily add value to Montana's agricultural products;
- Have the prospects for commercial success given current personnel, experience and resources of the applicant;
- Have the prospects to create and/or retain jobs in Montana;
- Primarily processes or adds value to Montana's agricultural products currently produced or potentially produced in the state; and
- Has the management structure to allow the reviewers to reasonably conclude that the applicant will comply with ongoing reporting and monitoring activities.

In addition, an applicant that receives any two GTA funded grants will have a one-year cooling off period before they can apply again, starting in the current calendar year. Please contact GTA staff for any questions on this recent allowance.

Funding Available

- Up to \$20,000 in grant award per recipient, over one year
- Required 50% cost-share.
- Applications are accepted on a rolling basis and reviewed quarterly until funds are expended.

Who Can Apply

Proposals for funding are accepted from:

- Individuals
- Businesses and Industry Organizations
- Start-up businesses that have been in operation for at least 6 months
- Public and Private Agencies and Organizations

- Educational Institutions
- Local Governments
- Cooperatives

Business Registration Required

To be eligible to receive funding your business must be registered with the Montana Secretary of State's office (<https://sosmt.gov/>). If your business is not registered, we encourage you to begin that process prior to submitting your application.

Priority Areas

- Rural area food and ag businesses
- Investments in processing infrastructure to add value to Montana crops and commodities.
- Businesses focusing on vertical integration (i.e. raw commodity to finished/packaged product)

Eligible Costs

- Trade Show expenses including:
 - Booth/space rental
 - Booth equipment, furniture, and carpeting rental
 - Promotional materials (product flyer specific to show, booth signage, etc.)
 - Booth utility costs
 - Shipping, storage, drayage (costs of moving freight at exhibition site) and show labor.
 - Travel expenses (airfare or mileage, hotel)
- Foreign trade mission participation
- Web development including market-specific website updates and e-commerce capabilities.
- Certifications needed for specific market access.
- Expenses for domestic and international marketing products and campaigns
- Packaging/label design
- Agritourism
 - * Agritourism is defined as a form of commercial enterprise that links agricultural production or agricultural processing with tourism in order to attract visitors to a farm, ranch, or other agricultural business for purposes of entertaining or educating the visitors.
- Product development
- Product commercialization
- Process/plant layout and design
- Hazard Analysis Critical Control Point planning
- Business Planning support
- Supply chain planning
- Return on investment analysis
- Equipment up to \$5,000 (\$10,000 grant+match), must be essential to project

Ineligible Uses

- “Walking” a show, i.e. attending a show, but not as a vendor
- Project cannot consist of only advertising expenses.
- Conference attendance or professional development activities

- Expenditures directly related to the operation of the business (staff salaries, benefits, uniforms, etc.)
- Advertising related items such as hats, shirts etc.
- General market assessment
- Feasibility Study

Cost-Share Funds

Grant funds will be awarded on the basis of cost-share in the form of 50% reimbursements of approved project expenses. Expenses must be used toward completing the proposed project and may not come from another State of Montana grant award.

Allowable sources of cost-share expenses include:

- Applicant or business cash on-hand
- Loan funding committed by the applicant toward the project
- Federal or private grant funds
- Expenses incurred within three months prior to submission of grant

Selection Criteria

All applications will be evaluated based on individual merit, and to the degree to which each application addresses the General Application Review Criteria for funding listed in Attachment A.

In addition, all proposals must include sufficient information to allow the program requirements provided above to be judged. Only those proposals that furnish complete information will be considered for evaluation.

No partial or incomplete proposals will be considered.

Scoring

Applications will be reviewed and ranked based on the score sheet provided in Attachment A.

If funds permit, projects that have not received funding or not received the maximum requested funding may be reconsidered within the last 120 days of the fiscal year.

Award Process

Applications will be reviewed on a quarterly basis. Please note, if applying for a trade show, the application will be reviewed upon submission. - Trade show applications must be received with required attachments **30 days prior to the first day of the trade show**. A review panel, consisting of Department of Agriculture staff will review applications. To be eligible for reimbursement, written or electronic approval from the Montana Department of Agriculture **MUST BE** received before attending the show. No applications will be considered after an event has occurred.

