

HOWEVER YOU MARKET, KNOW THIS STUFF

Local Regulations	80
State Regulations	81
Overview of Minnesota Food Marketing Regulations	81
Minnesota Statutes Regarding Food Sales	85
Food Handling and Food Safety	86
Liability	91
Product Liability	91
Premises Liability	92
Farm Worker Liability	93
Crop Insurance	94
Pricing	95
Price Based on the Value Perceived by the Customer	96
Price Based on Your Costs and Your Expectation for Profits (“Cost Plus”)	96
Price Based on the Retail Price	97
Price Based on the Commodity Market Price or Wholesale Market Price	98
Branding, Labeling, and Third-Party Certification	99
Season Extension	102
Value-Added Processing	104
Internet Marketing	106
Finding Farmers	107
Appendix A: Fact Sheets for Sales of Produce, Meat, Poultry, and Eggs	108
Providing Safe Locally Grown Produce to Commercial Food Establishments and the General Public	108
Sale of Meat and Poultry Products to Consumers, Grocery Stores and Restaurants	110
Sale of Shell Eggs to Grocery Stores and Restaurants	111
Custom-Processed Meat Sales Sample Form	112
Appendix B: Supporting Information for Sales of Meat, Poultry, Eggs, and Dairy	113
Meat and Poultry Marketing Information for Farmers	113
Egg Marketing Information for Farmers	115
Dairy Marketing Information for Farmers	117
Resources for Meat, Poultry, and Dairy Product Sales	118

LOCAL REGULATIONS

Counties, townships, and cities are local government units that may have regulations that apply to your enterprise. Some typical kinds of regulations include:

- Limits on size or location of advertising signs
- Permits required for excavating or new building construction
- Local health codes regarding food preparation and sale
- Zoning regulations on types of enterprises that can be conducted in certain areas
- Requirements for size and placement of parking areas
- Requirements for bathroom and handwashing facilities (especially for agritourism enterprises)

Local government officials and farmers who have started new enterprises agree that it is far better to work together early to avoid problems, rather than trying to fix things that were not done properly.

County and city governments divide up their responsibilities among departments, and the department names can vary from place to place. You might find the planning and zoning people in the Environmental Services Department, for instance, or they might be in the Land Department. Rural townships usually do not have their own planning and zoning or health departments. They rely on the county governments for those services, and county rules apply within the townships. Townships near an urban area may have their own planning and zoning offices, though, so it is wise to check to be sure.

HOW TO FIND YOUR LOCAL OFFICIALS:

- Ask around in the neighborhood. Chances are that someone knows who the township officers are. Your neighbors might even be township officers, themselves.
- Visit your nearest library, and ask the librarian for assistance. Many communities have a printed directory of local officials.
- Call or visit the administrative office in your county courthouse. County administrators can direct you to the correct offices for zoning and public health questions.
- Look up county information on the State of Minnesota website, www.state.mn.us. Under the "Quick Links" heading, click on "Cities, Counties, Townships." Most Minnesota counties have a website that includes information on county offices. Some county websites include lists of township officers for townships in that county.
- Request township information from the Minnesota Association of Townships website, www.mntownships.org, or call (800) 228-0296.

STATE REGULATIONS

Overview of Minnesota Food Marketing Regulations

When you decide to market your farm products directly to consumers, or to retail establishments such as restaurants, you enter what can seem like a bewildering tangle of state regulations. The Dairy and Food Inspection Division of the Minnesota Department of Agriculture (MDA) has regulatory authority over food sold in Minnesota. Regulations are driven by food safety concerns.

In practical terms for farmer operations this decision did not change much about what you have to do, despite a great deal of publicity about the ruling. All food offered for sale to the public must still be handled in a sanitary manner, following safe food handling practices and other applicable state regulations, regardless of whether a food handler's license is legally required. Inspected and approved kitchens are still required for processing food that will be sold at retail.

Less Regulation

Raw, unprocessed foods
Single-ingredient foods
Sold from farm premises
Products grown & sold by the farmer
Sold to the end consumer
Small sales volume

More Regulation

Processed foods
Multiple ingredients
Sold at a location off the farm
Resold products grown by someone else
Sold to a retailer for sale to the public
Large sales volume

When marketing to restaurants, grocery stores, food services, or other retailers, there are some situations where a food handler's license is not required by the state. Licensing is still recommended, though, and buyers may be wary of buying from you if you are not formally licensed. The Dairy and Food Inspection Division at the Minnesota Department of Agriculture is willing to issue licenses to farmers who want them, regardless of whether the license is legally required.

A 2005 Minnesota Supreme Court decision declared that farmers are not required to have a license to sell the products of their own farms, but they are required to follow all applicable public health and safety regulations. This ruling caused the MDA to remove some categories of food sales by farmers from licensing requirements. However, licensing and inspection are not the same. **Exemption from licensing does not mean exemption from inspection.**

Minnesota Supreme Court decision: State of Minnesota vs. Diane Marcella Hartmann et al. July 28, 2005. Docket # A03-1674. www.lawlibrary.state.mn.us/archive/supct/0507/opa031674-0728.htm. Print copies of this case are available from the Minnesota State Law Library: Room G25, Minnesota Judicial Center, 25 Rev Dr Martin Luther King Jr Blvd, St Paul, MN 55155. (651) 296-2775. There is a printing and mailing fee for print copies. Be ready to supply the case name, date, and docket number when you make a request for a print copy.

Maple Syrup

Type of Sale

Regulations

Syrup from trees on your own property that you occupy, sold to any individual or business

No licensing required

Syrup from trees at any location, sales up to \$5,000 per year at farmers' markets or community events

No licensing required

Syrup from trees at any location, sales greater than \$5,000 per year or sales to businesses

Food handler's license required

Vegetables

Type of processing	Direct sale to individuals for use by them, their family, or non-paying guests	Sale to restaurants, grocery stores, food service, other retailers
Fresh, raw, no processing.	No licensing required	No licensing required
Fresh, raw, some processing but no purchased ingredients (shredded coleslaw mix, carrot sticks.)	No licensing required, must use inspected and approved kitchen.	Food handler's license recommended, must use inspected and approved kitchen.
Fresh, raw, processing and purchased ingredients (prepared coleslaw with purchased dressing.)	Food handler's license required, must use inspected and approved kitchen.	Food handler's license required, must use inspected and approved kitchen.
Frozen, no purchased ingredients.	No license required, home kitchen allowed.	Food handler's license recommended, must use inspected and approved kitchen.
Frozen, purchased ingredients.	Food handler's license required, must use inspected and approved kitchen.	Food handler's license required, must use inspected and approved kitchen.
Canned, pH less than 4.6, gross sales less than \$5,000 year.	No license required, home kitchen allowed, training course recommended.	Food handler's license required, must use inspected and approved kitchen.
All other canned vegetables.	Food handler's license required, must use inspected and approved kitchen.	Food handler's license required, must use inspected and approved kitchen.

Fruits

Type of processing	Direct sale to individuals for use by them, their family, or non-paying guests	Sale to restaurants, grocery stores, food service, other retailers
Fresh, raw, no processing.	No licensing required	No licensing required
Fresh, raw, some processing but no purchased ingredients (melon slices, apple slices)	No licensing required, must use inspected and approved kitchen.	Food handler's license recommended, must use inspected and approved kitchen.
Fresh, raw, processing and purchased ingredients (prepared fruit salad with purchased dressing.)	Food handler's license required, must use inspected and approved kitchen.	Food handler's license required, must use inspected and approved kitchen.
Frozen, no purchased ingredients.	No license required, home kitchen allowed.	Food handler's license recommended, must use inspected and approved kitchen.
Frozen, purchased ingredients.	Food handler's license required, must use inspected and approved kitchen.	Food handler's license required, must use inspected and approved kitchen.

Dairy Products

Type of Sale	Regulations
Raw milk	No licensing required Customers must bring their own containers to the farm. No on-farm storage of containers of milk.
Pasteurized and bottled milk, cream, half-and-half, butter	Food handler's license required if off-farm ingredients are used. Must use inspected and approved facilities.
Yogurt, kefir, ice cream, flavored milk, sour cream	Food handler's license required. Must use inspected and approved facilities.
Raw-milk cheese	Must be aged minimum of 60 days. Food handler's license required, must use inspected and approved facilities.
Pasteurized-milk cheese	No aging requirement. Food handler's license required, must use inspected and approved facilities.

Eggs

A license is not required for farmers to sell eggs from their own flock raised on their own farm. If you are selling from a location off the farm premises, you must register with the Dairy and Food Inspection Division of the Minnesota Department of Agriculture.

Type of Sale	Regulations
From the farm premises to individuals for use by their family or non-paying guests	No license required, can reuse cartons; grading, candling, and labeling not required.
From a nonfarm location (such as farmers' market) to individuals for use by their family or non-paying guests	Registration required, can reuse cartons, dry cleaning methods only; grading, candling, and labeling are required.
To a restaurant, grocery store, or food service	Registration required, cartons must be new, dry cleaning methods only; grading, candling, and labeling are required.

Poultry

Poultry regulations are very complex. For any situation not exactly covered by the descriptions in the table below, contact the Minnesota Department of Agriculture, Dairy and Food Inspection Program at (651) 201-6027 for more information.

Type of Sale	Regulations
The farmer's own birds sold from the farm premises to individuals for use by their family or non-paying guests, less than 1000 birds per year	No license required, slaughter facilities must be sanitary. The MN Department of Agriculture has the right to inspect facilities.
The farmer's own birds sold from a nonfarm location (such as farmers' market) to individuals for use by their family or non-paying guests	No license required, birds must be processed in an inspected and approved facility, packages must be labeled as exempt under P.L. 90-492
The farmer's own birds sold to a restaurant, grocery store, or food service	No license required, birds must be slaughtered and processed at a USDA or state equivalent facility with continuous inspection.

