

U of M Grad Students

1. Take notes, full record of sessions
2. Support facilitation if requested, providing observations and summarizing results during and after sessions, at debrief sessions.
3. Prepare a report for submittal to Grow Mt and conference attendees.

A roadmap on how food businesses can be more successful in reaching consumer. Key initiatives.

Keynotes have a really good knowledge and understanding

Conflict/Resolution

General Attitude: Can we make change?

Expert Status

Rugged individualism

The whole summit was set up to make citizens out of participants, rather than just consumers of information (usual conferences are just about consuming info—here we had to create our road map).

“-We have to make people understand the value of food.

-Well food is us. If you put crap in, you get crap out.”

“In THE 50’s people had home gardens, or had milk delivered every week, and chickens. We took more personal responsibility for their own sustainability, food security, and reliance. Now, a lot of people don’t even know you can have chickens. Like during the war when the wives had to take care of the family with low incomes. Then, after the war, it became a matter that you looked wealthier if you could afford the easier products.”

“-I’m so excited that there are tangible actions coming from this event, instead of just the talking at you like TED talks.

-I think so too, but now I want to see what actually happens after the events. I’ve been to stuff like this where lots of awesome stuff goes on but then nothing comes of it.”

“Bioregionalism, agrotourism and food processing based on terriorre, on what each region does best.”

Session 1: Intro, Core Questions, Lay of the Land

Have everyone stand up depending on role to introduce themselves.

Professionals

“Expert”—Wakefield article. Try to define difference between professional and expert.

Farmers/producers/manufacturers: about half of the room

- Rancher/farm to college
- Small scale- food manufacturing, used to work for Unilever
- Pasture based rabbits and poultry and a creamery
- NCAT and Montana highland lamb—direct market
- Root Cellar Foods- process local vegetables for wholesale accounts
- Ranch family, Northern Plains Resource Council
- Mission Mountain and Lake County econ development
- Rancher/Amsterdam meat shop (kills and processes local meat, state inspected)
- Family farm, Story Mill to grow and process safflower into oil

Food Distributor/Food Access 3 people

- Montana Food Bank Network
- Food Services of America
- Online Farmers Market (Rocky Fork Food Hub)

University—granted expert status whether they deserve it or not

- Extension: assist food manufacturing across the state
- OSU help people develop food products for institutions
- OSU Food Innovation Center work to cultivate food entrepreneurship in Oregon
- MSU Dietetic Internship Program Director—Expert
- Student in Food Politics class
- Student: sustainability food program major

Commented [JL1]: People calling for a food scientist—asking for experts

Economic Development Corporation and Nonprofits

- Food Corps Service Member: Red Lodge Food Leadership Council
- Great Falls Development Authority: increase value added food manufacturing (expand no matter if it's big corporations or small)
- Blackfeet Nourish project: support the food bank on the reservation. Also Fast Blackfeet: food access sustainability team.
- Northern Plains Resource Council—hoping to start
- Goodworks ventures
- Food and ag development center network
- O'Hara commons sustainability center: work with kids, where food comes from, trying to certify kitchen—volunteer

Government Agencies

- State director of meat and poultry inspector: increase the capacity of local meat processors
- Industry advisory council for new hospitality program at MSU
- General manager of community food co-op

Create jobs, connect people to the food that's being produced

Keynote: Neil C. Doty. Powerpoint.

Joke about politicians: burying politicians after bus accident (a couple of them said they were, you know how those politicians lie).

Traditional Food Production Chain: linear process, involves a lot of steps
Local eliminates a lot of those steps: elegant system (circular).

Food Manufacturing Development

- Identify economic need: there's no point in producing something for which there's no market
- Evaluate proposed process

- Identify organization structure: LLC (flexible, number of shareholders, legal council will advise), some S Corp, almost none do a C Corp
- Objective: what are you setting out to do?
- Enlist others: members/advisors. IQ goes up collectively
- Develop work plan and timeline. You can develop a go/no go scenario; gate system, at each juncture they ask if they should stop and quit.
- Assign tasks and target dates: you do almost all of this yourself as a small business person.
- Evaluate market character and size. Who are your customers?

All of this is laying the groundwork—very informal. Conversational level.

Here's where we get serious:

- Feasibility study, if you're going to be involved with FDA or your bank, you need this.
 - Define risks and rewards: another gate
- Business plan: it isn't very likely to succeed without a business plan
- Obtain legal/accounting/insurance counsel
- Draft legal documents, incorporation papers
- Draft capitalization plan
- Obtain equity and debt capital

Tremendous amount of work to get into the business—however, if you don't go through this exercise, there are landmines. It will come back to bite you.

