

Montana's Food and Agricultural Development Network

<http://agr.mt.gov/foodandag/>

The Montana Food and Agricultural Development Centers network, funded by the Board of Research and Commercialization Technology and administered by the state Agriculture Department, is the only economic development program specifically targeting two fast-growing areas of opportunity for Montana agriculture:

1. regional food systems, including product development, processing and marketing, and
2. the development and use of farm-derived renewable energy.

In its first year of operation, the network leveraged the \$250,000 in funds that support the program into more than \$9.3 million from private and public sources for use by agriculture-related businesses to develop or expand.

Four centers and a satellite office are strategically located in rural regions that encompass 40 of Montana's 56 counties while functioning as a network with shared capabilities in food and renewable energy. Seventy-three of the 100 first-year clients were food-related businesses. Production, testing, labeling, regulatory requirements and marketing in food and renewable energy businesses require specialized knowledge and infrastructure. Unlike previous federally funded centers, this program was designed in Montana to overcome many of the limitations facing earlier programs.

The regional centers also assist value-added agriculture start-up businesses gain badly-needed access to capital through help with loans, loan guarantees, grants, and business investments. The Food and Agriculture Development Centers' assistance to value-added agricultural businesses has helped improve the quality of applications to Montana's Growth Through Agriculture program, and is helping ensure the success of GTA projects.

First Year Results

Clients served	100
Jobs created/retained	133
Self-employment created/retained	40
New products	39
Client trainings	20 (300 participants)
Funds leveraged, public & private	\$9.3 million

Food and Ag Development Center Specialties

Center Specialties	HAVRE Bear Paw Dev. Corp	JOLIET Beartooth RC&D	GLENDIVE Community GATE	RONAN Lake Co CDC	LEWISTOWN Snowy Mountain
Renewable energy, biomass, biofuel	X	X			X
Food product development, processing, commercial kitchen		X	X	X	X
Food scientist	X	X	X	X	X
Educational workshops	X	X	X	X	X
Cooperative development	X	X	X	X	
Mobile meat processing education, training				X	
Revolving loan fund	X	X		X	X
Access to federal contracts (PTAC)				X	X

Types of Businesses Assisted

As an example, Beartooth RC&D in south central Montana, has served business clients seeking to develop a broad range of value-added food and energy projects, including:

- greenhouse and food production and alternative vegetable cropping
- biodiesel, bio-lubricants and ethanol
- timber
- locally grown and processed beef and USDA inspected meat
- small scale and commercial scale wind energy
- a sheep marketing cooperative that raises and processes their product and sells fresh and frozen lamb to consumers and wholesalers
- wool processing including woolen insulation
- micro-brewers using Montana barley and locally grown hops, and
- Hutterite colonies that produce and sell eggs, milk and pork to the state's large retail grocers, such as Wal-Mart.

Beartooth RC&D is working on the Crow Reservation with a Crow Agency Chamber of Commerce interested in adapting the center's QuickBooks training model for Crow business owners, several of which produce value-added ag products on the reservation.

Livestock improvement and genetics are among the specialties Beartooth offers, including livestock efficiency testing and expertise on expanding feedlot activities to use locally produced rations rather than exporting feeder calves.

Clients of the statewide network typically receive business planning help from the nearest center and are referred for more specialized assistance. For example Becky's Berries, which produces and markets a high quality line of jams and jellies, received start-up business assistance from Snowy Mountain Development in Lewistown and food business training organized by the Beartooth Center and presented by the Lake County center using a training curriculum it developed in Ronan.

A separate fact sheet provides a sampling of businesses that have benefited from help provided by the Montana Food and Agriculture Development Centers network and the state's Growth Through Agriculture grant and loan program.

A Sampling of Business Success Stories from Growth Through Agriculture and Food & Agricultural Development Center Programs

Becky's Berries of Absarokee makes and sells a high-quality line of jams, jellies and syrups made from wild berries. The business received start-up business assistance from the Snowy Mountain Development Corporation and additional help and training from the Snowy Mountain Food & Ag Development Center in Lewistown as well as from training events coordinated by the Ronan and Joliet Food and Ag Development Centers. Becky's sells products and gift boxes via the company's website, as well as at area farmer's markets and fairs. Becky's Berries received a grant of \$4,994 in 2008. The grant helped purchase business equipment and pay for tradeshow costs in order to increase sales into larger markets.



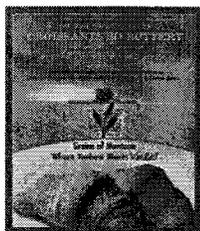
Earl Fisher Biofuels LLP of Chester recently entered into a year-long partnership with BNSF Railway and the MSU-Northern Bio-Energy Center to test the company's B-20 biodiesel year round in a locomotive switching engine at the BNSF Havre yard. The Havre Food & Agricultural Development Center operated by Bear Paw Development Corp. has worked closely with the firm, which also received Growth Through Agriculture funding in 2004 and 2007 for equipment and product promotion. The company produces biofuels from canola and other Montana-grown oilseeds.



