



MONTANA DEPARTMENT OF
AGRICULTURE

Montana Growth Through Agriculture

Program Guidelines

Updated August 2022

For deadline postings, go to the Growth Through Agriculture webpage at
<https://agr.mt.gov/GTA>

Refer Any Questions to:

Montana Growth Through Agriculture Program
Montana Department of Agriculture
PO Box 200201
Helena, MT 59620-0201
406-444-0134
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Legal Authority:

MCA Sections 90-9-102 and 90-9-401 (Montana Code
Annotated)
ARM 4.16.101 – 4.16.701 (Administrative Rules of Montana)



MONTANA DEPARTMENT OF **AGRICULTURE**

OVERVIEW

The Montana Growth Through Agriculture (GTA) program was created by the 1987 Legislature and is administered by the seven-member Montana Agriculture Development Council (Council), which is attached to the Department of Agriculture. The legislative purpose of the program is to strengthen and diversify Montana's agricultural industry through loans and grants to assist the development of innovative agricultural business organizational improvements and the commercialization and marketing of new agricultural products in order to keep pace with a transforming agricultural industry and to create new jobs and expand small business opportunities.

The Montana Department of Agriculture is excited to introduce two new, additional grant options for value-added agricultural producers: the GTA Business Acceleration Program that supports businesses and other entities entering expansionary phases of growth, and the GTA Marketing Development Program with an intent to aid in the access, development, and expansion of new markets. The regional Food and Agriculture Development Centers are available to work with the applicant, to consider each grant program and determine the best fit for the proposed project.

Goal:

Strengthen and diversify Montana's agricultural industry.

The program addresses this goal by providing funding opportunities that are detailed in the rest of this document.

Eligibility Criteria

Projects should primarily add value to Montana's agricultural products, have prospects for achieving commercial success given the current personnel, experience and resources of the applicant and have the possibility to create and/or retain jobs in Montana.

Match Requirement

\$1 for \$1 match is required for all types of Growth Through Agriculture proposals including both grants and loans.

For Application Assistance

Contact your regional Food and Agriculture Development Center (<https://agr.mt.gov/Food-and-Ag-Development-Centers>) network and/or Small Business Development Center (<https://sbdc.mt.gov/>) network before you begin the application process. These organizations can assist with the application as well as required financial projections, key financial assumptions, business plan, and marketing plan. Templates for business plans, financial projections and financial assumptions are available on the GTA website at <https://agr.mt.gov/GTA>.

Types of Funding Available

Maximum - \$150,000 made up of:

- Up to \$50,000 in the form of grant funding
- Up to \$100,000 in the form of loan funding

What Funds Can be Used For

Examples of project activities include, but are not limited to:

- Equipment purchases
- Advertising and promotion
- Consultant services such as engineering costs

How the Program Works

The Council will determine the review periods for applications and dates will be posted on the GTA webpage. Applicants are encouraged to contact their regional Food and Agriculture Development Center Network (<https://agr.mt.gov/Food-and-Ag-Development-Centers>) for assistance in planning their projects, application review and feedback. Application instructions and procedures are posted online at <https://agr.mt.gov/GTA>.

Public and private entities and organizations, business and industry, educational institutions, local governments and individuals are eligible to submit applications for funding to the Council. The Council reviews applications to determine the funding made to eligible projects.

Generally, to qualify for consideration, proposals must have practical, near-term application involving new or alternative technologies, practices or organizational arrangements that will stimulate expanded agricultural development, economic activity, and employment growth.

Personal Guarantee Required

Recipients of GTA grant and/or loan funding are required to name a personal guarantee, unless otherwise specified by the Council. This is the person to guarantee that the terms of the grant or loan will be met at the risk of personal and financial responsibility.

Types of Awards

The Council is responsible for determining which projects to fund and whether funding will be provided through grant or loan. **All awards will be paid on a reimbursement basis unless otherwise specified by the Council.**

1. A **grant** is an award of money without the expectation that the funds will be repaid. Security provisions are required and are structured on an individual case basis. The maximum grant amount for any single application is \$50,000.
2. A **loan** is an award of money with the expectation that the money will be repaid. The Council has the option to defer interest and/or payments for loans. Loans may be repaid over a period of up to eight years. Security provisions are required and are structured on an individual case basis. The maximum loan amount for any single application is \$100,000.

