

MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

MAIN STREET MONTANA PROJECT MEETING SUMMARY: JULY 23, 2014 Food and Agriculture Kin Prepared by Mae Nan Ellingson

The meeting was attended by: Alicia Moe, Bill Bryan, Brad Simshaw, Cole Mannix, Dave Tyler, Dean Williamson, Dan Hofer, Doug Stevenson, Greg Thayer, Janice Tusick, Jim Peterson, Mark Jensen, Buzz Mattelin, Nate Brown, Randy Gilbertson, Fred Wacker, Marilyn Vogele, Jon Stoner, and Jim Fryer. KIN members Taylor Brown, Bob Quinn, Scott Hibbard, Jarrett Azure and Mary Tuck were unable to attend the meeting.

Co-Chairs Peterson and Thayer welcomed the KIN members and thanked them for agreeing to serve. Members of the KIN member introduced themselves and told a little about their respective businesses.

Jim Molloy, Governor Bullock's Senior Policy Advisor, gave a brief overview of the Main Street Montana Project and thanked everyone for participating. Mae Nan Ellingson, the Main Street Montana Project Coordinator explained the goals for the day's meeting. Lt. Governor Angela McLean stopped by the meeting to express the administration's gratitude to the Co-Chairs and members of the KIN for giving their time and effort to the Main Street Montana Project. She acknowledged the important role, both economically and culturally that the Food and Agriculture industry plays in Montana.

The members of the Committee engaged in a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of the Food and Agriculture Industry. There was an alignment, as you would expect, between the key "Strengths" and "Opportunities" the Committee members identified for the Food and Ag industries: high quality products; big potential for growth through value added; national and international exports, and the emerging interest of young people in agriculture. Likewise there was also a correlation between the industries' "Weaknesses" and "Threats". Leaving out the things beyond human or state control, i.e., weather and the aging population; the key weaknesses and threats included: inadequacy of transportation; lack of educated work force; loss of land available for production or affordable for grazing; and land conflicts.

In response to the next agenda topic, "What could make your business more successful?" additional issues were raised. Among those most frequently identified were: the need for food science degrees throughout MUS; the need for a more pro-business environment; a meat and offal processing facility within the State; promoting the use of the Montana beef, grain and produce in Montana schools and institutions; more marketing of "Made in Montana" products; more effort to get stores to carry "Made in Montana" products; niche marketing on a regional basis indicating where in the State the product was grown: and getting rid of government regulations that hinder the industries progress.

Most of these concerns were again reflected as the Steering Committee reviewed and evaluated priorities under the 5 Pillars of the MSMP Plan.

Under Pillar I, the tasks designed to fulfill the objectives of creating education programs to meet the needs of agriculture received high priority; particularly: increasing employers involvement in developing curriculum; using tribal, community and two year colleges for workforce development and providing credit for on the job training (102, 103,105, 106 and 110). There was also support for expanding pre-K education. The need for innovation leadership from the new Dean of Agriculture MSU was a high priority and relates to Pillar I.

The Pillar II facilitation echoed the early conversation of a desire to improve the business climate in Montana. There was support for the Business Portal (205); a desire to eliminate duplication and redundancies (202) and (204); reduce workers comp. premiums (212) and for better and consistent communication between the state and local EDOS (217). Several instances were cited of federal legislation that gave the State the option of imposing less strict regulations, where the State agencies required the more difficult and burdensome standards.

Because agriculture is such a large part of Montana's economic foundation, it was not surprising that most of the goals and objectives of Pillar III relating to agriculture mirror the earlier the SWOT analysis and ideas of what would make agriculture stronger. Again, encouraging school districts to use locally raised agriculture products (301); supporting and promoting a value added processing center (303); and focusing on transportation (318) were the key priorities.

Marketing Montana, and in particular, Made in Montana marketing is important to the growth of Agriculture, both in terms of campaigns to have Montanans realize the importance of the eating and buying local Montana made products, as well as national and international marketing efforts. The KIN offered two specific suggestions with respect to the tasks under Pillar IV. Task 406 should be modified to reflect that marketing help should be provided to the private sector, as well as state and local governments. The Committee also believes there is potential growth in developing market source verification and developing brands around specific regions where the product was grown.

Under Pillar V, the group identified tasks 504, 505, 508 and 509 all of which support innovation, research and entrepreneurial training for Agriculture and related businesses.

In summary, through all of the exercises undertaken by the Committee, the following items emerged as priorities:

1. Getting the Dean of Agriculture at MSU on board as soon as possible.
2. Increasing Food and Agriculture revenue by: creating a meat processing plant, adding value to exports; making and selling more products in Montana; and increasing both national and international sales.
3. Revitalizing Growth through Agriculture program with the goal of helping and encouraging small scale producers who are vital to growth in the future.

In spite of much consistency around the goals and objectives in the Pillars and the general concerns of the Ag community, the Committee was not ready to identify its specific goals and objectives until after the Committee has met with the various Agriculture related commodity groups and trade associations and discerning their priorities.

The Co-Chairs will reach out to those groups and ask them to be prepared to discuss their objectives at the next meeting of the KIN. The members also expressed interest in hearing about the Governors Trade Meeting to China at that meeting.

The next Food and Ag Kin meeting is scheduled for October 7, 2014, from 10-3pm. The full facilitation notes are attached.