Meat

"Meat" includes beef, bison, goat, sheep, and hog meat as well as meat from Cervidae (deer, elk, reindeer, moose, etc.)

Type of Sale	Regulations
The farmer's own animals sold before slaughter to individuals for use by themselves, their family, or non-paying guests	No license required, custom-exempt slaughter facility may be used.
Meat from the farmer's own animals, sold as packaged cuts to individuals or to retailers	No license required, animals must be slaughtered and processed at a USDA or state equivalent plant with continuous inspection.
Meat from the farmer's own animals, sold as a processed or multi-ingredient product (breakfast sausage, bratwurst, bacon, jerky, etc.)	Food handler's license required, animals must be slaughtered and processed at a USDA or state equivalent plant with continuous inspection.

Honey

No licensing required.

For sale to retailers, containers must be labeled with farmer's name and address.

Minnesota Statutes Regarding Food Sales

Minnesota Statutes are most accessible online. If you do not have Internet access, you can visit a local library to view the statutes online. Print copies are available on a limited basis from the Office of the Revisor of Statutes, 700 State Office Building, 100 Rev. Dr. Martin Luther King Jr Blvd, St. Paul, MN 55155. (651) 296-2868. Minnesota Statutes 2006, Chapter 28A. Licensing Food Handlers. www.revisor.leg.state.mn.us/stats/28A/

Minnesota Statutes 2006. 28A.15. Exemptions to food handler licensing requirements. ros.leg.mn/stats/28A/15.html

Minnesota Statutes 2006. Chapter 31. Food. www.revisor.leg.state.mn.us/stats/31/

Minnesota Statutes 2006. 31.31. Commercial canneries, regulation. ros.leg.mn/stats/31/31.html

Minnesota Statutes 2006. 31.392. Canning in dwelling or basement. www.revisor.leg.state.mn.us/stats/31/392.html

Minnesota Statutes 2006. Chapter 31A. Meat and Poultry Inspection. www.revisor.leg.state.mn.us/stats/31A/

Minnesota Statutes 2006. 31A.15. Exemptions [to Meat and Poultry Inspection].

www.revisor.leg.state.mn.us/stats/31A/15.html
Minnesota Statutes 2006. Chapter 32. Dairy Products. ros.leg.mn/bin/getpub.php?pubtype=STAT_CHAP&year=2006§ion=32

Minnesota Statutes 2006. 32.486. Cultured Dairy Food; Farmstead Cheese. ros.leg.mn/bin/getpub.php?pubtype=STAT_CHAP&year=2006§ion=32#stat.32.486.0

Minnesota Statutes 2006. Chapter 157. Food, Beverage, and Lodging Establishments. www.revisor.leg.state.mn.us/stats/157/

This overview was prepared by the Minnesota Institute for Sustainable Agriculture, with assistance from Kevin Elfering, Head of the Dairy and Food Inspection Division at the Minnesota Department of Agriculture. Information in this fact sheet is based on Minnesota Statutes, Minnesota Department of Agriculture regulations, and on previous fact sheets: Fact Sheet for Sale of Meat and Poultry Products to Consumers, Grocery Stores and Restaurants; Fact Sheet for Sale of Shell Eggs to Grocery Stores and Restaurants; Providing Safe Locally-Grown Produce to Commercial Food Establishments and the General Public; and Fact Sheet for Certain Home-Processed and Home-Canned Foods.

FOOD HANDLING AND FOOD SAFETY

Learning about safe food handling practices is good business for any farmer who wants to market a food product. When you sell a food product to the public, even if you aren't required to have a food handler's license, you still need to follow safe food handling practices. Handling food safely can protect your customers from illness and you from liability. Some of the best practices for handling food are common sense, but some practices are not obvious. Restaurant and food service personnel get lots of training on food safety. If you are bringing food products to sell to them, they need to see that you are handling those products correctly—or they might even refuse a shipment from you.

Like it or not, fair or not, food sold directly from the farm often comes under greater scrutiny than food sold through the typical distributor or grocery store channels. Some people in the food industry have a perception that food right from the farm is less safe. Farmers can overcome that prejudice by carefully following the food industry standards for safe handling of food. If your potential buyers see that you are following good practices, that will increase their comfort level in buying directly from a farmer.

It can be helpful to learn the guidelines that restaurants and food services must follow. That way you can make your food handling and delivery practices meet the expectations of your buyers. The National Agricultural Library has a free online training course on Standard Operating Procedures for food services, which covers the whole range of food handling activities. The procedures are based on HACCP, which stands for Hazard Analysis and Critical Control Points. This is an internationally accepted protocol for ensuring food safety. The HACCP procedures are useful not only for farmers who might deliver products to food services, but also for anyone who is processing or preparing a food for sale to the public. University of Minnesota Extension also offers

safe food handling courses that are designed for food service and restaurant personnel. These can be taken in a classroom setting or online.

Standard Operating Procedures for Food Services. 2005. National Food Service Management Institute. Available online at: sop.nfsmi.org/HACCPBasedSOPs.php. This website links to documents on SOPs ranging from "Washing Fruits and Vegetables" to "Preventing Cross Contamination During Storage and Preparation." Include record-keeping log templates.

Safe Food Handling Courses. University of Minnesota Extension—Food Safety. For more information contact: Connie Schwartau, Statewide Food Safety Coordinator, UM Extension Regional Center, 1424 E College Drive, Suite 100, Marshall, MN 56258. (507) 337-2819. www.extension.umn.edu/foodsafety. You can also contact your county or regional Extension office for more information (go to www.extension.umn.edu/offices/ to find your local county or regional Extension office.) The Food Safety program offers a variety of courses and workshops on food safety, ranging from the ServSafe certification class for food professionals, to the "Peddling Your Pickles Safely" workshops designed for those processing food at home or on a small scale.

Marketing fresh, raw fruits and vegetables

Farmers in Minnesota can sell fruits and vegetables that they raise themselves. They can sell any quantity, to any person or business, without a food handler's license. Farmers are considered an "approved source" for fruits and vegetables that they raise themselves. Even though no licensing is required, farmers still have to take reasonable care to avoid contamination of their produce with disease organisms. Food safety starts in the field, and continues through the process of harvesting, washing, packaging, storing, and transporting those fruits and vegetables. See the food marketing fact sheets in Appendix: A for more information.

Marketing eggs

Farmers can sell shell eggs that are produced by their own laying flock on their own farm. No license is required, but farmers are required to register with the Minnesota Department of Agriculture, Dairy and Food Inspection Division if they are selling to grocery stores, restaurants, or food services. Farmers are considered an “approved source” for shell eggs if they are so registered, follow the safe handling guidelines for shell eggs, and have the eggs properly labeled. Eggs are a perishable product, and must be handled properly to ensure their safety. Eggs for sale to food retailers must be cleaned by a dry method, such as sandpaper. Wet cleaning of eggs is not allowed because disease organisms can pass through the wet shell of the egg. For more information, see the egg sales fact sheet and supporting information in the appendices.

Marketing processed or prepared foods

In Minnesota, under certain conditions individuals can sell some kinds of prepared foods without a food handler’s license or an approved kitchen. One of these exemptions allows you to sell jams, jellies, and some types of baked goods at farmers’ markets or community events, up to a limit of \$5,000 per year. The “Pickle Bill” allows you to sell acidic canned items (pH level of 4.6 or less) such as pickles and salsa at farmers’ markets or community events, up to a limit of \$5,000 per year. People who want to sell a canned product are encouraged to take a training course in safe canning procedures. The training courses also teach how to do pH testing of your product.

“Pickle Bill” fact sheet. MDA, Dairy and Food Inspection Division. Available in full text online or from: MDA, Dairy and Food Inspection, 625 Robert St N, St Paul, MN 55155. (651) 201-6027. www.mda.state.mn.us/dairyfood/factsheets/picklebill.htm. This fact sheet lists requirements related to the “Pickle Bill” legislation, recent legislation which applies to certain home-processed and home-canned foods (Chapter 28A.15 Subd.10).

“Peddling Your Pickles Safely” workshop. Visit the food safety website

www.extension.umn.edu/foodsafety or contact your local or regional Extension office for more information: www.extension.umn.edu/offices. These workshops given by University of Minnesota Extension and the Minnesota Fruit and Vegetable Growers Association are for those interested in learning about the requirements of the Minnesota “Pickle Bill” legislation related to the sale of home processed and canned foods at farmer’s markets or community events.

Operational Guidelines for Vendors at the Farmers’ Market. MDA. Available in full text online or from: MDA, Dairy & Food Inspection Division, 625 Robert St N, St. Paul, MN 55155-2538. (651) 201-6027. www.mda.state.mn.us/dairyfood/fm_vendor_guide.pdf. This pamphlet answers many of the frequently asked questions regarding food safety regulations and selling at a farmers’ market.

Marketing meat or poultry

Farmers can sell meat and poultry products that have been processed at licensed and inspected processing facilities. The rules vary depending on the type and quantity of meat that you are selling, and to whom you are selling it. For more information, see the meat sales fact sheet and supporting information in the appendices.

FOOD SAFETY LAPSES

A farmer brought a delivery of potatoes to a restaurant. The potatoes were in the back of a pick-up truck. Unfortunately, the farmer's dog was also in the back of the truck. Restaurants or other retail food outlets cannot accept foods that have been in contact with animals.

A farmer who makes jam from berries brought samples of the jam to a tasting event.

Unfortunately, the farmer had opened a large jar of jam and had spooned the jam into several smaller jars prior to the event. This destroyed the germ-free environment that is in a properly sealed jar of jam and exposed the jam to air and to spoilage organisms. By the time the tasting event happened, several of the jars had mold growing on the jam and could not be served.