If the funding award is accepted by the applicant, a contract will be developed to define all project terms, conditions, and responsibilities of the applicant. The contract will clarify all legal patents and proprietary rights that will result from the proposed activity and will incorporate the successful application among its provisions. Once the contract is reviewed and signed by all applicable parties, the recipient will be able to request reimbursement for eligible costs incurred as outlined by the terms of the funding award.

Selected projects must comply with all applicable federal, state, and local laws, licensing, and regulations for funds to be awarded. Evidence of such compliance may be required before the grant or loan check is issued. Applications not chosen for funding will be notified in writing within 30 days.

For Application Assistance

Contact the local Food and Agriculture Development Center (<https://agr.mt.gov/Food-and-Ag-Development-Centers>) network and/or Small Business Development Center (<https://sbdc.mt.gov/>) network before you begin the application process. These organizations can assist with the application as well as required financial projections, key financial assumptions, business plan, and marketing plan.

Requests for Reconsideration

Applicants who wish to have the results of Screening or Evaluation reconsidered may make such a request to the Department. Requests for reconsideration must describe the substantive fact(s) concerning bias, discrimination, conflict of interest, or noncompliance that affected the screening or evaluation of their proposal.

The request for reconsideration must be submitted in writing to the Department of Agriculture GTA Program Manager within 7 days following notification of the Screening or Evaluation results.

MDA Legal Counsel and/or their designee will review the request for reconsideration to determine whether the claims made are substantiated and likely to have resulted in an inaccurate, inconsistent, or unfair assessment of their proposal.

The applicant will be notified of the results of Legal Counsel's review within 7 days of the receipt of their request.

Should MDA Legal Counsel find that claims are substantiated, all application materials and the accompanying request for reconsideration will be provided to Department staff for consideration.

Reapplying

In the event an application is denied, the applicant may reapply 30 days after receiving notification. Reapplying differs from a request for reconsideration (refer to the above section), in that a re-submitted application must not be a duplicate of the denied application.

Reporting Requirements for Funded Projects

Reporting is a condition of receiving program funding. Reporting is completed online, and the Department reserves the right to determine the extent of reporting requirements, subject to modification over the course of the project. Interim reporting requirements will be based on the cost, duration and nature of the project. Typically, award recipients are required to submit completed semi-annual report forms that address both the project activities and expenditures for the preceding six (6) months. Also, recipients are required to complete a final report form summarizing the project. MDA will be responsible for monitoring each funded project.

Other Considerations

Joint Applications

Two or more individuals or organizations may propose to conduct a project jointly by submitting one application as co-applicants. Please contact program staff for procedures if you are interested in submitting a joint application.

Joint applicants must demonstrate their team has proven ability to carry out all elements of the proposed project. In addition, applicants proposing to rely upon the expertise of another individual or organization to

undertake any part of the project must clearly define the responsibilities of that party as well as provide evidence of that entity's willingness and demonstrated ability to undertake that area of responsibility.

Ownership and Publication of Materials

All information and materials generated by the proposed activity may become the joint property of the State of Montana and the recipient. The award recipient will retain the right to utilize, reprint and distribute all said information and materials.

Liability

The Montana Department of Agriculture will not be held liable for any costs incurred by any firm for work performed in the preparation of and production of a proposal or for any works performed prior to the formal execution of a contract.

Confidentiality

Any document prepared with public funds is subject to public's right to know (Article II, Section 9 of the Montana Constitution) except any information in which there is a privacy interest and that interest and the demands of individual privacy clearly exceed the merits of public disclosure of the personal, financial, and business information contained therein. If an applicant/funding recipient deems a specific document to be confidential, please contact program staff to discuss.

Rights of Montana Department of Agriculture

Montana Department of Agriculture reserves the right to:

- Reject any or all proposals received.
- Waive or modify minor irregularities in proposals received after prior notification and concurrence of applicant.
- Clarify the scope of any application, within the program requirements and with appropriate notice to all applicants, to best serve the interests of the State of Montana.
- Amend the application's specifications after their release, with appropriate written notice to all potential applicants.
- Require a good faith effort on the part of the project sponsors to work with Montana Department of Agriculture.
- Request a credit check release, credit report, recent tax filing, or financial statement to clarify program eligibility.

