

# St. Mary Rehabilitation Working Group

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Phone (406) 263-8402 Fax (406) 228-9033



EXHIBIT 1  
DATE 1/23/07  
HB 223

January 22, 2007

Montana House Appropriations Committee  
Chairman John Sinrud  
Capital Building  
Helena, MT 59601

Dear Montana House Appropriations Committee Members,

I am writing on behalf of the members of the St. Mary Rehabilitation Working Group to urge your support House Bill 223. The St. Mary Rehabilitation Working Group is working to rehabilitate the St. Mary/Milk River system, which supplies water across Northern Montana. Without this water, we would not be able to survive. However, it takes more than water to sustain a way of life. The development of value added agriculture is critical to the sustainability of the Milk River. After several years of drought, agricultural producers are frantically looking to diversify their crops.

The Regional Rural Value Added Agriculture Assistance Program proposed in House Bill 223 will benefit agricultural producers across Montana by assisting with crop diversification, niche marketing, transitioning from commodity products/prices to food products/prices. The Regional Agriculture Coordinators are real people that live in rural Montana, who understand the challenges of agriculture, but work closely with our agricultural producers to develop higher value products.

Several of the Milk River irrigators have grown alfalfa hay for decades, which has been the most popular choice of crop given the irrigation water supply available. Our neighbors to the north with approximately the same climate in the Tiber Alberta area, are growing beans, peas, vegetable, sunflowers, and potatoes. They also have several processing plants in the area, which creates additional jobs and less transportation expenses for the farmers.

I have already seen what this concept has produced for our farmers on the Hi-line. Currently, there is work underway on developing several biodiesel production plants, an ethanol production plant, biobased lubricant development, tomato processing, wool processing, and several other niche marketing projects.

Anytime you can add value to the bottom line of any business it's a good deal, but when you add value to Montana's number one industry, it's a win-win situation for our tax base as well. I see this program benefiting all agriculture and non agriculture families using Milk River water, by creating industry and jobs.

Thank you in advance for your support of House Bill 223 and the continued development of value added agriculture.

Sincerely,

Larry E. Mires  
Executive Director

January 22, 2007

Honorable John Sinrud, Chairman  
House Appropriations Committee

I would like to express my support for the HB 223, Regional Rural Valued Added Agricultural Program. Locally, Value Added Agricultural program has supported Peaks and Prairie. Peaks and Prairie is agriculture producer owned business that is developing bio based lubricants and other alternative products. The Ag Innovation Center supported this project previously.

Currently, they are crushing local oil seed crops and using the by products for supplemental feeding of livestock. This project gives great hope to rural communities to capitalize and grow and be prosperous.

The Value Added Agricultural Program has been instrumental in assisting this local cooperative and provides a network to create new innovative agricultural businesses.

Thank you again for considering this request to support HB 223 Regional Rural Valued Added Agricultural Program.

Sincerely,

Marko Manoukian  
Phillips County Extension Agent

*Montana State University,  
U.S. Department of  
Agriculture and Montana  
Counties Cooperating.  
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# PhillCo ECONOMIC GROWTH COUNCIL

Box 1637 - Malta, Montana 59538 - (406) 654-1776 • phillco@mtintouch.net • www.maltachamber.com

January 18, 2007

Honorable John Sinrud, Chairman  
House Appropriations Committee

Dear Representative Sinrud and Committee Members,

Please accept this letter as our endorsement of HB 233 which establishes a Regional Value Added Agriculture Program and Regional Rural Economic Development Center.

As a local economic development professional serving Phillips County, I have had several opportunities to work with Brandi Beecher of Bear Paw Development corporation and other value added specialists across Montana. I can personally attest to the effectiveness of the Montana Ag Innovation Center and assure you that a funded Regional Value Added Program through the Mt. Department of Ag will exceed historic efforts.

Within our region alone, Brandi Beecher has worked at all levels with a specialized food producer, a wool processor and an oilseed crushing and bio lubricant facility. The program enables Ms. Beecher to impart "on the ground" assistance to people interested in adding value to our commodities and unlike other Ag programs, it has a dedicated purpose and methods that truly help people move forward. Brandi has a natural ability to establish working relationships with tribal members along with farmers and ranchers in the region while maintaining excellent communication with local assistance providers such as myself and our organization. She and the program is an asset and it would be detrimental to loose same.

Thank you for your consideration of HB223 and I encourage your favorable vote.