A farmer brought a delivery of fresh vegetables and frozen chicken to a restaurant. Not thinking about the possibility of cross-contamination, the farmer placed the box of chicken on top of the box of vegetables and carried both into the restaurant. The restaurant manager noticed this food safety violation and refused delivery.

CROSS-CONTAMINATION

Cross Contamination occurs when disease-causing organisms move from one type of food to another, or from the food handling environment onto food.

Examples:

- You use a knife and cutting board to cut up a chicken, but do not clean the knife, cutting board, or your own hands thoroughly before using them to cut up lettuce for a salad. The lettuce can pick up salmonella or other nasty bacteria from the chicken residue left on the

knife, cutting board, or hands.*

- You use a utensil to place pieces of raw meat in a pan for cooking. The same utensil is not cleaned before it is used to remove the cooked meat from the pan. Now germs from the uncooked meat are on the cooked pieces.

* Outbreak of *Campylobacter* Enteritis Associated with Cross-Contamination of Food — Oklahoma, 1996. www.cdc.gov/mmwr/preview/mmwrhtml/00051427.htm

FOOD CONTAMINATION ON THE FARM

Food contamination can happen in the field during the growing season, during harvest and packaging, or during transport — all before the food gets to a point of sale. Examples of disease potential from contamination in the field:

- A field worker has to use the bathroom and doesn't wash his or her hands thoroughly before returning to pick vegetables. Germs from the dirty hands end up on the vegetables. As few as 10 cells of the *Shigella* bacteria can cause illness in a person who eats the contaminated food.*
- An outbreak of *E. coli* infections was traced to alfalfa sprouts produced from contaminated alfalfa seed grown in Idaho. Some of the seed fields were adjacent to cattle feedlots, and water

runoff from the feedlots may have caused contamination of the seed. Also, deer regularly visited the fields, and deer feces may have been a source of the *E. coli* contamination.**

- Rain water flows across a barnyard and past the nearby packing shed. The water splashes up on a crate of lettuce being hauled to the packing shed—and the lettuce is contaminated with barnyard germs.

* *Shigella* spp., The Bad Bug Book, United States Food and Drug Administration. www.cfsan.fda.gov/~mow/chap19.html

** A Multistate Outbreak of *Escherichia coli* O157:H7 Infections Linked to Alfalfa Sprouts Grown from Contaminated Seeds. www.cdc.gov/ncidod/eid/vol7no6/breuer.htm

PREVENT FOOD CONTAMINATION IN THE FIELD

- Keep pets and livestock out of areas where food is grown, processed, packaged, transported, or otherwise handled.
- Be aware of wildlife in your fields, remove or cover wild animal feces if possible, and avoid picking fruits or vegetables from areas right next to wild animal feces.*
- Pay attention to the routes that you take on your farm. Avoid tracking soil or mud from livestock areas into vegetable or fruit areas.
- Direct rain run-off from livestock areas away from vegetable or fruit areas.
- If manure is used for fertilizer, allow plenty of time for it to break down between spreading and harvest of a crop. The National Organic Program rules** require that manure must be tilled into the soil at least 120 days prior to harvest of a crop that has direct contact with the soil (such as lettuce), and at least 90 days prior to harvest of a crop that does not have direct contact with the soil (such as sweet

corn). University of Minnesota research† has provided some evidence that following these time delay rules protects vegetables from contamination.

- If you irrigate, look for ways to avoid contamination of irrigation water.

* A Multistate Outbreak of *Escherichia coli* O157:H7 Infections Linked to Alfalfa Sprouts Grown from Contaminated Seeds. www.cdc.gov/ncidod/eid/vol7no6/breuer.htm

** The National Organic Program, § 205.203 Soil fertility and crop nutrient management practice www.ams.usda.gov/nop/NOP/standards/ProdHandReg.html

† Preharvest Evaluation of Coliforms, *Escherichia coli*, Salmonella, and *Escherichia coli* O157:H7 in Organic and Conventional Produce Grown by Minnesota Farmers. www.misa.umn.edu/sites/2e889d49-6a82-4b7e-8d7a-c1c383aa1d65/uploads/preharvestcoliforms_3.pdf (PDF, 719 kb)

PREVENT FOOD CONTAMINATION DURING PACKING, STORING, AND TRANSPORT

- Wash hands, wash hands, wash hands!
- Watch out for anything that could cause cross-contamination.
- Make sure that water used for washing fruits and vegetables is from a clean source and is not contaminated on its way to the wash area.
- When washing fruits and vegetables, it is generally best to wash them under running water that can drain away rapidly. Soaking a batch of vegetables in a tub of water can cause cross-contamination if one of the vegetables happens to be contaminated.*

- Keep packaging areas clean. Clean packing tables with a disinfectant solution in between batches of fruits or vegetables.
- Don't stack dirty things on top of clean things. Keep meat, poultry, and egg products physically separated from fruit and vegetable products.

* A Multistate Outbreak of *Salmonella enterica* Serotype Baildon Associated with Domestic Raw Tomatoes. www.cdc.gov/ncidod/eid/vol7no6/cummings.htm

PREVENT FOOD CONTAMINATION DURING PROCESSING AND PREPARATION

- Wash hands, wash hands, wash hands!
- Watch out for anything that could cause cross-contamination.
- Clean all utensils, cutting boards, countertops, or other surfaces in between batches of food.
- Keep meat, poultry, and egg products physically separated from fruit and vegetable products. In a refrigerator, store raw meats that might drip juices in a container that will not leak.
- Follow safe canning procedures. Courses in safe canning procedures are offered through University of Minnesota Extension. www.extension.umn.edu/foodsafety/

PROPER HANDWASHING TECHNIQUE FOR FOOD HANDLING

- Wet hands and forearms with warm, running water at least 100° F and apply soap.
- Scrub lathered hands and forearms, under fingernails, and between fingers for at least 10-15 seconds. Rinse thoroughly under warm running water for 5-10 seconds.
- Dry hands and forearms thoroughly with single-use paper towels.
- Dry hands for at least 30 seconds if using a warm air hand dryer.
- Turn off water using paper towels.
- Use paper towel to open door when exiting the restroom.
- After sneezing, coughing, or using a handkerchief or tissue
- After touching hair, face, or body
- After smoking, eating, drinking, or chewing gum or tobacco
- After handling raw meats, poultry, or fish
- After any clean up activity such as sweeping, mopping, or wiping counters
- After touching dirty dishes, equipment, or utensils
- After handling trash
- After handling money
- After any time the hands may become contaminated

When to wash your hands:

- Before starting work
- During food preparation
- When moving from one food preparation area to another
- Before putting on or changing gloves
- After using the toilet

Source: HACCP-based Standard Operating Procedures, National Food Service Management Institute and United States Department of Agriculture. sop.nfsmi.org/HACCPBasedSOPs/WashingHands.doc

LIABILITY

Introduction

Most farms and farm businesses, and certainly farms with direct marketing enterprises, are complex mixtures of personal and business liabilities. Insurers nationwide are gaining experience with alternative farm enterprises. Insurance for these kinds of farm-based businesses is much easier to find than it was just a few years ago. Because farm insurance needs are complex, you should work directly with an insurance agent to identify your particular needs. You might be able to work with your current agent, or you might need to change insurance companies to find one that can handle the kinds of coverage that you need.

Farmers typically have five main areas of insurance needs: liability for products sold, liability for visitors to the farm, liability for farm workers, coverage for the value of crops grown, and coverage for property and equipment owned. Coverage for property and equipment is what most people think of when they think “insurance policy.” The other four categories, though, could be very important to your farm business.

Resources for Liability and Insurance

Liability Concerns for Farmers Involved in Direct Marketing of Farm Products. 2003. C Pugh. The Pennsylvania State University. Available in full text online or from: Agricultural Law Resource & Reference Center, The Pennsylvania State

University, 1170 Harrisburg Pike, Carlisle, PA 17013-1617. (717) 241-3517. aglaw@psu.edu. www.dsl.psu.edu/centers/aglawpubs/Directfarmmarketing2.pdf, This publication discusses the different types of liability that farmers may encounter, depending on their means of selling farm products and whether they do any processing.

Risky Business? An Online Tool to Help Beginning Massachusetts Farmers Address Risk. Retrieved December, 2006. The Northeast Small Farm Institute. Available online at: www.smallfarm.org/nesfi_library/virtual/riskybusiness.htm. Though some resources listed are specific to Massachusetts, this is a good overview of the types of risk that farmers face and resources for managing those risks.

The North American Farmers’ Direct Marketing Association (NAFDMA) list of member-recommended insurance providers. Available online to NAFDMA members only at: www.nafdma.com/Public/Benefits.

Some farmer organizations offer insurance benefits to their members or are associated with insurance companies:

Farm Bureau Financial Services. 5400 University Ave, West Des Moines, IA 50266-5997. (515) 225-5400. mainmail@fbfs.com. www.fbfs.com

Farmers Union Insurance Companies. www.nfuic.com/ov/wrd/run/portal.show

Product Liability

Your liability for the food that you sell is called product liability. This can be handled in different ways, depending on where you sell and how much you sell. Sales right from your farm premises might be covered through your regular property insurance package, but don’t assume that is true. Ask your insurance agent if you are covered if someone gets sick from food that you sold. If you are selling to grocery stores or food services, they may require you to carry separate product liability coverage. Also, some farmers’ markets require each vendor to carry their own product liability coverage. If you are

selling your product through a broker or distributor, you probably will be required to carry product liability coverage.

Following safe food handling and food processing practices is a good way to guard against people becoming ill from your products. In fact, some buyers may refuse your product if they realize that you failed to follow safe food handling practices. See the Food Handling and Food Safety section (page 86) for more information.

