



# Legislative Background Brief

for the  
Economic Affairs Interim Committee

October 2011

## Montana Agriculture Development Council

*Prepared by Pat Murdo, Legislative Research Analyst*

**Administrative Appointments:** By Governor. Members serve 3-year, staggered terms.

**Statutorily Established** - 2-15-3015, MCA. Duties/powers listed in Title 90, chapter 9.

**Purposes:**

- Establish policies and priorities to enhance future development of agriculture in Montana, including on Indian reservations.
- Make loans or grants under the Growth Through Agriculture Act (in Title 90, chapter 9) to stimulate agriculture development and diversification in rural, urban, and tribal settings;
- Accept grants or other financing or property for use in making grants or loans.
- Adopt rules to establish interest rates, terms of loans or grants, reports required, and deferral or loan forgiveness terms.

**Funds available for distribution by Montana Agriculture Development Council**

- \$625,000 annually from coal severance tax collections under 15-35-108, MCA, until July 1, 2013, then \$1.25 million annually until June 30, 2019. Statutorily appropriated.
- \$366,678 for FY 2012 and \$366,631 for FY 2013 specifically appropriated through the Coal Tax Shared State Special Revenue Account.
- \$142,292 in FY 2012 and \$187,658 in FY 2013 from the seed capital account under 90-9-301, MCA.

**Budget, FY 2012-FY2013**

	<b>FY 2013 FTE</b>	<b>General Fund</b>	<b>State Other</b>	<b>Total All</b>
Montana Agriculture Development Council	5.00	\$1,250,000 (for grants & staffing)	\$1,063,259 (for grants & staffing)	\$2,313,259

Source: Legislative Fiscal Division

**Board: 7 members.** Members include the directors of the Department of Agriculture and the Department of Commerce plus five members actively engaged now or in the past in agriculture.

<b>Members/Address</b>	<b>Representing</b>	<b>Term Expires</b>
Ron de Yong	Dept of Agriculture director	statutory
Dore Schwinden	Dept of Commerce director	statutory
Verges Aageson, Gildford	Agriculture	7/1/2013
Bill Koenig, Kalispell	Agriculture	7/1/2014
David Tyler, Belgrade	Agriculture	7/1/2014
Ervin Schlemmer, Joliet	Agriculture	7/1/2013
Patricia Quisno, Harlem	Agriculture/ Council member - Fort Belknap	7/1/2014

**Topics of Interest**

- Organizations to which grants and loans are made.
- Is the Council necessary or could its duties be handled by a department?
- Should the temporary nature of the coal severance tax funding be made permanent?

**2011 Legislation Affecting Montana Agriculture Development Council**

None

**Audits**

- Financial Compliance Audit, October 2005, made recommendations for better documentation of Agriculture Development Council decisions related to loan deferment and forgiveness as well as accounting procedures. Department made changes.

**Projects Funded in April 2011**

<i>Project</i>	<i>Location</i>	<i>Amount</i>
MT Hog Marketing Association to research plant waste disposal and possible uses of waste byproducts plus strategic plan to supply beef to a hog/beef processing facility.	Malta	\$50,000 grant
Wayfare, Inc. for equipment to expand production of gluten-free oat and millet-based nondairy products.	Bozeman	\$50,000 grant
Great Falls Development Authority to assist with engineering work for the Great Falls Agri-Tech Park, an area for agri-processing companies	Great Falls	\$50,000 grant
Montana Specialty Mills, LLC to assist with engineering costs associated with building a new oilseed processing plant.	Great Falls	\$49,450 grant
Montana Wagyu Cattle Co., LLC, to purchase equipment to help expand retail operations	Belgrade	\$35,000 grant
Ten Spoon Vineyard and Winery to help expand the vineyard	Missoula	\$27,938 grant
Wustner Brothers Honey for equipment to expand the business	Missoula	\$10,000 grant
Lake County Community Development Corp. for facility upgrades to its processing facility	Ronan	\$10,650 grant
XL Feeds, LLC for equipment to expand hay pelleting business	Kalispell	\$60,000 loan
Safflower Technologies International LLC for equipment to help increase storage, handling, and processing of peas, lentils, dry edible beans, chickpeas, and soybeans	Sidney	\$71,000 loan