The Montana Department of Agriculture does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals, who need aids or services for effective communications or other disability-related accommodations in the programs and services offered, are invited to make their needs and preferences known. Please provide as much advance notice as possible for requests.

The Department will not award funding to any individual, organization, or governmental unit that is currently in default of the conditions of any loan or grant contract previously executed by the Department. The Montana Department of Agriculture and the Montana Department of Revenue may share financial and/or tax information relating to this application.

Attachment A –Application Review Guidelines

The following are guidelines used by the Montana Department of Agriculture in the review of applications. **Please note, successful applicants will have a cumulative score of at least 70 points.**

Points Possible	Scoring Criteria
20	Potential for Success a) Is the proposed project an eligible use of BAM funding? b) Will the applicant be able to complete the project as stated? c) Are the objectives clearly stated, measurable and realistic?
15	Impact on Agriculture a) Does the project have the potential to impact agriculture in Montana at a level equal to or greater than the cost of the project? b) Will the project add value to the State’s agricultural products and/or producers?
20	Economic Impact a) Will the project result in additional employees? b) What other economic impacts could this project have on the community or the state of Montana?
15	Innovation/Project Originality a) Does the project assist in the development of an innovative business model or initiative? b) Will the project enhance business operations? c) Will the project support the commercialization and/or marketing of new agricultural products?
20	Market Strategy/Knowledge d) Does the applicant have a demonstrated knowledge of their current markets? e) Does the project fit within the company’s marketing strategy? f) How does the project fit into future plans for the business?
10	Budget a) Does the project budget appear realistic?

The application must address at least one of the Eligible Costs specific to the Business Acceleration and Marketing Program.

Basic Business Considerations

Applicant completely and clearly addresses knowledge of the industry and barriers to entry that may exist:

- Applicant demonstrates basic understanding of the laws and regulations for the business considered.
- Land, lease, rail access issues are addressed as applicable.
- Food safety and/or certification requirements (HACCP, GAP) are addressed.
- County Sanitarian and/or Department of Livestock and/or Department of Environmental Quality has been contacted, as applicable.
- All necessary agreements are in place. If not, a reasonable plan has been secured within a timeframe to allow the project to move forward as scheduled.

Potential for the proposed activity to provide for agricultural/economic development success

- Stage of planning/business life cycle supports prospective commercial success, given current personnel experience and resources of the applicant.
- Financial projections (including cash flow, sales projections and key financial assumptions) are positive and reasonable.
- Active engagement by owners in project and long-term investment in business

- Project is ready to proceed immediately upon notification of award (licenses or permits already in place, trained staff, for example)
- Business has the capacity to comply with ongoing reporting and monitoring activities.

Level of Impact to Montana Agriculture relatively sufficient for level of investment

- Applicant completely and clearly addresses the level of agricultural impact of their project.
- The applicant will potentially process (or add value to) Montana’s agricultural products.
- Specific producers are identified, from which raw materials will be purchased (if applicable)
- Relative amount of value added to Montana’s agricultural products as a result of the proposed project.

For example, a foreign trade mission that enables the applicant to access new markets may be considered more impactful than continued participation at a regional trade show.

Level of Economic Impact relatively sufficient for level of investment

- Applicant completely and clearly addresses the level of economic impact of their project.
- Potential job creation or retention as a result of the activity is relatively sufficient for investment.
- Projected level of income for owners and employees
- Hard assets/infrastructure physically located in the state.
- Amount of program funding previously received.
- Previously funded project was successful. If yes:
 - Previously funded project created jobs and/or agricultural impact as projected.
 - Prior reporting was completed in a timely manner.
 - Prior repayment was timely, if applicable.

Innovation/Project Originality

- Project assists in the development of:
 - Innovative agricultural business model or initiative
 - Organizational improvements
 - The commercialization and marketing of new agricultural products