Feasibility Study

- It gives you focus.
- Narrows business alternatives
- New opportunities
- Reasons not to proceed
- Address and mitigate issues early one
- Documentation for decisions
- Documentation that investigation was thorough

Feasibility Study: Investigating Function

Is this plan of yours worthwhile to pursue

- Market feasibility
 - Market projections
 - Markets served
 - Competition
 - Customers
 - Ease or limitation entering market
 - Marketing plan
- Operational technical feasibility

Marketing plan: 4 p's

- Quality products at the best prices
- Product—Quality is a given, Food safety is Top Priority. Quality standards required by manufacturer

- Food safety is number issue. FDA requires all manufacturers to be compliant with the Food Safety Modernization Act. FDA agent can come into your plant and order you to quit—before there was a process. They can revoke your registration as well. FDA has legal teeth that it didn't have before. REGULATORY COMPLIANT.

- Price: Value decisions. If you're in the commodity business, you need to produce the best quality at the lowest price.
- Place—online, offline.
- Promotion: how are you going to communicate with the customer.

Operational and Technical Feasibility

- Relatively easy to manufacture, HARD to sell
- Labor supply and quality
- Key inputs required: includes packaging.
- Plant and equipment requirements
- Operational capacity and efficiency.
- Site selection.

Financial/Economic Feasibility

- Projected Revenues, operational costs, margin targets, and net income
- Capital requirements
- Investment schedule
- Pro forma financial statements
- Equity fund accumulation plan and securing debt funds plan
- Pro forma financial ratio analysis
- Financial plan summary
- Economic impact on the community and region: how is your operation going to impact the local community

Management Feasibility:

- 3 primary requirement by funding organizations: management, management, management
- Organizational structure
- Founders capability
- Human resources functions
- Managerial functions and requirements and recruitment plan

Feasibility Summary:

- Concise summarization of major findings
- Risks and rewards discussion
- Recommendations and conclusions

Business Plan—Essential Business Tool

- You must write your own business plan—if not, you will fail.
- Multiple formats available
- Based on feasibility study
- Can include high, medium, and low revenue projections
- Primary requirement—Management—Who are these people
- Absolutely required—Sales—can you sell what your products and how much

- Absolutely required—Margin—can you make money selling your products
“I know this is boring stuff, but I wanted to lay the groundwork for future conversation.”

Who needs a business plan?

- Owners/management—Blueprint for operations
- Investors—guide for investment decisions
- Lenders—guide for lending decisions
- Contractors

Blue Ocean Strategy: BOOK with step by step strategy.

Red ocean (sharks) versus blue ocean (safer)

In today’s marketplace, consumers have way too many choices, way too difficult to enter the business. The grocery store is FULL! If you’re going to put your product in there, someone else is going to have to leave.

- Red ocean is traditional
 - Quality is comparable
 - Compete on price, availability, reputation: race to the bottom, whoever is lowest cost, you win, it’s going to be some honkin’ corporation (not innovative, but they like to buy little companies that are)
- Blue Oceans
 - Create uncontested marketplace
 - When the consumer looks at this product, the first thing in their mind is not price. BREAK the value cost tradeoff.
 - EX Cirque de Soliel: Barnum and Baileys and others were seeing rapid declines. Cirque cut out the animals and the stars and have a single stage, and they put in entertainment with Broadway. CREATED A NEW MARKETPLACE. They went into the Blue Ocean with a different motif.
 - EX Yellowtail Wine: Everyone was competing with price or variety (2000 different varieties). Went after beer drinkers. Drinkable, likable, cheap.
 - Value innovation
 - Differentiation and low cost (it’s not price, it’s that it’s new)—UNCONTESTED MARKETSPACE.

Takeaways

- Follow your passion: get into something that you enjoy
- Allocate time for planning
- Enlist talent
- Investigate feasibility
- Write your own business plan
- Sail in the Blue Ocean

The hardest thing to do is to sell—you can never miss a beat, never stop, around the clock.

Discussion

Take Home (what rang true)

Dan: every one of those steps are very important and necessary, and it's not that hard. You figure out whether or not you can do it. (How do you pay for a million dollars to buy the farm 4 or 5 generations have all paid the bank for that same piece of dirt. You bank roll it. (someone else Value added)). My wife and I did every one of those steps in 2 weeks. Would've turned me off. **Biggest thing holding people back: committing to something**, making that decision. Growth is very concrete.

