

Montana Organic Commodity Advisory Council (MOCAC) meeting

April 11 and 12, 2007

Helena, Montana

MOCAC MEMBERS:

1. Jonathon Mysse - present
2. Laura Garber - present
3. Robert Forstenzer – present on Wednesday
4. Mark Bruckner - present
5. Andy Sponseller - present
6. Jill Owen - present
7. Andre Giles – present on Thursday
8. Nancy K. Peterson - present

DEPARTMENT STAFF:

1. Greg Ames
2. Doug Crabtree
3. Tim Meloy
4. Candi Mullenbach
5. Carol Kimble

MOTIONS:

1. Minutes for the May 23, 2006, meeting were approved.
2. Jill moved that Nancy serve as chair of the MOCAC council and Jon Mysse serve as the co-chair. Laura seconded. Motion was approved unanimously.
3. Laura moved that the Program Review Committee consist of Jill, Mark and Andre. Mark seconded. Vote was unanimous.
4. Laura moved that Nancy continue to have the Agricultural Development Division do marketing for organics. Andy second. Motion was approved unanimously.
5. Andy moved that the Council recommend that the department use a portion of the (federal) Specialty Crop Block Grant funds to develop and fund a certification cost share program for qualified organic specialty crop growers. Andre offered an amendment that those who receive money would have to be certified organic, with the state program, and use the department's organic logo. Motion was approved unanimously.

6. Andy moved that the council recommend to the Director that if marketing and promotional funds are used to market "natural beef" that a like amount be spent on Organics. Laura seconded. Motion was approved unanimously.
7. Andy moved that the council recommend that the Montana certified organic program logo and link be inserted on the Wheat & Barley Committee home page on the department website and on the Made in Montana website. Andre seconded. Motion was approved unanimously.

Welcome, Opening Remarks and Announcements

The meeting was called to order at 1 p.m. in the Montana Department of Agriculture Conference Room by Greg Ames, acting for Nancy K. Peterson. Greg welcomed the new members to the MOCAC council and asked them to introduce themselves. Jon Mysse is a small grains producer, from Ingomar; Andy Sponseller owns 10 Spoon Vineyards in Missoula, with over half of its production being Montana fruit; Rob Forstenzer owns and operates an organic beef ranch in Livingston; Jill Owen of Choteau is a former forest service employee and is opening a small organic grocery store; Mark Bruckner raises small grains, near Malta; Laura Garber grows a small vegetable farm in Hamilton; Andre Giles has a small organic farm near Fairfield and owns Montana Flour & Grains in Fort Benton.

Tim Meloy provided an overview of the function of the council and the legal responsibilities of members. The organic program was created by the legislature and is administered by the Montana Department of Agriculture. Council members make recommendations to the department Director. The public is welcome to attend meetings.

Laura moved to adopt the last meeting minutes, Andy seconded, and the motion was approved unanimously. Doug Crabtree said he has not yet developed a list of potential applicants or a customer service survey and hopes to get to it this year.

History and background

With new and current members, Doug provided an overview of the Organic program, which is the fastest growing program in the Department of Agriculture. There are 91 producers and 30 handlers for a total of 121 as of today. Each council member was provided an Organic Certification Program Policy Manual.

Doug provided more information on the council organization, which was authorized by the Montana Legislature in 1999. Montana was one of the first states granted USDA accreditation. In February 2007, the program became ISO Guide 65 Accredited. The state of Washington is the only other state with an ISO-accredited organic certification program.

Organization of the council:

The council agreed that the department staff would take minutes. A co-chair can take over the lead of the meeting when the Director can not be here. Doug said it was helpful to him to receive the council's information from one person rather than seven, so the co-chair could serve a communication role with the council. The chair and co-chair should develop the meeting agenda, with input from council members. Jon Mysse volunteered to serve as co-chair.

Angie DeYoung from the department's marketing bureau indicated she will make a directory of producers and handlers certified by the program. She also discussed marketing needs, including both communication and recruitment of new growers, as well as marketing of organic products to consumers. She suggested a survey of the organic growers and of conventional growers to define available products and opportunities for expansion. Ron Zellar suggested more immediate promotional efforts might include an article on how to convert production to organic, with testimonials from certified growers.

