



# Montana Food and Agriculture Development Network

## FY 2016 Report

July 1, 2015 – June 30, 2016

Submitted by the Montana Department of Agriculture

Food and Agriculture Development Program

MCA 80-11-901



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## Executive Summary

The Food and Agriculture Development Center Network reported fiscal year 2016 as a year of growth and new challenges. Food safety, outreach opportunities, social media marketing and increased demand for Network services in Eastern Montana were some of the challenges and opportunities the Network experienced over the past year. One of the issues was the federal Food Safety Modernization Act (FSMA). The FDA finalized the Produce Rule that would affect farmers growing fruits and vegetables, but did not provide corresponding food safety curriculum and training to meet the requirements of the Rule during FY2016. Montana producers wanted to get started in preparing for these regulations and wanted to know what would apply to them. It also became apparent that many buyers such as schools and grocery stores may require similar compliance even if producers fall under an exemption from the federal regulations. In an effort to help Montana producers be as prepared as possible while final FDA requirements were written, the Network applied for and implemented food safety trainings across the state and participated in a national pilot project for a new Group GAP certification program that would increase accessibility and reduce certification costs to individual producers. The Network also assisted in the development and growth of new food cooperatives, as well as assisting local farms marketing their products to schools and institutions.

## Center Highlights

### Mission Mountain Food Enterprise Center, Ronan FADC

#### Food Processing Capacity & Nutritional Labeling

The Ronan FADC is one of the few food processing facilities available to new food entrepreneurs to start their business. The Ronan food processing facility continues to provide USDA and organic certified processing opportunities for Montana food businesses. Even if clients are not located near the center, they can still benefit from other services the center provides at a very low cost. These services include UPC barcodes, nutritional analysis for product food labeling, processing, HACCP and regulatory compliance, and shelf life studies. Many of the other community kitchens in the state consult with the MMFEC for best practices and lessons learned when developing their own community kitchens.

#### First Ever Poultry Processing Facility

The Ronan FADC center director, Jan Tusick, assisted Living Rivers Farm (chickens pictured right), Homestead Organics and the Poultry Growers Cooperative to partner and complete the state's 1<sup>st</sup> licensed poultry processing facility available to general producers looking to sell their processed chickens. The only other licensed facility in the state is owned by a Hutterite Colony and is limited to the Colony for its own processing.



Articles: [http://missoulian.com/business/local/montana-s-first-public-chicken-processing-plant-takes-big-step/article\\_6bf7e35d-03aa-5055-8282-273dcd077d71.html](http://missoulian.com/business/local/montana-s-first-public-chicken-processing-plant-takes-big-step/article_6bf7e35d-03aa-5055-8282-273dcd077d71.html)

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<http://www.agweek.com/news/montana/4067583-montana-poultry-processing-plant-set-grand-opening>

(Photo of new poultry processing facility – left)

### **Farm to School/Institution**

The Western Montana Growers Cooperative (WMGC), which consists of producers from over 40 farms, continues to grow and provides value to both producers and the schools and institutions. The Farm to School and Farm to Institution Program partnership between the Ronan FADC, the WMGC and area schools and institutions has developed a working model that addresses the needs of each group. Schools and hospitals often want to purchase local foods, but need to do so in a format that works for their food service format – such as washed and bagged salad, sliced carrots or cooked, pureed pumpkin. They also want to be able to order from one place to meet all of their needs, not several farmers. Farmers often cannot provide a large enough or a consistent supply of desired local foods – so having several farmers working together overcomes issues of supply if one farmer experiences adverse weather, or pest conditions. In this model which the Ronan FADC and the WMGC worked with schools and institutions over several years to develop a working, efficient model for all parties. Over the past fiscal year, the WMGC sold over \$220,000 of local product to regional institutions – a 57% increase in sales from the previous fiscal year. This included 13 schools and 5 hospitals and medical care facilities. Most, if not all of these producers, would not otherwise be able to sell product to these schools and institutions because they would not be able to process the food themselves or overcome the other issues listed above.