Table 1: Who is the intended audience of the business plan? Liked the Blue Ocean theory—tangible. Liked the business plan. What is the step before that?

Table 2: Lot of information, it seems daunting. It's not that hard. You need to decide to do something. The rest is a natural, logical progression. Structure of current granting process: older, rigid model, when you're looking at something smaller, you've got to be more flexible and fluid.

Table 3: Presentation started where a lot of them aren't yet, they're just beginning. It's for people who have tried the process, not for absolute beginners. How do we target that to the local economy? Not necessarily looking at MT as a whole for your consumer base.

Table 4: Overwhelming and daunting—but you can go through the process in your own head. We have a lot of different stakeholders. If the state of Montana is making improvements, **MAYBE WE SHOULD HAVE A BUSINESS PLAN AS A STATE**: we have the same goals, how can we work together.

Table 5: Good presentation. Falls below this idea that you must love what you're going to do. Getting people together and sharing real world examples is really important, networking.

ME How can we make this an issue of not just independent businesses but of government policy and system change? Doty is essentially putting the onus entirely on small entrepreneurs, and asking them to take all of the risk.

How can we introduce cooperation into this mix? (ie Lentil Underground)

What needs to be added to make this true for Montanans: Montana is VERY rural, populations spread across the state.

Session 2

Katie Sutton: Food Hub in Billings: Risk barrier (because farmers have a hard time committing to growing large amounts before they find a market, but it's hard to find a market if there are aren't committed growers).

STATEWIDE BUSINESS PLAN

Goal

Increase food processing, manufacturing, and distribution by 25% in 2025

Work Plan

- Ideas, people involved, and possibilities
- Vision: assets/opportunities, challenges
- What does food processing, manufacturing, and distribution look like by 2025? (broad).
Initiatives: leverage points and impacts.
- Recommendations and Action Plan

Group agreements

- Diversify tables
- Step up, step back
- Respectful cell phone use
- Self-care, feel free to move around, hydration

Panel

Neil Doty: broad base of manufacturing

Claude Smith: Food safety regulations for MSU extension

Sara: Food Innovation Center at OSU

Jan: Mission Mountain Food Enterprise Center

Jason: OSU, new food entrepreneurs, new food trends that are emerging

Christina Waller: Root Cellar Challenges of small-scale food processing

Neil Doty: 3 examples of manufacturing—not taking the competition head on. Gives you time to get momentum—it's always best to be first.

Giant Sunflower Seeds: differentiated by making their seeds giant (moved to Blue Ocean).

Developed honey roasted sunflower seeds. Next blue ocean: selling to schools.

Transt-two: electric car company. Sitting on surfboards waiting for the wave to arrive, subsidies arrived, sometimes you've got to wait for the right wave on your blue ocean.

Frozen dough: pre-proofed, rise it 80% before freezing it. That was their Blue Ocean.

Claud Smith: Food safety.

30 years manufacturing food—1200 employees, and 18. The one constant is safe food. Food poisoning is still a problem in the US. You have to consider one of the most intimate connections with your consumer—it's different than making shirts—food is intimate. Started with Pillsbury (invented a way to determine risks and mitigate them in your operation). FOOD SAFETY MODERNIZATION ACT. Think of food safety as a process—raw materials, packaging, set it there, take raw materials and do this, then put it in the package. You have to look at each of those risks. What could go wrong? There are more pages in food safety for FDA than any other single topic in federal laws.

Christina, Root Cellar: Incorporated 2014, opened doors in August. There wasn't a successful model for them to be based off of. They buy local vegetables from farmers, and then they sell it to local institutions in Gallatin Valley. Nationally, there wasn't any one who did local vegetable processing, no one based on their scale. By far their biggest challenge, making it all up. By far

their biggest challenge. What NOT to do, learn by doing. The other thing: PRICE. When you can buy shredded carrots or peeled beets for really cheap—but even raw local veg is more expensive than that. How do you convince people that that's right? MSU, Coop are great. But what about a hospital? Making sure you have a good team who will stick with it while not being paid much. Who's passionate about processing. Finding the right people. And then STICKING WITH YOUR MARGINS. Make the product and do what you need to do. Dealing with seasonality (not diversified—all of their products are affected by the same challenged). Mission statement: help provide for-profit model for vegetable processing.