Sincerely,



Anne M. Boothe  
Executive Director





January 19, 2007

To: House Appropriations Committee  
Re: HB223

I hope that you will support HB223. This bill will assist economic development organizations across the state continue and expand the work they are currently doing to help increase value-added agricultural and bio-product projects within the state.

In central Montana, similar one-time federal funds have helped us start and expand several new value-added agricultural businesses and work with others through the difficult feasibility, start-up phase. Recently, we helped producers in our area conduct a feasibility study on a fibre roll plant. We're currently working with a person that wants to start a camelina oil crushing facility in the Lewistown and Shelby areas. We're also developing bio-mass heating systems and a chipping business which will utilize hazardous fuels reduction materials from our forested lands to provide the bio-mass supply for the heating systems.

It takes a lot of technical assistance to get these projects to a successful operational stage. Entities such as these need assistance in conducting feasibility studies, developing business plans, making pro formas, identifying funding strategies, identifying available facilities, developing markets, completing market studies, and often times developing the agricultural supply side of the project. In order for the producers and entrepreneurs to work their way through these tasks, it often requires the assistance of a professional community economic development specialist.

This bill will ensure that the existing technical assistance is there for our agricultural producers and will expand to areas, not currently covered, such as that in south eastern Montana. This bill will have a huge impact on the ability for Snowy Mountain Development Corporation to continue meeting this need in central Montana, providing this service for our agricultural producers, and for SouthEastern Montana Development Corporation to start providing this service.

Unfortunately, I am not able to attend the hearing today, as an entrepreneur and researcher from Ohio will be in central Montana for a second visit to get a closer look at existing available facilities in the region. We are working with this entrepreneur to assist him in developing a camelina oil crushing facility. It would be difficult to continue this type of assistance without the support identified in this bill, as the federal funding will no longer be available after June 2007.

I wish you the best at the legislature, and I'm available if you have any questions about how future legislation might impact the central Montana area.

Sincerely,

Kathie Bailey, Executive Director

TOWN OF CHESTER  
22 West Madison Avenue  
PO Box 644  
Chester, MT 59522



January 22, 2007

RE: House Bill 223

Regional Value Added Agriculture Assistance

To Whom It May Concern:

Please be advised that the Town of Chester would like to go on record supporting this bill. We feel that the assistance we have had in getting the Earl Fisher, Bio Diesel plant in Chester has been a direct result of this program. We feel that the trickle down effect of this assistance should be at least 10 fold in the future. We have had an industrial building vacant for the last 8 years and we have been able to utilize it for the production of Bio Diesel.

We feel that this has had a very positive influence on the economic development of our area and would very much like to see the program continued in the future for economic development.

Cordially,

*Wayne Wardell, Mayor*

Wayne L. Wardell  
Mayor, Town of Chester

BRET KENFIELD, CPA, PC  
10637 NE COXLEY DR SUITE 102  
VANCOUVER, WA 98662

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January 22, 2007

Office of John Musgrove

RE: Montana Agricultural Innovation Center, Bear Paw Development Program House Bill 223

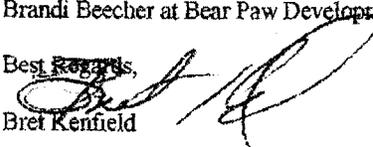
Dear Senator Baucus,

I am writing to express my support for the Montana Agriculture Innovation Center. I am quite appalled to see House Bill 223 for the following reasons.

We have been working on a **Renewable Energy Project (Wind Farm)** since June of 2003 on our farm in Chester, Montana. We did not have the technical expertise or funds to develop the project. So in November of 2004, we hired a consultant to perform a preliminary feasibility study. We applied with the Montana Agriculture Innovation Center through Bear Paw Development in Havre, Montana. The staff of Brandi Beecher prepared our proposal to the Ag Council. Our project was the first **Renewable Energy Project** proposed to the council. We were able to obtain grant funding with a contribution on our behalf and matching funds. I believe if it wasn't for the Ag Council program we would not be where we are today. We are just in the beginning of our project and need to maintain the funding for Brandi Beecher and staff to continue our project. It is a very cost intensive and time consuming project to put a Renewable Energy Project together. We feel it will be necessary to have this program stay in place for us to effectively continue the project to our Phase II feasibility study. While it may appear the program has not generated any fruit from its seeds planted, I believe our project to be a "poster child" of having the Montana Agricultural Innovation Center in place and will bring a multi-million dollar project into a rural economy. This will increase jobs and tax base into a rural economy which I believe is the intended purpose of the Montana Ag Council.