### **Montana Leads the Way in USDA Pilot Program**

In the area of food safety, the Ronan FADC together with the WMGC, was 1 of 5 groups across the nation to participate in a Group GAP Pilot project with USDA. As a result of this project, a new Group GAP certification standard has been established, allowing groups of growers such as the Western Montana Grower's Coop to achieve certification as a group, lowering the cost and increasing the opportunities for certification for small growers. Article: <http://blogs.usda.gov/2014/09/22/big-help-for-small-producers/>

The Ronan FADC has been asked to partner with an organization in Spokane, WA in order to share the resources that have been developed beyond Montana into Washington and Idaho. This is as a result of the national attention they have received for both the food manufacturing facility and the food safety expertise they have developed.

### **Trainings in Demand**

Other notable activities include several business development and food safety trainings provided by the Ronan FADC this year. The Ronan FADC also reports a significant number of additional requests to continue providing training programs next year for both 3<sup>rd</sup> party audits (such as Costco) as well as federal and state food safety requirements.

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## Beartooth RC&D Area, Inc. – Joliet FADC

### Increase in Eastern Montana Outreach

The Joliet FADC center director, Joel Bertolino partnered with the Department of Agriculture's Eastern Montana Business Development Specialist to promote the Growth Through Agriculture program to Eastern Montana companies and entrepreneurs. The Joliet FADC was successful in assisting several companies with their applications for funding. These companies included C&K Meats in Forsyth and the Little Big Horn FFA project in Lodge Grass (pictured right) to promote and mentor high school students in cattle entrepreneurship.



Other new clients this year include Blain Farms of Joliet, Nash Farms of Bridger, Stetson Ranches of Fromberg, Elevated Harvest of Luther, Stillwater Packing of Columbus and Colt James Signature Beef of Roberts.

### MillerCoors/Western Sugar Conservation Project

The Joliet FADC has also continued to assist a group of conservation district representatives, NRCS staff, MillerCoors, Western Sugar and ag producers of irrigated barley and sugar beets in 3 counties with applying for a USDA NRCS grant. The grant would be for a 5 year pilot project to coordinate volunteer producers in each county willing to institute conservation practices believed to conserve water, energy and soil in an effort to become more sustainable agricultural operations. The project passed the 1st round of review and has been selected to submit a full proposal in the fall of 2016.

### Energy Development - Everpower

The Joliet FADC continues to work with the Pittsburgh based wind developer Everpower on a proposed wind project in Carbon County: <https://everpower.com/mud-springs-mt/>

## Headwaters RC&D Area, Inc. – Butte FADC

### Network Social Media Implemented

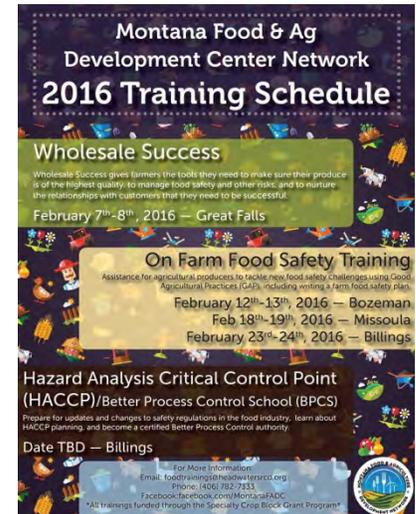
The Butte FADC director, Joe Willauer, took the lead and hired a Promotions and Event Coordinator to develop a social media plan for the Network. The Facebook (<http://www.facebook.com/MontanaFADC/>) and YouTube (<https://www.youtube.com/channel/UCtUAV-QtPI1-LRoS5hCN0Sw>) channels have been launched and are growing daily in followings and viewership, raising awareness and highlighting Montana's diverse and innovative world of Agriculture.

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The Butte FADC also oversaw the creation and completion of five (5) videos that highlight each FADC throughout the Network and a comprehensive video for the Network as a whole. The videos were released throughout the spring of 2016 to marketing the FADC Network and to increase awareness statewide of the services available to Montana food and agriculture businesses.