Cream of the West, founded in 1914 and moved to Harlowton by the current owners in 2002, received Growth Through Agriculture funding in 1990, 2004 and 2009 totaling \$54,200 for the development and marketing of new products. Currently, *Cream of the West* employs 3 full-time and 3 part-time employees, has annual sales of approximately \$500,000 and serves markets that include all 50 states and 5 foreign countries. Cream of the West has received technical assistance from all of the Food and Agricultural Development Centers.



Grains of Montana, founded in 2005, received Growth Through Agriculture funding in 2007 and 2008. Funding provided to *Grains of Montana* totaled \$89,250 for marketing and promotion and the establishment of a bakery. The Joliet Food and Ag Development Center provided assistance to this company with its GTA application, marketing, business plan expansion, and strategic plan training. Currently, *Grains of Montana* employs 9 full-time and 8 part-time employees in its Billings restaurant and 8 full-time employees in its bakery. *Grains of Montana* has annual sales of approximately \$130,000 per month from its restaurant and bakery operations and serves markets that include Montana, Wyoming, the Dakotas and Mississippi.



Kamut International, founded in 1991 and based in Big Sandy, received Growth Through Agriculture funding in 2002. Funding provided to Kamut International totaled \$9,240 for the establishment of a glycemic index number on various food products utilizing Kamut grain as a primary ingredient, to effectively target a niche market. Currently, *Kamut International* employs 3 full-time and 2 part-time employees and sells approximately 24,000,000 pounds of product annually. All US sales and a portion of other global sales are grown in Montana. Additionally, *Kamut International* is developing export markets to South Africa and South America for the KAMUT brand and serves markets including the United States, Europe, South America and Japan.

Montana Monster Munchies of Bozeman, whose current ownership began in 2005, received Growth Through Agriculture funding in 2009. Funding provided to *Montana Monster Munchies* totaled \$5,650 for the development of gluten-free recipes including oat-based cookies and "gluten-free" certification of products and the company's factory. Currently, *Montana Monster Munchies* employs 2 full-time employees, has annual sales of approximately \$300,000, and serves markets including the United States and foreign countries.

Trevino's Tortillas, founded in Billings in 2003, received Growth Through Agriculture funding in 2007, 2008 and 2009. Funding provided to *Trevino's Tortillas* totaled \$110,000 for the purchase of equipment, supplies and materials. Currently, *Trevino's Tortillas* employs 4 full-time employees and 6 part-time employees, has annual sales of approximately \$22,500 per month and serves markets including Montana and Wyoming.

Montana Mobile Poultry Processing Unit, based in Ronan, is capable of slaughtering 150-200 chickens per day on-farm. The Ronan Food & Ag Development Center of Lake County CDC has conducted trainings on the unit at several of the centers. Mobile processing with approved facilities and equipment enables farmers to sell processed poultry to grocery stores and restaurants under USDA's Food Safety Inspection Service 1000-bird or 20,000-bird slaughter exemption. In 2007, the Montana Poultry Growers Cooperative, which operates the unit, received a \$16,000 loan and a \$17,900 grant from the Growth Through Agriculture Program to help build and market the unit.



Harwood Enterprises offers commercial pesticide application and vegetation management services in the Joliet area. Owner John Harwood received business and marketing assistance from the Joliet Food and Agricultural Development Center at Beartooth RC&D, including help preparing a successful application for a Rural Business Enterprise Grant for a marketing plan for his business.

Silent Creations of Ronan recently expanded its buffalo products line to include more jerky flavors and sausage snacks. Owner Matthew Silent Thunder received a Growth Through Agriculture grant in 2009 for website development and promotions. He also credits the Mission Mountain Food Enterprise Center and the associated Ronan Food and Ag Development Center for providing a USDA-approved meat facility and help with labeling and a required hazard analysis and critical control points plan. Both are needed to allow marketing the company's products nationally and globally.

Tipu's Chai of Ronan has "graduated" from the Mission Mountain Food Enterprise Center and now has its tea products made at a co-pack facility in Colorado. Company President Bipin Patel credits the center with having the facilities that enabled him to grow his business and providing information to surmount labeling and regulatory hurdles. The Ronan Food and Ag Development Center assisted him with a business plan and in receiving a large venture capital investment to expand the business.

LTL Inc. of Reed Point received a combined \$48,000 grant and loan from the Growth Through Agriculture program in 2009 for its Goddard Manure and Compost project. Goddard Land & Cattle operated a custom manure spreading operation in Stillwater and Yellowstone counties for eight years before expanding into manure composting. The Joliet center at Beartooth RC&D has assisted the new business in several ways, including business planning, grant writing and information regarding environmental regulations for the new venture.