If you have any questions regarding our project and its viability to the area I can be contacted 360-896-6552 or Brandi Beecher at Bear Paw Development 406-265-9226 ([bbeecher@bearpaw.org](mailto:bbeecher@bearpaw.org))

Best Regards,

  
Bret Kenfield

Members of Montana House Appropriations Committee,

Our names are Thayne and Michelle Mackey from Dodson, MT. About two years ago we began the process of starting our own wool processing business. Disgusted with current options available to us we knew our business would be beneficial to local wool producers and potentially have a huge impact on the domestic wool market, but we didn't know where to start. We were pointed in the direction of the GTA program through Bear Paw Development in Havre, MT. While looking to secure funding we were denied by many entities because of the fact that we were agricultural. Thanks to the GTA program we were able to get preliminary funding to get our business off the ground. The support and counseling we have received through the program has been indispensable. Even though our project has expanded exponentially from our original goal and is taking longer to develop than we had hoped, it is still going much faster than if we had no help from GTA. The support of value-added ag projects is so important to the state of Montana. The state of ag economics today does not make it easy for a farm/ranch the size of ours to be self-sustaining. Without support of value-added agriculture, many families will be forced to make a choice between barely surviving on the family ranch and taking town jobs that pay the bills. I don't think any true Montanans would like to see that happen. Montana is an agricultural state and our people need the help that these programs provide. Please consider this when these programs are on the chopping block.

Thank you for your time and consideration. Sincerely,

Thayne and Michelle Mackey

Brookside Woolen Mill, LLC

January 17, 2007

Re: Snowy Mountain Development Corporation  
Lewistown, MT 59457

To whom it may concern:

Over the last two years I have been operating a small owner/operator business producing and selling homemade jams, jellies, and syrup made from wild berries found in and around Central Montana. I started this business as a means to supplement our ranch/farm income. When I started, all of the berries used in my products came from our property.

Snowy Mountain Development Corporation (SMDC) in Lewistown has been instrumental to the success of my new business. SMDC provided many hours of one-on-one counseling, at no cost, to assist me with developing a business plan, putting together meaningful financial statements, and working through the cash flow for this business entity. In addition, they helped with labeling, marketing and pricing. They continue to provide technical assistance whenever I feel I need help. Their assistance has been invaluable to me.

I relied on SMDC to assist with pricing of my products based on the cost and potential cash flow. They had ideas and suggestions on how to improve my marketing, much of which really helped me. My labels were designed with the assistance of SMDC and they helped with getting State approval for my labels. I also received mini-grant funds from them matching my marketing expenditures.

My business is an excellent example of value-added agriculture and how it can help an Ag operation have a positive cash flow. Snowy Mountain Development Corporation has played a big part in my success, I am very appreciative of their help, and I hope they will be able to continue to be there for me and others in agriculture.

Sincerely,

Becky Stahl  
Becky's Berries  
10a Kem LN  
Absarokee, MT 59001

January 17, 2007

Re: Snowy Mountain Development Corporation  
Lewistown, MT 59457

To whom it may concern:

Over the last 3 years we have been operating a small owner/operator business raising and marketing natural beef through the Internet, plus locally in and around Central Montana. We started this business as a means to supplement our ranch/farm income. When we started we decided to market just those products that were born, raised and fed on our farm/ranch northeast of Winifred, Montana.

Snowy Mountain Development Corporation (SMDC) in Lewistown has been instrumental to the success of our business. SMDC provided many hours of one-on-one counseling, at no cost, to assist us with developing a business plan, putting together meaningful financial statements, and working through the cash flow for this business entity. In addition, they helped with labeling, marketing and pricing. They continue to provide technical assistance whenever we feel we need help. Their assistance has been invaluable to us.

We relied on SMDC to assist with pricing of our products based on the cost and potential cash flow. They had ideas and suggestions on how to improve our marketing, much of which really helped us. We also received mini-grant funds from them matching our marketing expenditures.

Our business is an excellent example of value-added agriculture and how it can help an Ag operation have a positive cash flow. Snowy Mountain Development Corporation has played a big part in our success, we are very appreciative of their help, and we hope they will be able to continue to be there for us and for others in agriculture.

Sincerely,

Jon and Connie Berg  
Big Sage Ranch Beef  
1286 Big Sage Lane  
Winifred, MT 59489