### Food Safety Trainings

The Butte FADC worked collaboratively with the Mission Mountain Food Enterprise Center – (Ronan FADC), Jonda Crosby of the Independent Organic Inspectors Association, the Montana Manufacturing and Extension Center, and the other Network centers to deliver several food safety trainings including: Wholesale Success, On Farm Food Safety, and Hazard Analysis Critical Control Point trainings in Billings, Bozeman, Great Falls, and Ronan.



### Outreach

**Boulder** - The Butte FADC co-sponsored a town hall meeting in Boulder with the MSU Extension and the Montana Department of Agriculture to present opportunities in agriculture and food manufacturing that the community members could explore and offered the Network's assistance in helping people move forward with their project ideas.

### Client Highlights



- Gluten Free Prairie, Manhattan** – Assisted with and received a Growth Through Agriculture loan to increase the efficiency of their cookie processing facility
- Dry Hills Distillery, Bozeman** – Assisted with and received a Growth Through Agriculture (GTA) grant to launch the potato based vodka company
- Winds Pasties, Anaconda** – Met with client to discuss needs and identified funding opportunities to assist with the expansion of this restaurant and food manufacturer that sources Montana flour, potatoes and beef for its products.
- Crooked Yard Hops, Bozeman** (above) – Assisted with project planning, financing and opportunities and assisted with and received a Growth Through Agriculture (GTA) grant to launch the potato based vodka company <http://www.montana.edu/news/16312/msu-alum-wins-grant-for-new-hops-farm>

## Bear Paw Development Corporation – Havre FADC

### New Center Director Hired

The Havre FADC hired a new Food & Agriculture Development Center Director, Taylor Lyon (pictured right) in May 2016 and retained the previous center director, Tiffany Melby as the loan officer for Bear Paw's loan department.



### Outreach and Collaboration

The Havre FADC participated in outreach at the following events:

- On-farm food safety workshop at County Rail Farm in Dixon, MT
- Northern Agricultural Research Station field day, Havre, MT
- Press releases (attached) <http://www.havredailynews.com/story/2016/05/24/local/bear-paw-hires-new-value-added-ag-director/508869.html>
- Hosted the Community Food and Agriculture Coalition's meeting in Havre to promote the Farm Link Program aimed at providing resources and technical assistance to beginning farmer and ranchers. <http://farmlinkmontana.org/>



### Client Highlights

- **Loan Funding for Triple Dog Brewery** - The Havre FADC in partnership with the Bear Paw loan department, worked with Triple Dog Brewery to secure a \$300,000 private loan for the expansion of the Havre, MT brewery.
- **Montana Horizons/Kracklin' Kamut** (pictured left), **Big Sandy** – continues to expand in sales and operations: <https://www.youtube.com/watch?v=xMPdZpHI-rM&feature=youtu.be>
- **Bear Paw Meats, Chinook** – assisted with completion of USDA Value Added Producer Grant (VAPG) and Growth Through Agriculture (GTA) grant applications to expand their business.
- **Busted Knuckle Brewery, Glasgow** – discussed funding opportunities for the expansion of the brewery

## Program Statistics

<b>Clients Served FY 2016</b>	
<b>Businesses Assisted</b>	<b>175</b>
<b>New Clients</b>	<b>58</b>
<b>Jobs Created/Retained</b>	<b>136</b>
<b>Business Consulting Sessions</b>	<b>308</b>
<b>Consulting Hours</b>	<b>778</b>
<b>Hours clients used MMFEC facilities</b>	<b>1529.75</b>
<b>New Products</b>	<b>52</b>

<b>Funds Leveraged FY2016</b>	
<b>Public Grants</b>	<b>\$404,350</b>
<b>Public Loans</b>	<b>\$96,500</b>
<b>Private Investments</b>	<b>\$1,902,234</b>
<b>Total</b>	<b>\$2,403,084</b>

## Conclusion

The Food and Agriculture Development Center (FADC) Network continues to provide opportunities and outreach to Montana Agriculture. As highlighted, some smaller producers find opportunity to test their products and some larger producers are assisted in expanding. They provide assistance with finding funding opportunities and assisting with grant writing for state and federal funding programs that can be overwhelming for individual farmers and food businesses to try to access on their own. The FADC program continues to be an integral part of Montana's Agriculture development.