Resources for product liability

ATTRA Questions of the Week: Where can I find information about product liability for my eggs, broilers, and beef? Retrieved December, 2006. Available online at: attra.ncat.org/calendar/question.php/2005/05/23/p516.

The Legal Guide for Direct Farm Marketing. 1999. N. Hamilton. Drake University. Available from: Drake University Law School, Agricultural Law Center, 2507 University Avenue, Des Moines, IA 50311-4505. (515) 271-2947. The author is a successful farmer, attorney and professor of agricultural law. This comprehensive guide covers liability, regulations, labor law, processed foods, and meat marketing issues.

In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing. 2002. R. Prim and K. Foede. Publication no. BU-07683. University of Minnesota Extension. Parts of the publication are available online. The publication can be ordered from: University of Minnesota Extension Distribution Center, 405 Coffey Hall, 1420 Eckles Ave, St. Paul MN 55108-6068. (800) 876-8636. ShopExtension@umn.edu. www.extension.umn.edu/distribution/resourcesandtourism/DB7683.html. This publication provides producers who are considering becoming direct marketers a brief introduction to legal issues that may affect their business so they can avoid or minimize risk and liability.

Premises Liability

Your liability for people who visit your farm is called premises liability. As with product liability, this might be covered through your regular property insurance package, but do not assume that it is! If your farm enterprises involve having visitors to the farm, ask your insurance agent if your policy covers those visitors. It may cover visitors who are guests, but not customers, of a farm-based business.

When you have a farm enterprise that invites customers to the farm, such as a pick-your-own patch or a petting zoo or a corn maze, there are safety measures that you can take to minimize risk to your customers. Not only do these protect your customers, but they also give you some protection against claims of negligence should an injury happen at your farm.

- Make sure the areas that customers visit are free of debris.
- Get rid of wasp and hornet nests near areas visited by customers.
- Eradicate harmful weeds like poison ivy, stinging nettles, and ragweed.
- Strictly observe re-entry times for pesticides.
- Lock up farm chemicals, such as pesticides.

- Keep farm equipment away from customer areas.
- Post signs to warn of any dangers that you are not able to remove.
- Have a well-marked and large enough parking area.

Resources for premises liability

Colorado Tree Farm Tour Guidebook. 2002 (rev). Available in part online or to order complete guide contact: Colorado State Tree Farm Committee (970) 482-6912. wes@treefarmer.com. www.treefarmer.com/images/Tour%20Guidebook.pdf

In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing. 2002. R. Prim and K. Foede. Publication no. BU-07683. University of Minnesota Extension. See access information under "Resources for product liability" in previous section.

Liability for Visitors to Farm Property. 2000. P. Kirk Hall. Publication no. ALS-1002-00. The Ohio State University Extension. Available in full text online or from: Media Distribution, 385 Kottman Hall, 2021 Coffey Rd, Columbus, OH 43210-1044. (614) 292-1607. pubs@ag.osu.edu. ohioline.osu.edu/als-fact/1002.html Though somewhat specific to Ohio statutes, much of the information is applicable to all farms.

Farm Worker Liability

You have liability for any farm worker that you hire. In Minnesota, most employers—including family farmers—are required to carry workers' compensation insurance for their employees. There are some narrow exceptions for farms that pay small amounts in wages. See "Farmer-Employer Exemption" in Resources for farm worker liability, below. As with product and premises liability, you need to talk to an insurance agent to discuss your insurance needs for your workers. If you are exempt from carrying workers' compensation because of paying small amounts in wages, you still need to make sure that you have adequate farm worker coverage on your regular farm property insurance package. Also, farmers who are exempt may still choose to purchase workers' compensation coverage as a benefit to their employees.

As a farm employer, you have liability not only for injuries to your employees, but also for any injuries or losses that your employees may cause to others. This issue gets very complex. Having clear guidelines and written job descriptions for your employees is recommended. See "In the Eyes of the Law" in Resources for farm worker liability, below, for more detailed information.

Resources for farm worker liability

Farm Labor Laws and Regulations in Minnesota, 1999. B. Lazarus and E. Weness. University of Minnesota Extension Service. Publication no. WW-06528. Available in full text online or from: University of Minnesota Extension Distribution

Center, 405 Coffey Hall, 1420 Eckles Ave, St. Paul MN 55108-6068. (800) 876-8636. ShopExtension@umn.edu. www.extension.umn.edu/distribution/business-management/DF6528.html. This publication contains good information but should be used only as a general guideline. Some legal details have changed since 1999.

Farmer-Employer Exception. Minnesota Department of Labor and Industry (MDLI). Available in full text online or from: Minnesota Department of Labor and Industry, Workers' Compensation Division, 443 Lafayette Road N, St. Paul, MN 55155. (800) 342-5354. www.doli.state.mn.us/farm-er.html. This fact sheet details the exceptions that apply to the farmer-employer, is it pertains to Minnesota requirement to provide workers' compensation to employees.

Workers' Compensation Insurance Coverage—General Information. MDLI. Available in full text online or request a print copy from: MDLI, Workers' Compensation Division, 443 Lafayette Road N, St. Paul, MN 55155. (800) 342-5354. www.doli.state.mn.us/ereegen.html. This document gives a general overview of the insurance coverage requirements under Minnesota workers' compensation law. Since each employment situation is unique, you are encouraged to consult specific statutory provisions to determine how the law applies to your particular set of facts.

In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing. 2002. R. Prim and K. Foede. Publication no. BU-07683. University of Minnesota Extension. See access information under "Resources for product liability" in previous section.

Crop Insurance

In the past, “crop insurance” usually meant large-scale field crops such as corn, soybeans, and wheat. That is changing. The Risk Management Agency (RMA) of the United States Department of Agriculture underwrites crop insurance for the nation’s farmers. The RMA offers crop insurance programs for a wide variety of crops, including many fruits and vegetables, as well as nuts and nursery stock. You can find the list of crops covered on the RMA website: www.rma.usda.gov. In the “Search RMA” box, type in “crops covered.” Then choose the list of crops covered for the most recent year.

The AGR-Lite insurance option is also available in Minnesota through underwriting by the Risk Management Agency. “AGR” stands for “Adjusted Gross Revenue.” This is a whole-farm income insurance policy that is based on a farm’s five-year history of revenue, plus the farm plan for the current year. It is designed to provide protection against revenue fluctuations that happen for any reason, and to give farms a guaranteed level of revenue. This policy may be attractive to diversified farms because it allows total flexibility of farm operations. It is not tied to any specific crop or mix of crops.

You can search the RMA website for an insurance agent near you who is authorized to offer crop insurance: <http://www3.rma.usda.gov/apps/agents/index.cfm>. There are more than 3,000 listings for agents in Minnesota.

Should you buy crop insurance? It is a tool that you can use to manage the risk that you take in planting a crop—the risk that your yield might be poor, and that you would not recover the money that you put in to establishing the crop. A Cornell University article explains the reasons for crop insurance to farmers in the northeastern United States, but the information also applies to the Midwest.

Resources for crop insurance

Adjusted Gross Revenue-Lite. 2006. USDA Risk Management Agency. Available in full text online or from: RMA, St. Paul Regional Office, 307th St E, Suite 1450, St. Paul, MN 55101-4937. (651) 290-3304. rsomn@rma.usda.gov. www.rma.usda.gov/pubs/2003/PAN-1667-07.pdf. This fact sheet provides information about RMA’s whole farm revenue protection plan, newly available in Minnesota in 2007. AGR-Lite is accessible to diversified farmers who grow non-program crops and livestock.

Why Buy Crop Insurance? J. White. Cornell University. Retrieved December, 2006. Available online at: www.agrisk.cornell.edu/DOWNLOAD/Why_buy_crop_insurance.pdf. This fact sheet provides an overview of different types of crop insurance and how they work to protect a farmers’ investment.

PRICING

How do you set a price for your products? That question causes frustration for lots of farmers. Pricing is a balancing act. You need to get a price that is high enough to give you a profit and make you feel rewarded for your work. You have to balance that against the needs of your customers, who want to get full value for the price that they pay.

Direct marketing means that you take responsibility for finding pricing information, deciding on a pricing strategy, and setting the prices for your products. Don't forget that if you are selling directly to the consumer, you are doing the work of marketing—and it is work. It takes time and effort to market a product — to prepare it for sale, package it, advertise it, and get it into the hands of your customers. You need to charge enough to pay yourself for that effort. You might sometime encounter a customer who complains about your price. Don't be too quick to lower your price in response to complaints. You need to recognize the value in your own product and charge a price that reflects that value, but realize that not everyone will agree with your pricing decisions. Experienced direct marketing farmers agree that your price is too low if no one complains.

If you choose to market your products to an intermediate buyer—someone who is not the end consumer of the product—you need pricing information to help you negotiate the terms of the sale. In some cases, you might be offered a “take it or leave it” price for a raw product. Should you take it? Knowing the wholesale prices for your product on the open market can help you decide. What if you have an exceptionally high quality product or a specialty product that costs more to produce than the typical commodity? You need to do your own research on prices for similar products. Be ready to explain to your wholesale buyer why you deserve the price that you are asking and how that buyer can pass along information about your production methods or other special circumstances to help them capture a good price from the end consumer.

Sometimes you need more than a good quality food product to get the price that you want

from a buyer. Well-designed packaging, a label that gives you a brand identity, or third-party certification are all things that can add value to a product in your customer's eyes. These things all have a cost in money and time, though. Can you earn enough extra money as a result of packaging, labeling, branding, or certification to cover your costs for those activities?

