



OVERVIEW: MONTANA AGRICULTURE DEVELOPMENT COUNCIL

The seven-member Montana Agriculture Development Council, established under 2-15-3015, MCA, has mandatory duties, including the award of loans or grants to stimulate agriculture development and diversification, as well as permissive duties, such as deferring or forgiving a loan or accrued interest. The council was administratively attached to the Department of Agriculture in 1989, after being established in 1987 when it was initially attached to the Department of Commerce.

As provided by statute, the council is to meet quarterly and “at other times as determined by the presiding officer or a majority of the council.”

Duties/Goals

The following duties are required under Title 9, chapter 9, MCA, unless otherwise specified:

Council Members	Representing	Term Expires
Ben Thomas, Helena	Department of Agriculture Director	Statutory
Tara Rice, Helena	Department of Commerce Director	Statutory
John Wicks, Ledger	Agriculture representative	7/1/2022
Amy Kellogg, Kalispell	Agriculture representative	7/1/2022
Lars Hanson, Edgar	Agriculture representative	7/1/2020
Tara Mastel, Red Lodge	Agriculture representative	7/1/2020
Patricia Quisno, Harlem	Agriculture representative	7/1/2020

- Establishing policies and priorities for the development of agriculture in Montana, including Indian reservations.
- Making loans or grants that stimulate agriculture development and diversification in rural, urban, and tribal settings. Loans may not exceed \$100,000 in any 9-month period.
- Providing loan repayment assistance up to \$100,000 for the farmer loan repayment assistance program, which is carried out in consultation with the Cooperative Extension Service under Title 90, chapter 9, part 5.
- Requiring use of recipient matching funds prior to the expenditure of state funds. Matching funds may include recipient expenditures made within a year of loan or grant expenditures, as provided in 90-9-308, MCA.
- Establishing rules regarding council review and monitoring of loans or grants as well as loan or grant application procedures, as provided in 90-9-203, MCA.
- Accepting grants or donations that can be used for making loans or grants.
- Distributing funding for food and agriculture development centers provided for in Title 80, chapter 11, part 9, MCA.

Permissive activities under 90-9-202, MCA, include deferring or forgiving loans in whole or in part and forgiving accrued interest in whole or in part. The department “as directed by the council” has the following duties: to assist in identifying new domestic and foreign markets for Montana agricultural products (90-9-401, MCA) and to provide professional assistance in developing export sales of Montana agricultural products (90-9-402, MCA).

Loan/Grant Criteria

Loans or grants are intended to develop or diversify agriculture by adding value to Montana’s agricultural products (90-9-311, MCA). In addition, the council is to determine if a loan or grant proposal has prospects for commercial

success, is anticipated to create new jobs or retain existing jobs, and has a primary purpose of processing or adding value to agricultural products “produced or potentially produced in the state.” (90-9-311, MCA) Another factor for consideration is whether the applicant’s management structure “will comply with ongoing reporting requirements and postdisbursement monitoring activities established by the council.”

Funding

The Growth Through Agriculture state special revenue account receives funding from coal severance taxes under 15-35-108, MCA, to the tune of 0.79% in fiscal year 2020 and 0.82% in fiscal year 2021 and each fiscal year after 2021. The money, and any donations and interest from loans, provides funding for the Growth Through Agriculture programs described in Title 90, chapter 9. The funds are statutorily appropriated except that temporary appropriations are to cover the administrative expenses, as provided in 90-9-306, MCA.

Operating Expenses		Funding	
FY2018			
Personnel Services	\$252,731	General Fund	\$ 623,381
Operating Expenses	\$45,760	<u>State Special</u>	<u>\$179,495</u>
<u>Indirect</u>	<u>\$3,286</u>		
<u>Total</u>	<u>\$802,876</u>	<u>Total</u>	<u>\$802,876</u>

Example of Grant Awards, FY2019

Equipment Agriculture/Livestock	<ul style="list-style-type: none"> • KJ’n Ranch & Sheep Mountain Creamery, Helena, \$7,000, sheep milk and cream • Cream of the West, Harlowton, \$10,000 • Cowboy Cricket Farms, Belgrade, \$12,800 • Living Root Farm, Hardin, \$14,500, vegetables • Strike Farms, Bozeman, \$30,000, vegetables • Mountain Kind Farm, Somers, vegetables and livestock • Sunflower Bakery, Helena, \$15,000
Alcohol-Related Equipment	<ul style="list-style-type: none"> • Crooked Yard Hops, Bozeman, \$13,000, hops harvesting and processing • Western Cider Company, Missoula, \$25,000, fruit cider production • Bell Crossing Farms, Stevensville, \$28,600, hops processing • Montana Craft Malt Company, Butte, \$50,000, grain malting innovation center
Marketing Construction	<ul style="list-style-type: none"> • Ray Holes Leather Care Products, Butte • Fat Robin Orchard, Polson, \$17,700, cherry processing facility • Limberlost Brewing Co., Thompson Falls, \$19,000 • Meier Farm and Orchards, Dillon, \$25,000, antioxidant berry production, processing facility
Mixed	<ul style="list-style-type: none"> • Montana Sheep Co., Fort Shaw, \$8,500 (marketing & equipment), wool • Native Seed Foundation, Polson, \$16,500 (equipment & training), seeds • Rivulet Apiaries, Alberton, \$30,000 (marketing & materials) honey production/manufacturing • Trout Culture, Virginia City, \$35,000 (construction & equipment) • Willow Mountain Winery, Corvallis, \$50,000 (vines, equipment, & marketing)

Possible Topics of Interest

There have been some grants that raise questions about competition within an industry and others that raise questions of whether the state is assisting with one hand and possibly running afoul of regulations in another state agency. (This may be relevant for the alcohol-related grants.)