What Qualifies

General Criteria for Funding

The Council may make a grant or loan if it determines the project is consistent with the goals of the Growth Through Agriculture Act and:

- 1) primarily adds value to Montana's agricultural products,
- 2) has the prospects for commercial success given current personnel, experience and resources of the applicant,

- 3) has the prospects to create and/or retain jobs in Montana,
- 4) primarily processes or adds value to Montana’s agricultural products currently produced or potentially produced in the state, and
- 5) has the management structure to allow the Agriculture Development Council to reasonably conclude that the applicant will comply with ongoing reporting and monitoring activities.

Additional Loan Eligibility Requirements

The Council has the option to set loan interest rates and offer terms on awards up to \$100,000. To be eligible for a low interest loan, the applicant must have unencumbered collateral to secure the full amount of the loan.

The Council may select up to two targeted areas for projects which would be eligible for lower interest loans. These targeted areas encourage specific types of projects and will inform the public of the Council’s particular interests. Targeted areas must be announced 60 days prior to becoming effective.

Targeted Loan Areas

- Applicant likely does not have access to a conventional loan, such as a startup, or
- Business is mature and working toward expansion.

Additional Grant Eligibility Requirements

The Council may award grants up to \$50,000. In addition to meeting the general criteria for funding, grant applications must demonstrate that their project meets at least one of the following criteria:

- The project will benefit additional agricultural companies,
- The project will accomplish research that will benefit agriculture as a whole, or
- The applicant is a nonprofit entity.

Eligible Costs

Eligible costs under the GTA program include, but are not limited to:

- Equipment
- Consultant Services (professional, technical, operational)
- Travel
- Advertising and Promotion
- Supplies and Materials
- Communication (telephone, postage, printing, etc.)
- Data Processing

Notes on Expense Eligibility

Salaries, wages and entertainment	These costs are rarely considered eligible.
Food	Applicants must demonstrate how the food purchases will have a broader impact on Montana’s agriculture economy.
Payment of institutional overhead or other indirect costs	The Council does not allow program funds to be used for the payment of institutional overhead or other indirect costs.
<i>Political purposes</i>	<i>In no case can funds be used for the intent of influencing elected officials or legislation.</i>

Matching Funds

Matching funds are required on all awards in an amount at least equal to the amount requested. Matching funds must be used toward completing the proposed project and may not come from another State of Montana grant award (excluding funds from Commodity Checkoff Programs).

Matching contributions may be provided as cash and should contribute directly to the proposed project. Matching contributions **may not include other state grants**.

Matching Funds Definitions

The Growth Through Agriculture program requires at least \$1 in matching funds for every \$1 awarded in program funding.

Items to Note about Matching Funds:

- The purpose of matching funds is to assure commitment and buy-in from the grant recipient.
- The concept of matching funds is the same as sharing costs.
- All matching funds must directly contribute to the project.
- Cash match is preferred for all projects.

Eligibility of Matching Funds

<i>Cash Match</i>	Costs paid by the <i>applicant</i> with money that is on-hand, dedicated to the project.
	Loan funding provided to the recipient and used toward the project.
	Federal or private grant funds. State grants if provided from a commodity check-off program. Funds from non-check-off state grants are not eligible match.
	Expenses incurred within the one year prior to the grant RFP closing date with Council's Approval. Expenses incurred more than one year in advance of the RFP closing date are not eligible match.
	Cash match used toward normal day-to-operation of your business may not be used as match.

Who Can Apply

Proposals for funding are accepted from:

- Individuals
- Businesses and Industry Organizations
- Public and Private Agencies and Organizations
- Educational Institutions
- Local Governments

Business Registration Required

To be eligible to receive funding your business must be registered with the Montana Secretary of State's office (<https://sosmt.gov/>). If your business is not registered, we encourage you to begin that process prior to submitting an application.

Joint Applications

Two or more individuals or organizations may propose to conduct a project jointly by submitting one application as co-applicants. Please contact program staff for procedures if you are interested in submitting a joint application.

Joint applicants must demonstrate their team has proven ability to carry out all elements of the proposed project. In addition, applicants proposing to rely upon the expertise of another individual or organization to undertake any part of the project must clearly define the responsibilities of that party as well as provide evidence of that entity's willingness and demonstrated ability to undertake that area of responsibility.