You will have to decide on a pricing strategy—or strategies—that will work for you. Combining parts of several strategies can be useful. For example, perhaps you have premium quality tomatoes to sell at a farmers' market. Learning the wholesale and retail prices for products similar to yours can be a first step toward setting your price. The difference between the wholesale and retail price tells you how much the conventional food system charges for shipping, packaging, and the labor needed to put those tomatoes on display in the store and get them sold to customers. Next you can calculate your own costs to produce your tomatoes and your costs for transporting and selling those tomatoes at the market. Compare your costs to the wholesale and retail prices for conventional tomatoes. If your costs are lower, that puts you in a good position to make a profit on your tomatoes. If your costs are higher you could look for ways to cut your costs. If your higher costs are the result of a special growing system then you need to set your price higher to reflect that, and find a way to communicate the value of that growing system to your customers. Now you can work on estimating how much better your tomatoes are than the tomatoes in the store, and therefore how much you should add to your price to reflect the value of a premium quality tomato.

Combining pricing strategies can help you find a variety of ways to market your products. Variety in your marketing keeps you from being dependent on just one buyer, and lets you market different grades of product in different ways. For example, an apple farmer found that top grade apples could command a premium price in the retail market. The smaller apples were not even saleable in that market, but could be sold for a lower price to schools.

Price Based on the Value Perceived by the Customer

This approach to pricing allows you to take into account the intangible things that are valued by many customers—humane handling of livestock, for instance, or the knowledge that you practice good environmental stewardship on your farm, or the special “taste of place” that no other farm can quite match. These things can make customers value your product more than they would a similar product without those attached values. You might charge more than the average price for similar products. That higher price allows customers to reward you for using farming practices that they like.

Pros: You can achieve profits well beyond what you might expect with the other pricing strategies. Cons: It can be a challenge to find the right customers who highly value what you have to offer. You need to find effective ways to persuade customers that your farming practices have value that is worth the price. Finding pricing information can be difficult, since so much of a product’s value depends on the individual tastes and preferences of your

customers. As your expectations for a premium, value-based price rise, the time that you spend in marketing activities and in educating customers must also rise.

Resources for value-based pricing

Brad Wedge, Pricing Consultant.
73379—224th St, Albert Lea, MN 56007.
bradwedge@yahoo.com. He has extensive practical experience with pricing through managing Wedge Nursery in Albert Lea; has pricing charts and information adapted to farmers; has been a presenter at sustainable agriculture and marketing conferences in the Upper Midwest.

Pricing Strategy Resources. Retrieved December, 2006. Marlene Jensen. Available online at: pricingstrategyresources.com/index.html. Private website run by a business consultant who also lectures at Ansell School of Business, Western CT State University. Website use is free, no subscription required, contains pricing information directed at small businesses but adaptable to farms.

Price Based on Your Costs and Your Expectation for Profits (“Cost Plus”)

With this strategy you use your financial records to determine what it costs you to produce your product, package it, market it, and deliver it to your customer. Then you decide what profit you need to make and add that amount onto your costs to arrive at the price you will charge your customer.

Pros: This approach helps you verify that you are making a profit on your product. Cons: You have to keep good, detailed financial records to be sure that you are correctly figuring your total costs and, if you are mistaken, you risk losing profits. Even with good records you might have unexpected new costs at some point that could affect your profits. Also, if you fail to sell quantities of your product at the price you expected, your profits will suffer.

Enterprise budgeting is important for this pricing strategy. The budgeting helps you track your costs for producing your product. See Resources for Enterprise Budgeting (page 6). Don’t forget to account for your time, labor, and other expenses that you put in to processing, packaging, labeling, advertising, and selling your product in addition to the costs of growing it. With some enterprises you might be holding a product in storage for a time, and you need to account for your cost of holding that inventory. Another hidden cost is the cost of a delay in payment. If you sell to an intermediate buyer such as a distributor or a restaurant you will likely wait at least 14 days and maybe up to 60 days between delivery of the product and payment.

Resources for farm financial analysis

Many commercially available business financial management software packages can be adapted to farm use. Some that are designed for farms are:

FINPACK. Update annually. Center for Farm Financial Management (CFFM) at the University of Minnesota. Available from: CFFM, University of Minnesota, 130 ClaOff Bldg, 1994 Buford Ave, St. Paul, MN 55108. (612) 625-1964 or (800) 234-1111. cffm@umn.edu. www.cffm.umn.edu/Software/FINPACK/index.aspx

Market Farm Forms. 2001 (reprinted). M. Rosenzweig. Available from: Marcie Rosenzweig, 229 NE Atlantic, McMinnville, OR 97128, (503) 434-9019, full-circle@comcast.net. www.nwpub.net/page17.html. Excel spreadsheet-based recordkeeping and calculations for vegetable production.

Quicken for Farm and Ranch Financial Records. 2002. D. Doye. Oklahoma State University. Available online or order booklet with diskette including sample files from: Agricultural Economics Department, 529 Ag Hall, Stillwater, OK 74078. (405) 744-9813. ddoye@okstate.edu. www.agecon.okstate.edu/quicken/.

Price Based on the Retail Price

Retail prices are the prices that consumers pay for foods at the grocery store. Retail prices for foods can be a bit tricky to determine. The Economic Research Service of the USDA reports average retail prices for crops and livestock each month of the year. Prices change from month to month depending on the season, which products are in short supply, and which products are abundant. Retail grocery prices in your area can be quite different from the national average. If your area is far from shipping terminals, for instance, shipping costs will probably raise the retail prices of foods.

The USDA numbers can help you get an idea of retail prices and their seasonal fluctuations, but there is no substitute for using your own eyes to check prices at grocery stores in your area. Look at prices in grocery stores or sections of grocery stores that carry products similar to yours. If you have a specialty product—such as grass-fed, or Food Alliance labeled, or exceptional quality—you might look at the prices for similar products in a natural foods store or in the natural foods section of a larger grocery store. Compare those prices to prices for similar but non-specialty products to see what amount you might be able to charge for your specialty product.

Pros: The retail price rewards you for the effort that you put into processing, packaging, marketing, and distributing your product. Cons: Customers might be accustomed to buying their groceries at stores that offer discounts, so the prices that they pay for items might be quite different from your estimates of average retail prices. Some grocery stores routinely offer certain products at a loss to bring customers in to the store. This is a sales strategy that most farmers can't match.

Resources for retail prices

Your own observations of prices at grocery stores in your area.

Economic Research Service, United States Department of Agriculture. www.ers.usda.gov. Use the "search by commodity" box to find your crop or livestock. Then look under the "Data Sets" heading for that commodity to find tables that include retail prices. Be patient and persistent in your searching. The titles of reports on this website are not always clear about what information is included, so you might have to look through several reports to find the retail prices.

Price Based on the Commodity Market Price or Wholesale Market Price

The commodity market price rewards the effort that goes into producing a raw product and getting it to a point of sale. For some products such as raw fruits and vegetables, the commodity market price pays the farmer for the production as well as some first steps in processing and packaging. For example, the farmer might wash vegetables, cut tops off of root vegetables, and pack them into crates prior to selling them to a distributor at the commodity price. Basing your price on the commodity market price could be appropriate if you are selling a raw product right from your farm without any special branding, labeling, or marketing efforts.

“Wholesale” price can mean different things depending on the buyer, but may include some processing, packaging, shipping, and handling costs. Most of the online resources for wholesale prices show the prices on the east and west coasts, and perhaps the Chicago terminal price. Shipping costs can result in higher wholesale prices in areas far from shipping terminals. Prices paid locally by distributors, brokers, or other intermediate buyers can be useful information if you are planning to sell to those kinds of local buyers, or if you are planning to sell through other methods. Learning these local wholesale prices can take some extra work on your part to contact the distributors in your area, or to contact grocery store managers to ask what wholesale prices they are paying for their products.

Pros: There is a lot of information available on what the market prices are for a wide variety of commodities. Cons: If you are putting labor and management effort into packaging and marketing your product, the commodity or wholesale prices might not reflect that. Also, market fluctuations that have nothing to do with

the quality of your product can affect your profits.

Resources for commodity and wholesale market prices

The New Farm Organic Price Index, newfarm.org/opx. This searchable database provides organic wholesale prices for fruits and vegetables at east and west coast markets, and for grains at several terminals across the United States.

Economic Research Service, USDA. www.ers.usda.gov. Scroll down the home page to find the “search by commodity” box and select your crop or livestock. Then find reports with the word “Outlook” in the title. The Outlook reports are published several times per year for each commodity and include recent price information as well as market predictions.

Fruit and Vegetable Market News Portal, Agricultural Marketing Service, USDA. marketnews.usda.gov/portal/fv. This website provides access to daily shipping and price reports on every type of fruit and vegetable as well as herbs, nuts, honey, and ornamentals.

Livestock and Grain Market News Portal, Agricultural Marketing Service, USDA. marketnews.usda.gov/portal/lg. This website provides access to daily and weekly reports on prices and quantities for livestock and meats, grains, hay, and other feedstuffs.

The Packer: The Business Newspaper of the Produce Industry. Online: www.thepacker.com. Market Trends: www.thepacker.com/MarketTrends/MarketTrends-Home.asp. Free registration is required to view online materials on this website. Includes information about prices, price trends, and volume of produce moving through shipping terminals all across the United States. Access to most of this information online requires a paid subscription.

FINDING LOCAL DISTRIBUTORS AND BROKERS

Look under “Food Brokers” in the Yellow Pages of your telephone book. Online, use www.superpages.com or www.anywho.com to search for Food Brokers. Type “Food Brokers” into the keyword or business category option on the screen, and then enter the city name or zip code for your locale.

Contact grocery stores that carry products similar to yours, and ask who their distributors are. Natural

foods co-ops typically work with different distributors than the large grocery chains. If your product is more like a food co-op store’s specialty product than it is like a grocery chain store’s product, check with the co-op’s distributors (and vice versa).