Jan

Nonprofit—economic development organization. Their mission is to help food businesses flourish. Biggest challenge: LABOR. Finding a labor pool that can deal with inconsistencies in supply chain. Shifting employees to do other things. How do you create a really great workforce for food processing. We're trying to train workforce for a food safety culture. If you can't build that knowledge base, you've created a risk. EVERY WEEK training. A lot of their food goes to hospitals and schools—you need to feel good about that product. We're having pink coming into the blue ocean—bigger manufacturing is coming in. It's not just a local game—corporate strategy too. We would rather someone do the same thing in Billings—we don't want to drive there, we want to encourage someone else to do it.

Sara: Food Innovation Center (Oregon): Focused on creating value-added food products. 34 years ago they were trying to do that. Department of Ag, responsible for reporting Oregon products for 80 years. Standpoint of Food Science. Focuses on food science related work. Consumers in to test food products—have consumers tasting stuff (corporations come in to see what people want to subsidize their work). Summer: barbecue sauce and salsa. Autumn: toffee. Understanding the clusters of different types of food that are actually being produced in the state.

- What Montana needs to do: developing the list of products of what is actually being produced in the state.
- Oregon knows its specialty crops—Montana needs knows that, too.
- Taking those products to the first level of value added: chopping and drying
- Buyers needs to know what available
- Innovation center paid for Canadian buyers to come in and see what OR processor are making
 - There aren't that many buyers in Canada that move food into the system
- CEO's of most successful food companies: Tillamook Cheese is now the main funder of Dairy Center of Excellence
- Making a list of all the things that you want to make happen, band together, and then move that info into the agencies

Jason: Chef, went to school for food science.

1. Instead of just rushing in, using your hands and getting to work, THINK about it.
2. Use the knowledge of the people around you—let other people contribute. Someone with a different set of experiences.

Always stay on top of food trends. 4 trends:

1. Health and wellness: how we can encourage people to eat more nutritious food. A meatball with more lentils and mushrooms instead of just meat.

2. Transparency: making the process transparent to the consumer. Everlane: clothing company that lets you see where the fabric comes from, where it was made, video feeds into the processing facilities, who's working, cost breakdown.
 - a. Should you let your consumer know the entire process in detail (a lamb farmer thought that sounded dumb): umm yes. Allows you to diversify your product and value-add.
 - i. It's really hard to do this as a farmer
 - ii. You have to be patient with impact: stay faithful to your vision. Results aren't always immediately tangible.
3. Making more with less: utilize food waste, use less labor, fewer ingredients, as local as possible.

Top 3:

1. Food Safety
2. Quality
3. Production

Knowing something is raised well will influence taste.

Understanding younger generations: Generation Z, who is on social media

What would success look like? Vision statements

4-5 expressions of what success looks like by 2025.

Food manufacturing: viable for the workers, the consumers, and the producers. Financially.

Resources

Incorporating new technologies: vertical farming. Efficiencies.

Policies

- o Schools: Local mandate or subsidizing each school meal like in Oregon.

Local Definition? No official definition. Create one without pushing all of the disparate communities in this state into the same definition—that could be harmful.

- o Ask first method

Vision:

1. Every community has the capacity to process local food.
 - a. Really depends on the community—they want different things and different scales.
 - b. Driven by the consumer market
2. Every school has a farm to school program.
3. All producers have a local outlet for their product
 - a. School, institution, consumer
4. All producers have access to resources to take their business to the next level
 - a. labor force
 - b. capital
 - c. plant insurance
 - d. Have an impact on changing regulations

Table 1:

1. Decentralizing the food processing system—dismantling economies of scale. Bringing the food processing back to the communities

2. Education=demand
 - a. Harvest of the month across more schools to create more demand.
3. Transportation and distribution networks, Cross Docking
4. Shared vision (ie North Dakota decided they were going to be a dairy state)
5. Selling food out of state: only 2-3% of food is being processed here, everything else is shipped out raw

Table 2:

1. Branding: Montana Beef, wheat, and pulses
 - a. Protein state!
 - b. People associate certain products with MT
2. Distribution
3. More slaughter places

Table 3:

1. Having an overarching organization to keep us all organized.
2. More education/trade schools
 - a. so people know how to process animals or start a veg processing business
3. Food Hubs
 - a. For many different parts of this state
4. Sales yards so the animals don't have to be moved so far
5. Partnerships between chefs and institutions

Table 4:

1. Every school has a farm to school program
2. All producers have access to resources to take their business to the next level
 - a. Capital
 - b. Labor force
 - c. Insurance
 - d. Ability to change regulations
3. Every community has the ability to process local food.