How Projects are Selected

It is the duty of the Council to meet, review project applications and select projects for funding.

Selection Criteria

Selection of successful projects is a competitive process. All applications will be evaluated based on the degree to which each application addresses the General Application Review Criteria for funding listed in Attachment A.

In addition, all proposals must include sufficient information to allow the above factors to be judged. Only those proposals that furnish complete information will be considered for evaluation.

No partial or incomplete proposals will be considered.

Screening/Pre-Application

Dependent on the number of applications received, Montana Department of Agriculture staff and the Agriculture Development Council may remove from consideration applications that do not meet the basic criteria or do not demonstrate responsiveness to the funding opportunity.

The Council reserves the right to adjust the number of applicants invited to submit full applications and video presentations.

Video Presentations and Interviews

Proposals that are complete and meet minimum eligibility criteria will be invited to provide a video presentation to the Council. The applicant may attend, either in person or remotely to present and answer questions from the Council in February 2023.

Scoring

The council will review applications and presentations and rank on a scale from low (1) to high (6) funding priority.

Priority ranking will be based on the Council's overall assessment of the below listed considerations (defined in the General Application Review Criteria for funding listed in Attachment A).

- Basic Business Considerations
- Agriculture Impact
- Economic Impact
- Potential for Success
- Innovation/Originality
- Geographic Considerations

The Council reserves the right to make a final selection, award partial funding or reject all proposals.

The Council may meet to reconsider all projects that have not received funding or not received the maximum requested funding if funds permit within the last 120 days of the fiscal year.

Award Process

Applicants selected by the Council for funding will be notified approximately two weeks after the Council meets. If the funding award is accepted by the applicant, a contract will be developed by the Council to define all project terms, conditions, and responsibilities of the applicant. The contract will clarify all legal patents and proprietary rights that will result from the proposed activity and will incorporate the successful application among its provisions. Once the contract is reviewed and signed by all applicable parties, the recipient will be able to request reimbursement for eligible costs incurred as outlined by the terms of the funding award made by the Council.

Selected projects must comply with all applicable federal, state and local laws, licensing, and regulations for funds to be awarded. Evidence of such compliance may be required before the grant or loan check is issued.

Applications not chosen for funding will be notified by the Council in writing within 30 days of the Council's decision.

Please Note: Unless otherwise specified by the Council, a rejected or partially funded proposal cannot come before the Council a second time within 12 months of its last presentation. The Department will screen applications to determine if a proposal is duplicative.

Requests for Reconsideration

Applicants who wish to have the results of Screening or Evaluation reconsidered may make such a request to the Department. Requests for reconsideration must describe the substantive fact(s) concerning bias, discrimination, conflict of interest, or noncompliance that affected the screening or evaluation of their proposal.

The request for reconsideration must be submitted in writing to the Department of Agriculture GTA Program Manager within 7 days following notification of the Screening or Evaluation results.

MDA Legal Counsel and/or their designee will review the request for reconsideration to determine whether the claims made are substantiated and likely to have resulted in an inaccurate, inconsistent or unfair assessment of their proposal.

The applicant will be notified of the results of Legal Counsel's review within 7 days of the receipt of their request.

Should MDA Legal Counsel find that claims are substantiated, all application materials and the accompanying request for reconsideration will be provided to the Chair of Agriculture Development Council.

Reporting Requirements for Funded Projects

Reporting is a condition of receiving program funding. Reporting is completed online and the Council reserves the right to determine the extent of reporting requirements, subject to modification over the course of the project. Interim reporting requirements will be based on the cost, duration and nature of the project. Typically, award recipients are required to submit completed semi-annual report forms that

address both the project activities and expenditures for the preceding six (6) months. Also, recipients are required to submit a completed final report form that summarizes the impacts of the project. The Montana Agriculture Development Council and staff will be responsible for monitoring each funded project.

The recipient may be required to make an oral report to the Council at the conclusion of the project. The oral report would be made at a regularly scheduled Council meeting. The Council may also require the completion of follow-up surveys of funded projects in order to determine long-term impacts.

The Council may meet to reconsider all projects that have not received funding or not received the maximum requested funding if funds permit within the last 120 days of the fiscal year.