See the Brokers & Distributors section on page 69 for more resources.

BRANDING, LABELING, AND THIRD-PARTY CERTIFICATION

Part of marketing is attaching a name to your product that helps customers to recognize it, and then making certain that people always have a good experience when they buy that name. If you direct market and have face-to-face contact with your customers, your face and your name are your brand. People recognize you and they know that the products you are selling are your products.

If your marketing path takes you a step or two or three away from face-to-face contact with your customer, then it becomes important to find other ways to help your customers recognize your products. Developing a brand identity and a label to proclaim it is one way to become recognizable. It can be as simple as having preprinted stick-on labels that give your name or the name of your farm, perhaps with a logo. It can be as complex as developing your own website or glossy brochures with photos of you and your farm, information about your farming practices, and your mission statement.

Labels can also help you present a larger image of your products to customers. Your brand might just be you, but you can add to your image by using labels that make a statement about your farming practices or beliefs. Some examples:

- Organic. The USDA Organic label on your products informs people that you follow National Organic Program standards on your farm.
- Food Alliance Midwest. This label means that your farm is certified by Food Alliance Midwest as following sustainable farming practices.
- Free-Range. This tells customers that the eggs or the chicken you are selling came from birds that were not in cages and had space to run around.
- 100 percent Grass-Fed. Customers know that the meat or dairy product came from

animals that were always fed on grasses and forages, never grains.

- Minnesota Grown. This label tells customers that the products were raised in Minnesota.

Labels that indicate that you are following sustainable farming practices or that your farming practices benefit the environment are typically called “eco-labels.” Some eco-labels that farmers use are regulated by the USDA. Organic is one example. Grass-fed is a label that is in the process of coming under USDA regulation.

There is a bewildering variety of eco-labels available for farmers, but some of them have little depth of criteria to back them up. It is confusing for customers as well. If you want to use eco-labels that are not as widely recognized as organic, find out exactly what they mean so that you can explain them to your customers. Be aware that excessive use of labels can actually be a turn-off for customers, who can get confused and annoyed by trying to sort out all of the things your product stands for, when all they really want is something that is healthy and tastes good.

USDA Organic and Food Alliance Midwest are examples of labels that involve third-party certification. In order to use the label, your farm must be enrolled in the certification program and must meet the criteria laid out by the program. You have to set up a recordkeeping system to track your farm operations so that you can verify that you continually meet those criteria. An inspector visits your farm annually to check your records and confirm that you are meeting the program criteria.

Food Alliance Midwest, in addition to offering certification of farming practices, also offers marketing opportunities to its enrolled farmers. It does this by partnering with other organizations, such as the Heartland Food Network, that are working to connect potential

buyers with sources of local food. Food Alliance certified farmers become preferred sources for those buyers.

Pride of the Prairie is a labeling and marketing effort that is based in western Minnesota. It offers farmers the “Buy Fresh, Buy Local” labeling and advertising tools that were developed by FoodRoutes, a national campaign to encourage

the growth of local food systems. FoodRoutes offers a nationwide listing of participating farms in a database that consumers can search.

The Internet can be a powerful tool to help you advertise your products. The Minnesota Institute for Sustainable Agriculture maintains a list of online advertising services for farmers: www.misa.umn.edu/Farm_Marketing_Services.html.

MINNESOTA GROWN

Minnesota Grown is an example of a labeling program that includes marketing assistance for the farmers who use it. A program of the Minnesota Department of Agriculture, Minnesota Grown does not audit farm practices or inspect farms. The only requirement is that food with this label must have been grown in Minnesota. Enrollment in the program costs

\$5 per year and is open to farms, farm-based agritourism enterprises, and farmers’ markets throughout the state. Farms or other entities enrolled in the program can get labels, stickers, signs, and produce bags with the Minnesota Grown logo. For a cost of \$40 per year, farmers can be listed in a printed directory that is widely distributed in the state—more than 170,000

directories were distributed in 2006. The \$40 price also buys a listing on an online database that allows customers to search by product type or by region. Minnesota Grown has recently added a partnership agreement with a regional television station for additional advertising. www.minnesotagrown.com

Resources for Branding, Labeling, and Third-party Certification

Consumers Union Guide to Environmental Labels.

Available online at:
www.eco-labels.org/home.cfm. Retrieved December, 2006. Comprehensive searchable guide to labels used for food, household products, and other items.

Food Alliance Midwest.
Blair Arcade West Suite Y,
400 Selby Ave, St. Paul, MN 55102.
www.foodalliance.org/midwest.
(651) 265-3682.
bob@foodalliance.org.

Food Alliance Midwest offers third-party certification of farmers who follow sustainable farming practices. Certified farmers can use the Food Alliance label and have access to buyers who prefer Food Alliance-certified products.

FoodRoutes.
Food Routes Network,
PO Box 55 - 35 Apple Lane, Arnot, PA 16911.
(814) 349-6000.
info@foodroutes.org.
www.foodroutes.org.

This website provides marketing materials, research, and tips and information that support the “buy fresh, buy local” campaign.

Minnesota Grown. MDA,
Brian Erickson,
625 Robert St, St. Paul, MN 55155-2538.
(651) 201-6539.
brian.erickson@state.mn.us.
www.mda.state.mn.us/mngrown.

Farmers pay an annual fee for participation in this program that promotes Minnesota Grown products through a print and online directory, a trademark Minnesota Grown logo, and advertising through various media.

Organic Program, Minnesota Department of Agriculture. Meg Moynihan,
625 Robert St, St. Paul, MN 55155-2538.
(651) 201-6616.
meg.moynihan@state.mn.us.
www.mda.state.mn.us/esap/organic.
Information on organic certifiers, National Organic Program rules, etc. The program offers certified organic farmers a free listing in a statewide directory of organic farms, and partial reimbursement for costs associated with organic certification.

Pride of the Prairie. Land Stewardship Project,
103 W Nichols,
Montevideo, MN. 56265.
(320) 269-2105.
www.prideoftheprairie.org.
This program works with schools, colleges, restaurants, grocery stores, and individuals in western Minnesota to promote purchases of local food. Farmers can be listed in the Pride of the Prairie directory that is available in print or online.

Public Relations and Marketing Toolkit. 2005.
Available online or from: Renewing the Countryside,
2105 First Ave S, Minneapolis, MN 55404.
(866) 378-0587.
info@rtcinfo.org.
www.renewingthecountryside.org.
Click on “Special Projects” in lefthand column and then on “Toolkit.” This public relations kit contains easy-to-use tools: press release templates, fact sheets and resources to publicize your farm, ranch, or rural business.

SEASON EXTENSION

Length of the growing season is a marketing challenge for Minnesota farmers. A common barrier farmers encounter when they try to sell fruits and vegetables locally is that they can only supply their produce during a few months or a few weeks of the year. The buyers would like to have the supply year-round. Chefs of the Heartland Food Network identified year-round supply of salad vegetables as something they wished for from local farmers.

Seasonal production can also affect meat, dairy, and poultry farmers. When these types of products are labeled “grass-fed” or “pasture-raised” they are often limited to spring and summer production, because the quality of the product suffers if the animals are fed on stored forage. PastureLand Cooperative, for instance, sells butter and cheese made from grass-fed cows. The co-op only produces those products during the summer season when the cows are eating lush pasture. During the winter months they rely on stored product for their sales. This seasonal production requires the co-op to bear the added expense of storage facilities. The Whole Farm Co-op reports a similar challenge with its grass-fed beef. Butchering of the beef animals takes place in June and October, the peak quality times for grass-fed meat. The co-op must maintain adequate freezer space for year round sales of the beef.

Another challenge of seasonal production can be matching your growing season to the season of demand for the product. Sandi Weller, a vegetable farmer near McGregor, Minnesota, explained this situation. She contacted the head chef at a local lake resort before the start of the growing season. He visited her farm, looked at the quantities she would likely produce, and said that he could probably buy all of her tomatoes. Unfortunately, however, the tomatoes didn't start to ripen in sufficient quantities until August. By that time the summer resort season was nearly over. After Labor Day the resort had far fewer guests and needed fewer vegetables, so she was not able to sell as much of her crop as she had planned to that buyer.

Matching seasonal production to seasonal demand can also be a challenge for livestock farmers. Meat goat and lamb producers, for instance, can find it difficult to match the seasonal breeding cycles of their flocks to the times of high demand for those meats. Lamb and goat meat is typically in highest demand at the times of certain religious holidays and ethnic festivals, and the timing of those can change from year to year.

Seasonal supply can be a challenge for farmers' personal finances. If you want to make a living from your CSA, for example, you need to do some careful planning and budgeting to make that seasonal income last until the next growing season. Some CSAs have added greenhouses or storage areas for winter vegetables to help them offer “winter shares,” which gives them some income during the winter months.

Produce farmers can use a number of season extension techniques, alone or in combination:

- High tunnels. Plants are planted directly into the ground within a greenhouse-like structure. These structures are not usually used for year-round production in Minnesota.
- Greenhouses. Plants are typically grown in containers, trays, or shelving units. Year-round production is possible with a heat source.
- Row covers. “Floating” row covers are made of a lightweight fabric that sits directly on the plants. “Low tunnels” are covers of plastic sheeting or fabric that are held off of the plants by hoop-shaped frames.
- Storage facilities. Winter storage of vegetables such as root crops, cabbage, onions, garlic, and squash has allowed some farmers to supply food services, grocery stores, and individual customers throughout the winter.

