

**Montana Organic Commodity Advisory Council (MOCAC)**  
**Montana Department of Agriculture**  
**Conference Room**  
**December 15, 2014**

**Council Members Present:** Cathy Odden, Greg Thayer, Matt Johnson, Mark Smith, Lise Rousseau, Ty O'Connor

**Council Members Not Present:** Kiki Hubbard

**Staff Members:** Andy Gray, Georgana Webster, Breanna Caldwell, Greg Ames

**The conference began at 8:38 AM. Introductions were made.**

**Organic Program Fiscal Analysis and Rule Change**

Ty O'Connor heard from people who thought the fee change was a good idea. Ty commented that he pushed new producers towards the state program. Matt Johnson had the same experience and his neighbor plans to certify with the program. Matt commented that his neighbor understood that the program had to be fiscally sound.

Lise Rousseau commented that product was double assessed since it is assessed as a raw product and then assessed again when it becomes a value added product. Discussion about the double assessment issue followed. The council decided to not pursue the issue.

Lise Rousseau commented that the fee structure was based on farm bill funding and that farm bill funding may not be available in the future. She added that paying money upfront and getting it later is difficult for smaller scale operations. Ty stated that the smaller Producers he had talked to were fine with the fee change. Many thought the Organic market prices were an incentive to certify, even with higher fees. Ty said that Cost Share would allow smaller Producers to adjust and prepare for higher costs. Georgana clarified that the Department would mention Cost Share in the letter with fee information.

The tier structure was discussed along with the loss of smaller Producers in the \$0-20,000 category. Matt had a question about combining the \$0-5,000 and \$5,000-20,000, having them pay the same amount. Mark liked that option too. The tier of \$250,000-500,000 sales amount to .05% was changed too. Lise suggested changing the \$100,000-250,000 sales amount to .05%. Matt commented, after looking at the changes to change the handler changes in the bracket of \$250,000-500,000 to .5% for sales would be appropriate. Greg Thayer commented that the program had to stay competitive and that a few large grain producers would help the program immensely and help take the pressure off the program.

Andy commented that more than 8 tiers would be not advisable. Georgana commented that the sales category of new applicants vary their second year.

The council asked for the new fee schedule and a comparison to other certifiers. Ty commented that he would like to see this done prior to the following year.

The next meeting will take place Wednesday December 17, 2014 at 8:30AM. Ron de Yong is in Denver, CO and Greg Ames can chair in Ron's place.

Producer renewal was set temporarily to April 15<sup>th</sup> so that the fee schedule could be changed. The Handler change for Sales and renewals are due September 15<sup>th</sup> and inspection fees are set ever year based on analysis of personnel costs.

**Public Comments**

No public comments.

**Meeting adjourned at 9:45 AM.**