

## **HB 583: A Bill to Support Six Established Montana Food and Agricultural Development Centers**

### *What does HB 583 do?*

HB 583 funds six established food and agricultural development centers – traditionally known as “food innovation centers” and more recently “bio-product innovation centers”– to maintain and modestly build on Montana’s capacity to assist entrepreneurs in the areas of food manufacturing and alternative energy production. These centers hold tremendous potential for economic development in both urban and rural communities by ensuring that more of the state’s food, agricultural, and energy dollars circulate in Montana – revitalizing communities, improving access to healthier food for our citizens, and reconnecting our rural and urban economies.

### *Who will benefit?*

#### Farmers, Ranchers, and Small Businesses

While agriculture ranks as one of the the state’s top industries in terms of dollars generated, it is no longer bringing real prosperity to our rural communities because so much of our raw agricultural commodities are shipped out of state for processing elsewhere and then re-imported in their value-added form to feed our own citizens.

Montana’s agricultural producers currently have few options for adding value\* to their crops and livestock within the state of Montana.

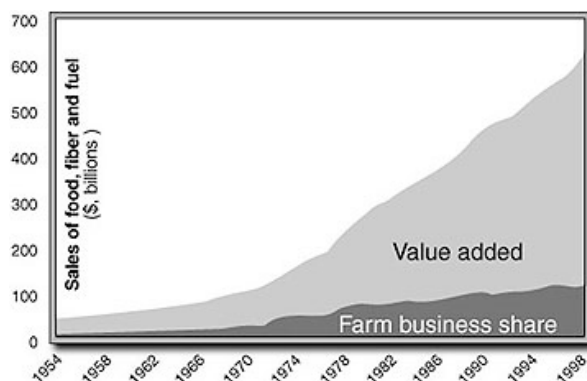
By ensuring that these six centers can continue to provide technical assistance to Montana’s food and farm entrepreneurs, this bill will help Montana retain a greater share of the billions of food and energy dollars Montanans otherwise ultimately send out of state.

#### Montana Citizens and Communities

The demand for Montana-produced food and energy greatly exceeds supply.

Maintaining and building our food manufacturing and farm-energy production infrastructure adds value that stays on our farms and in our communities, while reducing our dependence on global sources for food and fuel.

**Most of the value of US food, fiber, and fuel products at final sale is added after raw materials leave the farm**



*Source: Parcell, Brees, and Giddens 2002*

\* “Value-added” means farm and ranch products and services are sold for more than commodity prices.

### ***Why do we need HB 583?***

Montanans spend more than \$3 billion a year on food, yet our agriculture-related businesses are capturing only a tiny fraction of that for our state's economy and communities. This does not make sense economically, socially or environmentally.

Research confirms that the lack of a food processing and value-added agriculture infrastructure is a primary barrier inhibiting the ability of farmers and ranchers to serve in-state markets, including wholesale markets such as school, university and hospital food services, and retail markets.

A state match to federal dollars already invested in these centers will keep them operating during the next biennium. This investment will also allow Montana's food and agricultural development centers the opportunity to properly serve the highest-priority needs for our state's food manufacturing and farm-based energy production sectors.

Established food and agricultural development centers provide a range of services:

- Food product development and nutritional analysis and labeling;
- Implementation of food safety regulations;
- Technical assistance for farm-derived renewable energy and bio-fuels;
- Business plan development counseling for agriculture-based entrepreneurs; and
- Project management services for agricultural producers and others for value-added agricultural products and alternative energy opportunities.

The economic crisis is growing more serious every day. This is a sensible economic development investment – an agricultural, food and farm-energy economic stimulus for Montana.

### ***How much will it cost?***

HB 583 provides \$370,000 for each of the fiscal years 2010 and 2011.

### ***Who will oppose HB 583?***

Those who oppose HB 583 do not realize that demand for Montana-produced food and farm-based energy greatly exceeds supply and that community-based food processing boosts our agricultural and small business sectors, creating jobs and keeping money Montanans spend on food and energy in our communities and on our farms and ranches. If Montanans are to take advantage of the tremendous interest and market trends in Montana-produced food and energy, we must maintain and enhance our capacity to add value to our agricultural products and work toward developing our own alternative energy resources. Development of a stable, sustainable Montana food system can help make value-added agriculture an engine of community-based economic development. It just makes sense for *all* Montanans.