Farmers who raise seasonal meat, dairy, or poultry products can use some season extension techniques as well. The most likely technique is storage of the product for later sale. Building on-farm storage is one option, but renting off-farm storage is also a possibility. Paul Ehrhardt of JenEhr Farm near Madison, Wisconsin, encourages farmers to view cold storage as a commodity that is available for

purchase. Find out where cold storage warehouses are near you, and contact the warehouse managers to ask about rental rates. Consider matching your marketing efforts to the location of cold storage warehouses. If the nearest warehouse is in a town 50 miles away, for instance, look for opportunities to sell your stored product right in that town.

Resources for season extension

Cold storage warehouses. Search online at www.superpages.com. Type "cold storage warehouse" in the box labeled keyword, and enter the name of your nearest major city in the box labeled "location." You can also enter the words "cold storage warehouse" into any major search engine. If you do not have online access, ask for assistance at your local Extension office.

Minnesota High Tunnel Production Manual for Commercial Growers. 2005. D. Wildung and T. Nennich. Available from: the Minnesota Fruit and Vegetable Growers Association, 15125 W Vermillion Circle NE, Ham Lake, MN 55304. (763) 434-0400. mfvga@msn.com. The manual addresses site selection and construction,

layout, irrigation and water management, soil and plant fertility, disease management, insect management, crop production, basic economics of high tunnel production, organic production with high tunnels, and information on where to find other resources.

Season Extension for Minnesota Farmers. 2004. J. Adams. Available online at: www.misa.umn.edu/Season_Extension.html#introduction. (Retrieved December, 2006). Report details economic considerations for various season extension techniques, use of techniques by Minnesota farmers, and good list of resources for more information.

VALUE-ADDED PROCESSING

“Value-added” is a term used often in agriculture that can be confusing because it has both a broad meaning and a narrower meaning. In the broad sense, value-added is used to identify farm products that are worth more than the commodity market price because of some feature: The product was raised according to special standards, for instance; or it is part of an agritourism enterprise in which part of the value of the product is the entertainment that goes with it; or the raw product has been processed into something of higher value. In the narrow sense, value-added refers only to processing a raw product into something of higher value. That narrow definition is the one we use in this section.

Many farmers who market locally are interested in value-added products as a way to earn a greater portion of the consumers’ food dollar. Processing raw commodities into ready-to-eat foods can also broaden your market to include customers who are not interested in making their own jam, salsa, bread, sausage, and other products.

Your first steps in any value-added enterprise should be researching your options and developing a business plan. See the Resources for Business Planning section (page 6) for resources to help you do that. If your farm business is a legally recognized business entity (a partnership or an LLC, for instance), or if you are working with a farmer cooperative, you can get assistance from the Agricultural Utilization Research Institute (AURI) to do research and a feasibility analysis for new products. AURI has three locations in Minnesota, in Crookston, Marshall and Waseca. AURI played a major role in helping Connie Karstens and Doug Rathke research, design, and build their on-farm processing facility and store (see Profile: The Lamb Shoppe on page 52). Help for cooperatives seeking to add value to their products is also available from Co-operative Development Services.

Value-added processing of some foods can be done with some restrictions on a small scale in your home kitchen. Any food processing on a larger scale requires inspected and approved kitchen facilities, and sometimes a food handler’s license as well. The categories of allowed and restricted types of processing are complex, so see the State Regulations section on page 81 for the details.

If you want a value-added enterprise on a larger scale than your home kitchen, there are several ways to get access to inspected and approved processing facilities:

- Hire a co-packer to produce your product. With this option, you supply the raw materials and perhaps the recipe for your product. You hire an existing food processing business to do the food processing, packaging, and labeling for you. This option can get very complex very fast. See the *From Restaurant to Retail* book in Resources for Value-added Processing.
- Rent existing facilities to do your own processing. This can be a good transition option if you want to test an expansion from small-scale home-based processing to a larger enterprise. Inspected and approved kitchens that are available for rent can be found in some community centers, churches, clubs, or schools.
- Invest in facilities and equipment to do your own processing. With this option you need to consult early with local and state regulators about licenses, permits, and requirements for the facilities. Used equipment is usually acceptable to regulators, and can save you a large amount of money.

Resources for Value-added Processing

Adding Value to Farm Products: An Overview.

Available in full text online or from: ATTRA PO Box 3657, Fayetteville, AR 72702. (800) 346-9140 (English) or (800) 411-3222 (Español). attra.ncat.org/new_pubs/attra-pub/valueovr.html. This publication discusses the concept of adding value to farm products, the differences between creating and capturing value, and the implications for value-added enterprises. It describes some different approaches to adding value, including starting a food processing business, with a brief look at non-food products.

Agricultural Utilization Research Institute (AURI). For more information contact: AURI, UMC Campus, Owen Hall, PO Box 599, Crookston, MN 56716-0599. (218) 281-7600 or (800) 279-5010. www.auri.org. AURI promotes value added agriculture by assisting with research and development of Minnesota agricultural crops. AURI has three field offices located in Crookston (also the AURI State Headquarters), Marshall, and Waseca. The field offices provide services to rural start-up businesses, existing businesses, cooperatives, and commodity groups with ideas for new uses for agricultural commodities. Services include business assessment, feasibility analysis, and product development support.

Cooperative Development Services
Blair Arcade, Suite Y
400 Selby Avenue
St. Paul, MN 55102
(651) 265-3678 phone info@cdsus.coop
www.cdsus.coop

From Restaurant to Retail: A Handbook for Food & Hospitality Professionals. 2006. B. Lang. RonJon Publishing, Inc., 1001 S Mayhill Rd, Denton, TX 76208. (940) 383-3060.

www.ronjonpublishing.com. Discusses the process of bringing a new product to market, with information on working with co-packers.

Search online for restaurant equipment suppliers in Minnesota: www.superpages.com, type "restaurant equipment & supplies" in the Keyword box, type "MN" as the state, then click the "search" button. This pulls up a link to a list of suppliers of restaurant equipment in MN.

Starting a Food Business in Minnesota. 2003. MDA, Dairy and Food Inspection, 625 Robert Street N, St Paul, MN 55155-2538. (651) 201-6027. www.mda.state.mn.us/dairyfood/startingfoodbiz.pdf. This publication identifies the various state agencies and units of local government responsible for Minnesota food business regulation; provides helpful checklists focusing on regulations, skills assessment and "how to write a business plan"; and addresses specific license and permit requirements, inspections, local regulation, tax considerations, and issues for employers.

The Small Dairy Resource Book: Information Sources for Farmstead Producers and Processors. 2000. Sustainable Agriculture Network. Available online only at: www.sare.org/publications/dairyresource/dairyresource.pdf. Retrieved December 2006. Includes list of suppliers of equipment toward the end of the publication.

USDA Rural Development Value Added Producer Grant (VAPG) Program.
In Minnesota, contact: Robyn Jensen, USDA Rural Development, Suite 410, 375 Jackson St, St. Paul, MN 55101-1853. (651) 602-7812, robyn.jensen@mn.usda.gov.
www.rurdev.usda.gov/rbs/coops/vadg.htm. Grants may be used for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

INTERNET MARKETING

The Internet is a powerful tool for reaching out to a large, diverse, and worldwide audience. Despite its international reach, the Internet can also be a useful tool for local marketing. Pick-your-own patches or agritourism enterprises can advertise their hours on a web page so that customers have easy access to that information. Listing your farm in an online directory—or several directories—can help local customers find you. Developing your own website can be a great publicity tool as increasing numbers of people turn to the Internet to find information or to do their shopping. A website allows you to convey large amounts of information about

your farm, your practices, and your values without overwhelming potential customers.

The Internet is one possible approach for managing the ordering and billing for retail or institutional sales. Pros: It is available to customers and suppliers at any time of day or night. It reduces the need for paper shuffling and the risk of losing paper receipts. Cons: There is a cost in both time and money to set up an Internet-based system. Electronic records can be lost, too, if not properly backed up.

Resources for Internet marketing

Access eCommerce website. Retrieved December, 2006. University of Minnesota Extension. For more information, contact: Access eCommerce, University of Minnesota Extension, 405 Coffey Hall, 1420 Eckles Ave, St. Paul, MN 55108-6068. info@accessE.info. www.access-ecom.info/index.cfm?xid=MN. This website offers a comprehensive tutorial on the basics of using the Internet to promote a business, develop a website, and market your products.

Access Minnesota Main Street Workshops. University of Minnesota Extension. For more information about the Access Minnesota Main Street workshops, send email to mainstreet@extension.umn.edu or contact the project directors: Bill Bomash (612) 625-8776 or Rae Montgomery (612) 624-2773. This highly interactive, hands-on program consists of four half-day sessions taught in a computer lab with each participant working from a computer with high-speed Internet access. Instruction consists of a combination of lecture, discussion, and online activities. The workshop is designed to teach owners of small businesses the basics of e-commerce and help them decide how best to use new Internet-based technologies to benefit their business.

Food and Farm Directories. Retrieved December, 2006. MISA. For more information, contact: MISA, 411 Borlaug Hall, 1991 Buford Circle, St. Paul, MN 55108. (800) 909-6472 or (612) 625-8235. misamail@umn.edu. www.misa.umn.edu/Food_and_Farm_Directories_2.html. The Minnesota Institute for Sustainable Agriculture maintains a web page with links to Minnesota-based and nationwide directories that allow farmers to advertise their products. Both free and paid directories are available to farmers.

FINDING FARMERS

In several places this book recommends that you talk to other farmers—to hear their ideas, to learn about their experience with an enterprise you are considering, or to get their advice on practical matters such as good insurance agents. Most farmers are proud of their products and their practices and are very willing to talk about them. How do you find the farmers?