Table 5:

1. Centralized database for the processing side of things.
2. Statewide change in mindset between producers and processors—community minded. Not as competitive, work together.
3. Improvement in the equity flow to processors
 - a. More grant funding from the ETA (it has been shrinking)
 - b. MT creates its own bank

Opportunities (Assets)/ Challenges

Opportunities

There are empty refrigerated trailers running everywhere all the time

Value added with pulse crops: what new products could we come up with, meet new demand

Production of beef

Climate change

State inspected poultry processing facility

Job creation that stay in the state

Food waste as an opportunity for innovation

Challenges

Transportation

More processing centers

Labor

More food scientists

Land: protecting land, cost of land

Increasing levels of regulation

Money for beef processing

Climate change

Economy of scale: difficult for a small processor to compete with the big guys. A big enough facility will attract the labor force.

No rendering plant in the state of Montana.

GENERAL

Challenges: Themes

Marketing

Transportation/distribution/aggregating

Farm2School/expanding markets for local foods

Montanans don't collaborate: we look at our neighbor as a competitor

Barriers to infrastructure

Need for more capital, labor, food safety resources

Being in Montana: a huge number of stickies centered on the size of the state, population density

Opportunities: Themes

Incredible resource bases for production: value added opportunities

Food science lab (2 tables)

Empty buildings: room for processing and education opportunities

Consolidated schools: use old schools for food processing.

School kitchens: shared use (because they're only used 7 hours a day, and not in the summer, which is our growing season).

Every school having a flour mill

Add more value to food: regional food processing facilities. BIGGER than a commercial kitchen.

Help existing manufacturers to grow

Tension: difference between making rock stars out of a few manufacturers, versus opportunities to all the farmers.

Visions

1. Decentralized food processing system
 - a. Transportation/distribution
 - b. Cross docking
 - c. More slaughter places

- d. Aggregate
- e. Food hubs every 200 mile
- f. Processing in sale yards
- g. Processing in all communities
- h. Collaboration for processing
- 2. Overarching Organization
 - a. Brand MT products
 - b. Database for processing resources
 - c. Working Together: creation of a shared vision
- 3. Resources for producers/processers
 - a. More education/trade schools (job training): classes that are oversubscribed for meat processing. Community college system training more people in culinary arts
 - b. Montana creates a bank
 - c. Improving equity flow
- 4. Increased demand
 - a. Consumer education
 - b. Farm to school in every school
 - c. Chefs and institutions partnering

Session 3: Initiatives

Decentralized food processing system

Two-Step process:

1. Food Enterprise Center: see if the business is viable without
 2. Access to Capital: if the product is viable, making capital available
 3. Trade Schools: making sure butchering/processing/food safety skills stay alive
 4. Press the legislature to simplify meat packing regulation
 - a. Educating regulators
-
1. Create a food processing system, and it should be decentralized
 - a. Expand the Food and Ag Development Centers all over (Ronan model)
 - i. Food manufacturing incubation/Food: Concentrating on food, not just ag development
 - b. Capacity to do every step of food processing
 - i. Aggregation and processing come together
 - ii. Machinery is a big deal: we don't have money or an investment fund to get some kind of help to add to the factory
 1. Revolving Loan Fund: start-up cost
 - a. That would be after they go through the Food and Ag Development Center (you've figured out that it's feasible and you need funding)
 - c. Having something like Western Grower's Co-Op here in the Gallatin
 - i. COOPERATION: Not competing over one another, everyone gets their fair share. Otherwise, the veg prices go up and it makes it really hard to be a processor because then you are paying even more money.
 2. Community owned food processing equipment

- a. You can do a plant that will work for the whole state, or have on in each processing plants
- b. Community level component and a state level component
- c. Regulatory bottle neck
- d. **Legislation:** they won't let you use state inspected meat
 - 1. That wouldn't affect everybody in every place—local
- e. Federal government is prioritizing decentralized food processing
 - i. Food terrorism, food safety
 - ii. Transportation will if we have the facilities
 - iii. The infrastructure comes, you find the customers and the product, freight will find itself.
 - iv. Finding those niche opportunities—helping them find the regional markets
- f. Shared mobile equipment for different things
- g. Decentralized: we don't have the infrastructure to process stuff locally
 - i. Lentils are the perfect food: easy to process
- h. Making more money going out of the state (value added packaging), and selling it bulk within the state for cheaper
- i. Shared marketing: like a farmers' cooperative.
 - i. NOT CUTTING OUT OWN THROATS: working together
 - ii. Easier to be a consumer: one step to get 9 things
- j. Risk problem: producers don't want to grow something without a market, but then there's not a market
- k. Getting Albertson's and Costco to have more Made in Montana
 - i. Product standardization
 - ii. Under Co-op name, but then you can figure out who the grower is
 - 1. Less insurance
- l. Food and ag development network: opened up LEGISLATION.
 - i. EXPAND those networks
 - ii. Then you're not investing everything you have, then you have a professional staff that you can link into
- m. MSU partnered with Innovation Center like in Oregon.

