

MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

Food and Agriculture KIN Meeting Minutes
September 23rd, 2015
10:00 AM – 3:00 PM
Helena, Montana
Prepared by Michaela Wolfinger

KIN Members Present

Jim Peterson, Co-Chair
Greg Thayer, Co-Chair
Cole Mannix
Brad Simshaw
Jim Fryer
Buzz Mattelin
Mark Black
Matt Bitz (Filling in for Bill Bryan)
Alicia Moe
Fred Wacker

On the Phone

Taylor Brown

Staff/Public

Jim Molloy, Governor's Office
Michaela Wolfinger, MT Department of Commerce
Mary Craigle, MT Department of Commerce
Davey Madison, Governor's Office of Economic Development
Dustin de Yong, MT Department of Commerce
Janice Wannebo, MT Department of Commerce
Angie Deyoung, MT Department of Commerce
Jayson O'Neill, MT Department of Agriculture

Meeting started at 10am with introductions and preliminary comments by the co-chairs.

Marcy Craigle gave presentation of the highlights and accomplishments of the Main Street Montana Project, available at mainstreetmontanaproject.com.

Angie Deyoung spoke to the KIN about the Made in the Montana and Grown in MT programs.

- They have federal funds to help agriculture companies export products overseas.
- They have a billboard, logo, and new restaurant promotion program.

There was some discussion about the program qualifications, they need to be clearer.
Could help MT Distillers and Breweries

Coordinate with Growth Through Agriculture Program

Jim Peterson gave example of MT Jerky display at a Costco in Arizona. How do we get more of that promotion?

Jayson O'Neill gave update on Department of Agriculture marketing efforts

- 4.6 Million block grant (capacity wise, most goes to Montana State University)
- Grown in MT Magazine

KIN asked if Department of Agriculture worked with Department of Commerce (yes it does)

This is the International Year of the Pulse.

- Pulse check off dollars to educate (educational campaign)

Davey Madison presented the Choose Montana marketing campaign

- It is a workforce development campaign
- Created "digital postcard"
- Rolling out the campaign across the state
- Social media, trade shows, informational calls
- ChooseMT.com

Matt Bitz presented on One Montana

It creates a value added meat product

- First stage was a study on East coast Markets, next phase will include West coast
- They are trying to find a financial consultant
- MT Stock Growers Association supports them
- They have had meetings with the Governor's Office of Economic Development

Jim Peterson asked where they are in review of financial numbers and projections and if they have looked at Tyson for an example.

Fred Wacker is willing to talk to retired Tyson employee. Finding good financial person is key.

Brad Simshaw asked: How unique is this plant? When was the last time something like this was done?

Fred Wacker stated the state needs to step up, One Montana needs a good sales force, and needs a buyer lined out before building the plant.

12PM Half hour break for lunch

Facilitation towards the KIN's recommendations to the governor

Transportation

- Road – highway weights Rail-competitive (Mark Black)

- Transportation issues- rail access, availability, truck weight (Greg Thayer)
- Reasonable Coast, reasonable service, rail-bulk container, truck (Buzz Matelin)

Food Safety/ Science Specialist

EPA Food Safety Monetization Act is currently being implemented.

There is a need to create within the MT university system a center for food safety including a food safety science specialist to assist MT Businesses

- Food Safety Science Specialist in University or extension (Greg Thayer)
- Establish a clearinghouse to help small business owners sort through new food safety rules: reports to determine: 1. What they must do 2. What they should do 3. What they could do. Like a FSA – type person/ federal grant to Department of Agriculture (Alicia Moe)
- Strong breeding and research on invasive weeds (Greg Thayer)
- Ethanol Plant (Fred Wacker)
- Promote food safety education/support (Mark Black)
- See to it that key research centers are funded sufficiently (Brad Simshaw)
- Synergies: state-fed-private. Fill gaps of declining federal dollars (Buzz Mattelin)

Meat Processing Plant (packing)

