

MOCAC Meeting
Montana State University – Leon Johnson Hall
October 27, 2004

Greg Ames, in place of Ralph Peck, called the meeting to order at 10:20 a.m. Welcome and introductions were provided. Those attending were: John Hoffland, David Oien, Nancy Matheson, Judy Owsowitz, Mikel Lund, Randy Hinebauch, Doug Crabtree, Greg Ames, Donna Rise, and Carol Kimble. Dave Taylor was present for the potato seed law discussion and Perry Miller of MSU for the tour. Greg provided reappointment letters to Council members Mikel Lund, Nancy Matheson and John Hoffland. Each have been reappointed for another two-year term.

Greg also provided an update overview of the organic program for this meeting. In September we certified our 100th and 101st member. One certification is in Wyoming and one in the works is in Idaho. There are five certifiers who dropped this year. Export certification to Japan has been established. Proposed for this Legislative session for 2006-2007 is to request a half-time position as inspector for FY 06 and then a full-time administrative support for FY 07. With the increase in the number of those being certified, staff is needed to do the processing.

Last meeting Minutes: There was some discussion about the follow-up that is needed from what was addressed in the last minutes. David Oien moved to approve the minutes. Randy Hinebauch second. The motion passed unanimously

New Business: Doug provided an overview of where the organic program historically and currently stands since accreditation was effective April 29, 2002. Questions were asked throughout his presentation.

Doug feels the primary needs and challenges are: a need for ISO certification when Lynn Cody is going to be in the Helena office to finalize forms and, hopefully, the accreditation will come first part of next year; the organic program needs to be self-sufficient; staff needs personnel—Inspection Supervisor (proposed at a grade 14) and make the Administrative Support a full-time position to accomplish all that needs to be done.

Nancy Matheson moved that MOCAC between now and next spring meet with the state conservationist of NRCS to discuss the organic transition program. Question. John Hoffland second. The motion passed unanimously.

The Cost Share Program is extended through September 2006. The MOCAC group feels a general press release should be issued to advise the public of the money.

It was brought to the meeting attendees attention that Judy Owsowitz is serving as chair of the board of the Montana Organic Association.

Grant funding is needed and it is possible that the new position could be able to obtain.

Judy Owsowitz and Dave Taylor provided information and discussion on the potato seed law. Certified seed is needed by the organic growers and is not grown organically. There are currently 18 vegetable growers. Dave provided copies of the Law and the 1996 potato late blight rule to those attending. Late blight is the disease that caused the Irish Potato Famine and needs to be kept out of the state of Montana. The University is the certifier of potato seed. Judy wondered how an organic grower can certify their own certified seed. Dave responded with the procedure that MSU follows to get the certified seed potatoes so that they are disease and virus free. There is a website montanaspud.org that can provide further information. Judy feels this is detrimental to the industry by not being able to purchase organic seed potatoes and has been growing her own and selling. She purchased from a certified grower and got blight from that certified grower and was able to eliminate it from her garden by changing the type of tomatoes and potatoes and only had it for one year. Doug wondered if this Council should address this issue with the Potato Board and Dave feels that would be a good idea and to also contact Kimm's as they might serve as an ally to get some information. Greg feels further discussion is needed and also with the Potato Board. Doug feels we need a smaller group to discuss, to research, and then report to the Council. Judy feels that if there was a meeting in their community they may attend. Greg asked what they want to do. Judy would like to hear what Dave comes back with after the potato meeting.

Break for lunch @ 12:30 at Bozeman Food Co-op.

Perry Miller lead the 1:30 p.m. Tour of the Organic Research Plots at Post Farms. There were five presenters which covered several types of research that is being monitored by the University. The tour was well received with questions and comments being provided by the meeting attendees.

Following the tour, the meeting began at 3:00 p.m. Perry returned to the meeting room for further questions.

The budget problem was addressed in that FY 04 took in \$70,303 and had \$113,923 so there was an operating deficit of \$43,620. If there isn't a change in the fee schedule, the program will no longer be able to operate. The department has not paid its share of the departments overhead expenses. Greg said the indirect fees also encumber. Director Peck will not pay the organic fee but the produce stores will. The program has not paid any indirects or fixed costs yet till FY 08. Indirects are 20% of total budget. Doug discussed the growing pains and the nature of consistency. Discussion came

from nearly every Council member. Greg said that by the end of the day, we are going to need your proposal.

Doug provided a video budget presentation with a handout.

Nancy feels there is a problem on the cost of the inspection and mileage needs to be reviewed. Doug says that we have apparently been unfair to you and we will look at that issue between now and the next meeting.

Application fee proposal: Randy feels we need to start at the other end, go ahead and leave at 1% and OCIA will not do a mass exodus. Doug proposes if we do it this way and we have a cash surplus, then we need to look at another revision. Randy feels you have to rely on the assessment to keep the program together. Doug wondered if the increase in the 1% assessment fee would be a hindrance? Judy says we have to offer them something. Doug stated we are going to provide this service.

Mikel stated we have to change to get the new producers, then look at adjusting our fees again.

Judy feels they would accept the assessment fee but not an increase in the inspection fees.

The proposal was put together to cover all areas to keep the program active.

John looked at the handler fees and some of the fees are not 1% and feels that needs to be looked at such as \$50, \$100, \$200, \$300, put different rates on. Doug stated that maybe there is a need to look at the middle.

Greg said that we can look at charging a specific range of travel costs for the inspections and wondered if that would work.

Mikel Lund moved that we accept the current fee proposal and accept any friendlies. Second by David Oien. Discussion. Judy would like to see more categories as we don't want to send any entities away. Randy is looking at the states point of view and wonders if we can tweak the handler. Mikel stated that if we don't approve, the program is gone. Judy feels it is unfair on the high end and I would propose this fee and then it should be revisited following the cost-share up to \$500, up to 75% of your costs. It is a big chunk of change when you first call it in. Doug called a question on the motion. Greg called for a vote. There were five yes, one no. Motion passed.

Nancy moved that we look at more of an inspector flat travel fee and come back with a report. Judy Owsowitz second. Motion passed unanimously.

Judy Owsowitz moved that some of this discussion should be included that we are recognizing the fee increase.

Greg Ames stated there is a motion to send a notice of proposed fee increase to included in a letter from the MOCAC Council explaining the necessity of the fee increase and the intention of the MOCAC Council to revisit the fee structure issue in one year. Second by Randy Hinebauch. Question. Passed unanimously.

Donna Rise explained that it is important to get this finalized as quickly as possible because the timeline for rulemaking takes 90 days. We would like to have rulemaking completed by the first of the year so it may be implemented at the beginning of the next certification cycle. Mikel offered to send to the department the draft letter to accompany the rule changes and the department will forward this letter on to the rest of Council sometime next week.

Greg asked if there was further business. Randy Hinebauch motioned to adjourn. David Oien second. The motion passed unanimously.

Subjects for the next meeting are to have Old Business and discuss the inspectors travel fee.

The next MOCAC meeting is proposed to be held in conjunction with the Montana Organic Association meeting.

The meeting was adjourned at 5:55 p.m.