Other Considerations

Ownership and Publication of Materials

All information and materials generated by the proposed activity may become the joint property of the State of Montana and the recipient. The award recipient will retain the right to utilize, reprint and distribute all said information and materials.

Liability

The Montana Agriculture Development Council will not be held liable for any costs incurred by any firm for work performed in the preparation of and production of a proposal or for any works performed prior to the formal execution of a contract.

Confidentiality

All written materials developed for the project as a result of a grant and /or documents submitted to the Department, shall be considered public except any information in which there is a privacy interest and that interest and the demands of individual privacy clearly exceed the merits of public disclosure of the personal, financial, and business information contained therein. If an applicant/funding recipient deems a document to be confidential, please contact program staff to discuss.

Rights of Agriculture Development Council

The Agriculture Development Council reserves the right to:

- Reject any or all proposals received.
- Waive or modify minor irregularities in proposals received after prior notification and concurrence of applicant.
- Clarify the scope of any application, within the program requirements and with appropriate notice to all applicants, to best serve the interests of the State of Montana.
- Amend the application's specifications after their release, with appropriate written notice to all potential applicants.
- Require a good faith effort on the part of the project sponsors to work with the Council and the Department of Agriculture.
- Request a credit check release, credit report, recent tax filing, or financial statement to clarify program eligibility.

Attachment A – General Application Review Guidelines

Growth Through Agriculture - General Application Review Guidelines

The following are general guidelines used by staff and the Council in the review of Growth Through Agriculture applications:

Scoring #	Funding Priority	
1	Low	Shows significant deficiencies. Does not demonstrate a need for the project or does not provide a compelling plan to address a need. Does not show the ability to execute the proposed plan
2		
3	Medium	Demonstrates a need and a plan to address the need. Responds to all questions.
4		
5	High	Illustrates and meets a compelling need in the State and demonstrates the ability to execute a high-quality project
6		

Basic Business Considerations

Applicant completely and clearly addresses knowledge of the industry and barriers to entry that may exist:

- Applicant demonstrates basic understanding of the laws and regulations for the business considered
- Land, lease, rail access issues are addressed as applicable
- Food safety and/or certification requirements (HACCP, GAP) are addressed
- County Sanitarian and/or Department of Livestock and/or Department of Environmental Quality has been contacted, as applicable
- All necessary agreements are in place. If not, a reasonable plan has been secured within a timeframe to allow the project to move forward as scheduled

Level of Impact to Montana Agriculture relatively sufficient for level of investment

- Applicant completely and clearly addresses the level of agricultural impact of their project
- The applicant will potentially process (or add value to) Montana’s agricultural products
- Specific producers are identified, from which raw materials will be purchased (if applicable)
- Relative amount of value is added to Montana’s agricultural products as a result of the proposed project

For example, a project using 1,000 pounds of meat and requesting \$10,000 would likely be more impactful than a project using 1,000 pounds of meat and requesting \$50,000.

Level of Economic Impact relatively sufficient for level of investment

- Applicant completely and clearly addresses the level of economic impact of their project
- Potential job creation or retention as a result of the activity is relatively sufficient for investment
- Projected level of income for owners and employees
- Hard assets/infrastructure physically located in the state
- Amount of program funding previously received
- Previously funded project was successful. If yes:
 - Previously funded project created jobs and/or agricultural impact as projected
 - Prior reporting was completed in a timely manner
 - Prior repayment was timely, if applicable

Potential for the proposed activity to provide for agricultural/economic development success

- Stage of planning/business life cycle supports prospective commercial success, given current personnel experience and resources of the applicant
- Financial projections (including cash flow, sales projections and key financial assumptions) are positive and reasonable
- Active engagement by owners in project and long-term investment in business
- Financial investments have been secured for match, or will be secured within near term
- Project is ready to proceed immediately upon notification of award (licenses or permits already in place, trained staff, for example)
- Business has the capacity to comply with ongoing reporting and monitoring activities

Innovation/Project Originality

- Project assists in the development of:
 - Innovative agricultural business model or initiative
 - Organizational improvements
 - The commercialization and marketing of new agricultural products

Geographic Considerations

- Impact of the project on the local community & greater geographic region:
 - A project in a small, rural community may be more impactful than the same project in a larger community
- Local participation and commitment is demonstrated with matching funds