Doug indicated that demand for organic wheat, durum and other products exceeds supply, and major processors in Montana are importing organic wheat from Canada. The organic market and demand for organic crops and products continues to grow at 10 to 20 percent per year. This is a tremendous opportunity for Montana farmers. One organic processor/buyer is willing to put up some money to support an effort to recruit more organic farmers. Some members expressed concern about a possible conflict of interest if the department accepts funds from private companies.

The council indicated that a directory of Montana organic producers is needed. Andy said he would like to see the department focus on Public Service Announcements to get Montanan's eating Montana organic products. We want more organic producers, in general, he said, but we need larger growers in particular to help support the program financially.

Director Nancy K. Peterson joined the meeting and stated the council is important to the organic program and that the department takes the advice seriously.

Members suggested that there be two in-person meetings each year. Topics will include council organization and priorities, and program budget and finance. Two to four conference calls might deal with specific issues as they arise. Organic council meetings are open to the public. If conference calls are used, efforts must be made to publicize the meetings in advance. Doug said a quorum of at least four participates is needed to take a vote. The council decided proxies may be used for up to three additional members.

Rob asked about the federal cost share reimbursement, which he said makes a big difference financially to his operation. The 2002 Farm Bill provided the money for the

cost share program. Montana used its share of the money and is unlikely to get more unless the program re-authorized as part of the 2007 Farm Bill, said Director Peterson. There may be other sources of funds for organic growers, such as the Specialty Crop Block Grant (SCBG). The National Association of State Departments of Agriculture supports continuation and expansion of the block grants program. Rules are still being developed for use of funds, she indicated.

The last two years the organic program received grant funds from the Wheat and Barley Committee. This year the request was denied. The previous funds were used to support the ISO accreditation project, which enables international marketing of organic wheat and barley.

Ron Zellar presented website information, including the ability to search the producer list by product or producer name. He suggested that a low-cost media campaign focus on recruiting new producers through information about the program and testimonials from existing growers.

Meeting adjourned for the day at 5:30 p.m. and reconvened at 7 a.m. April 12.

Greg Ames indicated that the Agricultural Marketing Bureau can assist in getting the message out about the program. If the program is going to be self sustaining, however, as required in the enabling legislation, more revenue will be required. Doug provided an overview of the program budget, revenue and expenses. While revenue is growing, so are expenses. In (FY) 2006, the average expense, per certification, was approximately \$1,500. Average revenue was \$1,100.

Doug explained that the Council is obligated, under administrative rules [ARM 4.17.103 (6)] to complete a program review, which includes a review of certification decisions. The review must be part of documentation submitted to the USDA by April 29, 2007. The Council agreed that, in the future, the review should occur in December or January. Doug suggested that a review committee of at least three be selected. Laura moved that the review committee consist of Jill, Mark and Andre. Mark seconded. The motion was approved unanimously.

The Council discussed various means of funding a cost share program for organic growers, especially small or limited resource growers. Andy moved that the department use a portion of the federal Specialty Crop Block Grant funds to develop and fund a certification cost share program for qualified organic specialty crop growers. Andre offered an amendment to require recipients to be certified organic under the department's program. The amended motion was approved unanimously.

Andy suggested contracting to have someone promote Montana organic agriculture. Any such effort would need to be coordinated with the department's Agriculture

Marketing Bureau. Andy volunteered to take the lead and sketch a prospectus, to be shared with members by email.

Members discussed the "Natural Beef" program created by the 2007 Legislature, and said the department should have a policy of promoting organic beef as well. Andy moved a recommendation to the director that, if marketing and promotional funds are applied to natural beef marketing, that a like amount be spent to promote organic beef and certified organic beef producers. Laura seconded. The vote was unanimous.

Andy moved an additional recommendation to the director to secure use of the Montana Certified Organic Program logo and links on the Wheat & Barley Committee home page and on the Made in Montana website (at the Department of Commerce). Andre seconded, and the motion was approved unanimously.

No date was set for the next meeting. The Council agreed that an in-person MOCAC meeting should be held in conjunction with the Montana Organic Association conference in Great Falls on Nov. 30 – Dec. 2, 2007).

Laura moved that meeting be adjourned. Jill second the motion and it was approved.