Why did the manufacturing go away in the first place? Every store used to have its own butchers.

Overarching Organization

- o Create a Montana food policy council, mandated from the governor's office, but independent of the governor, to dig into the question:
 - o Of what needs to happen to grow food processing and manufacturing by 25% 2025.
 - Is the state structured currently to allow local producers to maximize local producer to maximize by 25% in 2025
 - Where are we now? MSU needs to do the research and report on the production on the types of food and quantities in Montana
 - EcoTrust:
 - Provide an overview of key supply, demand and infrastructure drivers affecting the development of MT's regional food system

- Illuminate aggregation, processing, and distribution infrastructure gaps inhibiting the flow of whole and minimally processed ag and food products from small and mid-scale MT producers to domestic whole scale food buyers
- Suggest opportunities to advance the development of a robust regional food economy in MT

Increasing Demand

- Graduated mandate by 2025 for a certain percentage of local food purchased for school meals OR some sort of by meal subsidy available to every school in the state by 2025.
 - Some schools would be left out if it weren't a mandate
 - Rewriting job descriptions to make sure that schools have the capacity to really do farm to school (food service staff who actually know how to cook)
 - Some nutrition literacy may be a requirement
- Champion Food Corps, garden club.

Resources for Producers/Processors

- 35% tax credit for new agri-business up to 7 years.
- 45% tax credit for anything value-added business.
 - North Dakota does this: comes from the general fund, up to \$250 K.
 - Coal severance fund
- Knowledge capital as barriers
- Industry mentors: Angel Funds
 - Old guys in processing, they bring in new guys, buy into the business, and they hand their knowledge down. Build the business up, and then they want out in 5 years.
 - If you're an investor and you get a 35% tax credit, you've automatically made your investment back with that, it's a HUGE incentive
- Limited amount of funds. Cheap and easy investment for infrastructure.

Decentralized food processing system

1. Add more Food Enterprise Centers that FOCUS on Food: see if the business is viable without. Distinct for every community. Mandated to do whatever this region needs for support. FOCUS ON FOOD—not agriculture.
2. Access to capital: if the product is viable, making capital available to them so that they can expand their business (like through tax credit above)
3. Fund for existing manufacturers for them to grow as well
4. Food Development Centers being widely enough distributed—schools can go through them. Every school is close to one of these food development centers.
5. Trade Schools: making sure butchering/processing/food safety skills stay alive. Maybe these food development centers provide these skills. Creating technical skills.
6. Press the legislature to simplify meat packing regulations
 - a. Educating school buyers that state-inspected is JUST as safe as federally inspected meat—they CAN legally use it

Day Two

Session 4: Action Plans

Short discussion about everything so far throughout the room

1 person: We had so much energy after last time [Governor's Summit] and then we nose dived.

2nd person: I question that we nose dived. There's amazing work being done. We just need to figure out how to communicate with each other better and make sure we all know what every one else is doing.

3rd person: Are we dealing with the same problems now as we did from 9 years ago?—No, it's different, we're talking about different things—Well there's you're movement, we're doing with different problems than from 9 years ago [we've solved something, ostensibly].

We didn't do this last time—we had a few breakout sessions [but it wasn't entirely group processing)

Let's have these more often? Every 4 years.

Let's do 3 or 5 years so that we're ahead of the election cycle and we have a year to make recommendations.

Could the Food Policy Council keep alive what's going on here and actually keep it going on an annual basis?

OpEd or Press Release that there weren't state legislatures—complain about, they should've been here—build into strategies or action plans.

1A: Expanding the Food and Ag Development Centers

Right now they're in Ronan, Butte, Joliet, and Havre. Funded by the government—70K from the state.