- Pursue livestock processing facility (Mark Black)
- Support efforts to incentivize (water, labor, investors) creation of a 500 head a day MT Slaughter facility (Cole Mannix)
- Cattle and bison meat processing plant (Jim Peterson)
- Beef/Bison processing plant (Bill Bryan)
- Establish a “boutique” meat processing facility to fill the need for Montana beef (Alicia Moe)
- Packing plant and cattle feeding growth
- Provide support for expanding beef/bison processing in our state. Including access to supporting resources (water/easements/ etc) (Jim Fyer)

Marketing/ increase use

Marketing – state “made in MT”. Collaboration needs to be more effective to Increase public awareness/demand/use of MT Agriculture Products, and make more effective, efficient use of marketing dollars. With commerce as the leader/ hub

- Leverage the Made in MT (Grown in MT, Native) products, fix the disconnect/limitations
- With Department of Agriculture as the lead, increase demand and use of MT products
- Agriculture and Commerce together information clearinghouse for MT food and Agriculture businesses
- Educate Montanans on the importance and value of the agriculture industry to their state (Brad Simshaw)
- Made in MT products (Jim Peterson)

- Increase demand and use of MT Agriculture Projects; create a centralized clearinghouse for sharing(?)
- Increase/Promote “made in MT products” (Bill Bryan)
- Marketing wheat, barley collaboration, information sharing (Buzz Matelin)
- Hire a veteran in food (retail, grocery) industry to advise small (less than 5) food manufacturers in getting food products into the market place (i.e. grocery, amazon) distribution/pricing/ cost/ brokers, etc. Fits all Main Street Goals/ Expand local foods.

Water Rights/Permitting (state owned and regulations) (regulatory world)

Cross department issue with competing interests at times. Involves state & conservation districts owned water

- Have facilitated meetings to resolve/improve the following issues related to water
- Have a facilitated meeting to discuss state water issues and come up with three “doable” items that move forward water use as economic development.
- Increase usage of state owned water for new irrigation system (Fred Wacker)
- Limit cross department interference during water right adjudication. E.g. two attorneys (tax payer funded) challenging all changes/rights during adjudication. Double cost to water right owner (individual legal cost plus paying taxes to finance objector (FWP)). (Jim Fryer)
- Streamline and improve transparency in water right adjudication and updating (Jim Fryer)
- Help control EPA regulatory constraints and cost (Mark Black)
- Review of water permits with DNRC (Jim Peterson)
- Water Permit Review (Bill Bryan)

Food & Agricultural KIN – Draft Recommendations

Each Recommendation should include:

- Issue/challenge
- Specific recommendation
- Why this is good for economic development related to the food and agriculture industry

1) Provide support for a major livestock processing plant, including access to supporting resources (water, easement, infrastructure, workforce, etc.)

2) Initiate, with Governor, support, a request of the Montana University System for an Agricultural Research and Food Safety Center; and provide adequate research monies and efficient use of funding to address Montana agricultural interest needs and research funds including:

- New plant varietal breeding;
- Invasive weeds and pests;
- Feasibility of an ethanol plant.

3) Stakeholders identify and resolve state water resource issues relative to agriculture economic development

- streamline/improve permitting processes and other water issues
- decrease cross-department interference
- opening up the availability of state water/conservation districts
- Predictability to water rate costs

Transparency to process

Understanding of all sides about the issue

4) Increase demand and use of Montana agricultural products by creating a centralized clearinghouse to share promotional and educational resources and coordinate efforts. Hire someone with extensive experience in the food industry to advise small manufacturers. With the Department of Commerce as the lead, increase cross-collaboration among state agencies to fully leverage the value of existing Montana brands

5) Discuss: Resolve the following transportation challenges

- maximize weight rates of trucks
- intermodal
- rail access that is affordable
- transportation (efficiency, access, reliable, affordability, infrastructure maintenance/development)
- Implement a process that optimizes rail and truck transportation of agricultural products