A MOCAC meeting was held on November 11, 2009 at the Wheat Building in Great Falls, MT. The purpose of the meeting was to discuss the organic program’s fiscal situation and recommend actions to the department to improve the situation. Those present were: Greg Ames, Andy Gray, Doug Crabtree, Ann Bay, Roy Benjamin, Sharon Lindquist, Jill Owen, Andy Sponseller, and Greg Thayer. Kathee Dunham and Robert Forstenzer were not present.

Program staff made a detailed presentation on the fiscal status, revenues and expenses, of the program. A number of ideas were discussed to improve the situation and meet the legislative mandate to operate without (negative) impact on the state budget. Roy made a motion to recommend an increase in certification fees. Substantial discussion ensued and Roy withdrew the motion in favor of more work to incorporate additional ideas. Members asked that program staff update projections, based on fee proposals discussed, and agreed to continue discussions and prepare for making a final recommendation on November 16.

The meeting was called to discuss a fee increase and other program efficiencies to improve the Organic Certification program’s financial deficit. The meeting was a continuation of the council meeting on Wednesday, November 11, 2009 in Great Falls, Montana.

The meeting was called to order at 6:10 p.m. by Ron de Yong.

Those present were: Greg Ames, Andy Gray, Ron de Yong and Doug Crabtree. Roy Benjamin, Kathee Dunham, Sharon Lindquist, Jill Owen, Andy Sponseller, and Greg Thayer joined via conference call. Robert Forstenzer was not present.

Three new options (X, Y and Z) of fee schedules / spreadsheets were distributed electronically earlier in the day.

Greg Ames discussed program financial needs and resources. Doug Crabtree briefly explained each option. Option Z was discussed as being the most favorable because it generated the most revenue for fixing the problem. Greg Thayer suggested (informally) some amendments to Option Z because he felt the smaller operations were the main cause of the program deficit. The initial changes to Option Z were to keep all fees the same except:
- add $100 to all applications
- have a $400 minimum assessment for all applicants
- Net increase of revenue would be approximately $47,000
Other changes to Option Z were discussed and resulted in 3 separate proposals. Doug Crabtree executed the suggestions in Excel spreadsheets to determine the end result.

**Proposals**

#1 would generate approximately $52,000 and include a $400 minimum assessment; increase application fee $200 for top four categories, increase application fee $100 for bottom four categories

#2 would generate approximately $47,199 and include a $400 minimum assessment; increase application fee $100 for all categories

#3 would generate approximately $41,996 and include a $300 minimum assessment; increase application fee $200 for top four categories, increase application fee $100 for bottom four categories

Roy motioned to accept Option 2, Sharon seconded, Chairman de Yong asked for any discussion:

- Andy Sponseller asks for amendment to change to Option 1 and to scale the application fees from $100 to $250, then withdrew his amendment

- Jill discussed Andy Sponseller’s amendment, but preferred another option not discussed or presented (called Option 4 for clarity of the minutes):
  - a $300 minimum assessment fee; increase the application fee for the top four categories by $300; increase the application fee for the bottom four categories by $100 = an increase in revenue of $46,896

- Jill asked for an amendment to Roy’s motion by accepting Option 4, Andy Sponseller seconded

Chairmen de Yong asked for any further discussion, there was none.

- amendment passed unanimous
- motion passed unanimously

Andy Gray presented other department suggested Administrative Rule amendments to improve the program’s efficiencies and solvency. The group discussed the conceptual points one by one as presented and decided to vote on all under one motion. The points were as follows:

- Establish a collection fee for late payment of program charges
- Increase international certification fee to recoup international certification costs to WSDA
- Amend the application date for handlers to improve efficiency of certification
- Extend council member’s terms from 2 to 3 years
- Establish an annual review for the adjustment of the hourly inspection rate charged for department staff
- Adjust miscellaneous fees to recoup the cost of doing business
o Eliminate the fee charged to clients who certify by more than one certifier
o Eliminate the ‘no assessment fee’ for incoming operations from another certifier

Greg Thayer made the motion to accept all recommendations, Andy Sponseller seconded
- motion passed unanimously.

Andy Sponseller suggested that MOCAC meet with the Governor’s Office to ask for general fund with a one page request. The organic industry (MOA, MOCAC, etc) should pursue general fund from Governor or Legislature because organic is good for Montana communities. All members agreed.

The meeting adjourned at 9:00 p.m.