1. Outcomes:

- a. The current statute says there need to be 4. The statute needs to be changed.
 - i. Unlimited number of centers or a certain number?
 - ii. Instead of limiting the number of centers, limiting the number of funding—that doesn't limit the ability of other groups to come in if they want to find their own funding.
- b. One of the centers should hire a food scientist. Connected to all of the centers.
 - i. R&D, nutrition, helping private companies develop products
 - ii. Based in Ronan because they have all of the equipment
- c. There needs to be space for food and innovation processing centers where there's demand.
 - i. The biggest cost will be employees
- d. What can the other 3 centers do to be more helpful to food entrepreneurs?
 - i. Only one has the commercial processing facilities
- e. Identify where the centers should be—they should be a network and share goods within them, rather than all trying to do everything
 - i. So that each center can focus on the local culture/needs—processing center for whatever would be most used in that community.
 - ii. Using FSA trucks to move products around so that certain centers can specialize
- f. Move beyond the food and ag development
- g. More food processing happening in existing centers.

- h. Expand the system
 - i. Replacing coal with Food and Ag Development Centers?
2. Major strategies for creating more food and innovation processing centers
- a. Expand the network by eliminating the limit on centers and including more food processing facilities scattered across the state.
 - i. This is through the existing Food and Ag Development Centers administration
 - ii. Changing the statute so that food and ag development centers are two separate centers?
 - iii. More food processing facilities, not necessarily bound to food and ag development centers, scattered across the state.
 - iv. Once you establish the food processing, the food hubs will come.
 - b. Food scientist
 - i. Mandated by statute that there needs to be at least one (but not limited to one) in the state that can do process control certification, labelling
 - 1. Probably in Ronan
 - 2. Fee for service—self-funded
 - c. Identify where the centers need to be and partners that will make it happen
 - i. Make sure that all of the key stakeholders are at the table
 - ii. There are numbers that there's producer demand
 - iii. Thinking about where they are close to trade high schools/colleges/prostart so that they can partner and provide training.
 - iv. Partnering with distributors like Sodexo
 - v. Not competing with store
 - d. Figure out where there's demand—you can't say "If you build it, they will come."
 - i. Use Ronan's hub numbers—success stories with dollar amounts

3 most important steps

Expand the network by eliminating the limit on centers and including more food processing facilities scattered across the state as well as hiring at least one food scientist.

- a. Present the strategies to the Food Council that works on legislative stuff
 - a. FC needs to pull the stakeholders into a task force
 - b. Have a policy ready for the 2019 state Legislature session, or for 2017
- b. The FC will develop an action plan based on our recommendations to be approved and funded by the legislature
 - a. Emphasis on food processing
 - b. At least one fulltime food science that can approve processes and labellings
- c. Food and Ag Development Center has a discussion board that has email alerts with links to resources.
 - a. Discussion board linked to email: Forum where you can post your own questions— for participants in the conference so we keep up with everyone's initiative
 - i. Suggest to current listserv (MontanaFood_Ag) that it's more of a conversation or a discussion board—right now, it's just announcements, which usually isn't helpful
 - ii. Someone needs to host that
 - iii. Webpage with a listserv (which is an email that gets lost)

- iv. Listserve where you can actually have a conversation (HiTunnel)
- v. People can respond to each other's topics
- vi. Find someone who's already doing a web page, ask their strategy for getting it

Flesh these out

-Present the strategies to the Food Council that works on legislative stuff
 -After it goes through FC, develop an action plan to be approved and funded by the legislature
 -Food and Ag Development Center has a discussion board that has email alerts with links to resources.

Food Hubs

1. Warehouse where stuff gets dropped off, minimal processing—clean grain and put it in a bag
2. It would be nice if Hubs were connected with processing centers, but not absolutely necessary
3. Aggregation
4. Not based on an arbitrary number of miles apart

Reskilling

2B: Meat Processing Regulations

Tax Credit for AgroBusiness

Caps for utilizing it, out of general fund, every other year, once the money's used, it's gone. 35% on new processing, 45% on value added (you can only use one, not compounded). Administered by the tax department. Wisconsin and North Dakota have the policy word for word—they have the statistics around it.

Strategies:

1. Steering Committee to see if there's any interest in taking this and running with it WITHIN THE next week.
 - a. Economic Development Association to take and run with it
 - i. Taylor is going to talk with Paul, who's the chair of the Econ. Development Association
 - b. Farm Bureau or Farmers' Union if EDA doesn't take it up
 - i. Jan T. is on the board of directors of MT Farmers Union, she can talk to them
 - ii. If they don't take it, it's a no go
 - c. Find someone to put a bill placeholder: Legislature Ed Buttree from Great Falls.

4: Farm2school program coordinators across the state.

Strategies

1. Provide incentives for schools to purchase local food
2. Modify state policy to increase resource availability (reallocate funds)
 - a. Investigate whatever policies are in place right now
3. Create a program that allows farmers to donate food products
4. Maximize preexisting food processing facilities across the state

Resources

1. Food
2. Farm 2 School Model

3. Schools are consistent buyers
4. Harvest of the Month Program
5. Unused culinary facilities
6. FFA Alumni Association
7. State school board association
8. No Kid Hungry
9. MT Food Bank Network (bc they work with No Kid Hungry)
10. Ag in the Classroom?
11. USDA—Know Your Farmer
12. Local community foundations

Lead organizations

1. Office of Public Instruction
2. Food Ag Centers
3. Community Development Centers
4. State F2S coordinator

Timeline: 2019 legislative session

Steps

1. Identify lead organization to employ Farm to School program coordinator
2. Obtain funding
 - a. Specialty Crop Grant
 - b. Grants
 - c. School funding
 - d. Modify policy
 - e. Programs—figuring out what's in place already
3. Identify potential processing facilities and distribution opportunities

Questions:

1. Should this be farm to institution instead of just farm to school?
2. Change the way that leadership inside the school district thinks about their job
 - a. There's a state school board
3. General group: Farm2School should be Preschool to College

2. Overarching Organization

Food Policy Organization is formed

Strategy:

1. Vision statement created out of key Summit findings
2. Grow Montana would take the lead and figure out key organizations who would make that happen.
 - a. Within 6 months
3. Define mission focus:
 - a. Collect and asses research to assess baseline of local food economy on MT
 - b. Create a database of resources included manufacture and distributors across the state
 - c. Asses current state of governance: what needs to change to increase food and manufacture
 - d. Identify and clarify key barriers

- e. Carry forth work of the summit and annual report
- 4. Talk to the Chiefs of Staff BY NOVEMBER 9th
- 5. Form a quasi public/private structure with support of governor's office, funded by the members (\$1000 on the plate)
- 6. In 10 years: revisit this structure, see accomplishments, ask what is the next step forward.

Big picture

By the end of 2017 we have a Food Policy Council

- With a vision and mission
- Funded by public and private \$
- Completed business plan to move summit actions forward.
 - At least 2% of food manufacturing, processing, and distribution by 2025
- Reports to Governor's office and stakeholders

Questions

- Where does Grow MT fit into this?
 - They can be a founding organization. Maybe it goes away after this? Grow MT is much narrower and advocacy. The FPC would elevate what's already happening into the public arena.
- We need the baseline! Where are we with amount of distribution/processing that's already happening.

1A: Increase localized meat and poultry processing around the state to meet consumer demand.

Objectives:

We don't want to decrease sanitation or food safety. So how do we get through the bottlenecks?

1. Put systems in place that help start-ups and cooperatives. It's very financially prohibitive to get a processing plant up.
2. Start-ups and cooperative development: assess what processing plants are underutilized and what their capacities are.
 - a. Help people develop business plans so that they can do this on their own.
 - b. Food and Ag centers as a place for this.

3. Finding capital.

Questions

- Maximize use of federally funded dollars.
- How did you address the disconnect between the fact that state law allows schools to buy meat from state inspected facilities, but many districts pretend that that's not the case? How to close the information gap.
- Distributing how often processors are at full capacities and which could take more—that would inform the discussion around getting more state inspectors

1B Expansion of Food and Ag Development Centers

Across the state of MT we have more food and ag development centers, more focus on processing on the local levels.

At least one MT food scientist here in the state
Increased communications across this group

Strategies

- Food Council to utilize the stakeholders to make this plan

Resources

- Department of Ag

Lead

Food Council

Timeline

2019 Legislative Session

Immediate Steps

- Food Council creates action plan
- Increase communications—discussion board
- Accountability: this is where we are after the Summit so we can see the tangible movement towards the goals

Questions

- How do you propose that the centers will be funded
 - The Food Council will take that on—some group needs to push for it.
 - Closing Tax Loopholes to put money into the centers
 - Making sure that we have the partners on board
- Teaching people how to cut meat, then putting the meat into the school—pulling in a lot of partners
- We didn't quantify how many centers there will be, because they need to be bubbling up organically from communities *who want them*.
- There needs to be a match between private and public funding: each community needs to have skin in the game.
- The model's already there, you don't need to recreate the wheel.
 - Minnesota: Ag Utilization Research Centers. They don't duplicate services. Each community has a special agenda.
 - This is part of the Food Council Mission: find best practices across the state, bring recommendations forward