- *The Minnesota Grown Directory*. Available online or from: MDA, Brian Erickson, 625 Robert St, St. Paul, MN 55155-2538. (651) 201-6539. brian.erickson@state.mn.us. www.mda.state.mn.us/mngrown. This printed and online directory of farmers who direct market lists hundreds of farmers from all over the state. The online version allows you to search by region or by product type. The print version is arranged by region, but each farm listing includes symbols that identify its products.
- Other Minnesota-based and national farmer directories. Find links and contact information for these other directories on the website of MISA, the Minnesota Institute for Sustainable Agriculture: www.misa.umn.edu/Food_and_Farm_Directories2.html. Contact MISA for assistance if you do not have Internet access. MISA, 411 Borlaug Hall, 1991 Buford Circle, St. Paul, MN 55108. (800) 909-6472 or (612) 625-8235. misamail@umn.edu.
- Minnesota Organic Farming Information Exchange (MOFIE). Available online or contact: Carmen Fernholz, Organic Ecology, Southwest Research and Outreach Center, 23669 130th St, Lamberton, MN 56152. (320) 212-3008. fernholz@umn.edu. organicecology.umn.edu/mofie/. This is a list of organic farmers in Minnesota who have agreed to serve as mentors and share in-depth knowledge with beginning organic farmers.
- *Minnesota Directory of Organic Farms*. Available online or contact: Meg Moynihan, MDA, 625 Robert St N, St. Paul, MN, 55155. (651) 201-6616. meg.moynihan@state.mn.us. www.mda.state.mn.us/esap/organic/directory.htm. The Minnesota Department of Agriculture compiles this list of certified organic farmers.
- Visit your local University of Minnesota Extension office to ask about other farmers or farmer groups in your area. Inquire at your county courthouse if you do not know the location of the Extension office. You can also find Extension office listings online at www.extension.umn.edu/offices/.
- *Renewing the Countryside* has many stories of innovative farmers from Minnesota and across the Nation. Read them at www.renewingthecountryside.org

APPENDIX A: Fact Sheets for Sales of Produce, Meat, Poultry, and Eggs

Providing Safe Locally Grown Produce to Commercial Food Establishments and the General Public

Can commercial food operators* buy produce directly from growers?

Yes, if the farmers are selling produce that they have grown on their own land. A license would not be required, as indicated by:

- Constitution of the State of Minnesota, Article 13, Section 7
- Minnesota Statutes, Chapter 28A.15, Subdivision 1
- Minnesota Rules 4626.0130 (B)

Is a farmer selling produce to commercial food establishments considered an approved source?

Yes, this is considered an approved source if the food is not processed, is grown on the farm or garden occupied and cultivated by the farmer, and has not been prepared or stored in the private home.

Is a farmer required to have a license for foods that are processed?

Yes, a license is required if foods are processed by cutting, heating, canning, freezing, drying, mixing, coating, bottling, etc., and if off-farm ingredients have been added during any of those processes. A license is not required if no off-farm ingredients are added during processing, but all other applicable regulations must be followed, including use of an inspected and approved kitchen facility. Processing does not include sorting, trimming as part of the harvesting process, or preliminary washing to remove extraneous soil and debris.

A license is required if foods are purchased for resale. In addition, if a person buys produce from another farmer for resale, that person may need to

be licensed as a Minnesota Wholesale Produce Dealer. Further questions on this should be directed to the Minnesota Department of Agriculture.

If a farmer does not need a license, does that mean he or she does not have to comply with good agricultural and management practices?

No, even though farmers may not be required to have a food handler's license, they are still bound by various federal and state laws. For example, the Environmental Protection Agency (EPA) has chemical restriction requirements, such as what can be used, amounts, and how and when it can be applied. Additionally, state agencies regulate fertilizer and pesticide use, irrigation waters, application of manure or sludge, etc.

Minnesota Department of Agriculture's Dairy and Food Inspection Division's Food Inspection staff periodically spot check farmers at roadside stands, "u-pick" farms, and farmers markets by collecting food samples for laboratory analyses for residues and other possible contaminants.

How can a buyer or user become more knowledgeable about produce?

- Identify the source of the product (ask for an invoice, etc. that identifies the supplier or grower's name and address). Good record-keeping is particularly important in case of a trace-back of a product due to illness or injury.
- Visit the farm or ask for more information on production practices (if applicable).
- Look at the transportation vehicle for chemicals, cleanliness, odors, and obvious debris.

* Typical commercial food operators (retail) include restaurants, caterers, school food service, institutions, day cares, grocery stores, food markets, cooperatives, bakeries, convenience stores, temporary food stands, etc.

- Look at pallets, packages, and boxed stored foods for cross-contamination.
- Inspect the produce for signs of insects, disease, bruising and damage, freshness, over-ripeness, and immaturity.
- Examine packages of food products to make sure that they are intact and not leaking, and for signs of contamination by rodents, insects, or birds.
- Check proper transport temperatures for potentially hazardous foods.
- Wash produce before using it to remove soil and surface contamination.
- If the produce is advertised as “organic” ask for documentation that references the USDA Certifying Agent.
- Minnesota Food Code Fact Sheets (food safety fact sheets on the Minnesota Food Code, including information on approved sources and receiving safe food)
www.health.state.mn.us/divs/eh/food/foodcode/cooling.html
- Minnesota Department of Agriculture
www.mda.state.mn.us
- Minnesota Department of Health
www.health.state.us/divs/eh
- University of Minnesota Extension
www.extension.umn.edu/

For questions or more information, please contact your local health department or:

Minnesota Department of Agriculture
Dairy and Food Inspection Division
90 W Plato Blvd, St. Paul, MN 55107
(651) 201-6027

Minnesota Department of Health
Division of Environmental Health
Section of Environmental Health Services
PO Box 64975, St. Paul, MN 55164
(651) 215-0870

Food Safety Resources

Below is a list of websites that contain further information about produce and variety of other food safety topics.

- National Food Safety Programs (a lot of information on produce)
www.cfsan.fda.gov/~dms/fs-toc.html
- Cornell University’s Good Agricultural Practices Project (EXCELLENT food safety information—grower’s guide, farm checklist, PowerPoint presentations, etc.)
www.gaps.cornell.edu/
- Center of Disease Control’s (CDC) Food Safety Office (information on foodborne diseases)
www.cdc.gov/foodsafety/
- USDA’s National Organic Food Program (organic food law, certifying agents, and more)
www.ams.usda.gov/nop/
- Minnesota Food Code (regulations for retailers)
www.health.state.mn.us/divs/eh/food/foodcode/foodcode/index.html
- Minnesota State Laws (statutes)
www.leg.state.mn.us/leg/statutes.asp

An equal opportunity educator and employer

This fact sheet was originally authored in 2003 by Lynn Mader as part of a project coordinated by Pride of the Prairie, a collaborative project of area farmers and citizens, Land Stewardship Project, University of Minnesota-Morris; University of Minnesota Extension Service; West Central Regional Sustainable Development Partnership; and the Sustainable Farming Association of Minnesota. The Minnesota Department of Agriculture and the Minnesota Department of Public Health were partners in the project, and financial support was provided by the North Central Sustainable Agriculture Professional Development Program (SARE PDP). The fact sheet was updated in July 2006 by Kevin Elfering, head of the Dairy and Food Inspection Division at the Minnesota Department of Agriculture, (651) 201-6027.



Sale of Meat and Poultry Products to Consumers, Grocery Stores and Restaurants

Livestock farmers who wish to sell their products to consumers, grocery stores, restaurants, boarding houses, and other food service institutions, must meet certain requirements relating to food safety prior to sale.

1. The poultry and livestock must be slaughtered and processed in an establishment that is inspected continuously by the Minnesota Department of Agriculture, Meat and Poultry Inspection Program (MDA), or the United States Department of Agriculture (USDA). A list of state-inspected meat and poultry plants is available on the Department website at www.mda.state.mn.us look under Minnesota Department of Agriculture A to Z, (P-processing plants) or call us for a copy. For a listing of USDA-inspected plants, contact the Minneapolis District office at (612) 370-2400.
2. All packages of product must be properly labeled with the product identity and the inspection brands of either MDA or USDA.



3. Product identity includes the name of the product, a complete list of ingredients, and the name, address, and zip code of the manufacturer or distributor. All labels must be submitted for approval to the respective state or federal inspector at the plant prior to using the inspection legend on any packages
4. In many cases livestock farmers are exempted from licensing if they raise the animals on the farm on which they live and only sell single ingredient products such as steaks, chops, or ground meats. However, the livestock farmer must have an approved facility for the storage

and delivery of the products. In addition the Department does maintain a registration list of those who are exempted from licensing and selling food products. You can register by contacting the MDA Dairy and Food Inspection Division at (651) 201-6027. Please notify them that you are exempted from licensing and need to register as a food handler and you will be referred to the area supervisor or inspector.

Meat processed at a custom-exempt processor cannot be sold and must be identified "Not For Sale." (A custom meat processor is defined in state and federal law as a plant that is exempted from continuous inspection because they only process meat for the owner of the animal. The meat products can be consumed by the owner, the owner's immediate family, and non-paying guests, but not sold.)

This fact sheet was originally authored in 2003 by Lynn Mader as part of a project coordinated by Pride of the Prairie, a collaborative project of area farmers and citizen; Land Stewardship Project; University of Minnesota-Morris; University of Minnesota Extension Service; West Central Regional Sustainable Development Partnership; and the Sustainable Farming Association of Minnesota. The Minnesota Department of Agriculture was a partner in the project, and financial support was provided by the North Central Sustainable Agriculture Professional Development Program (SARE PDP). The fact sheet was revised in July 2006 by Kevin Elfering, head of the Dairy and Food Inspection Division at the Minnesota Department of Agriculture, (651) 201-6027

Revision 11/07/06



Sale of Shell Eggs to Grocery Stores and Restaurants

Poultry farmers who wish to sell shell eggs from their production to grocery stores, restaurants, boarding houses, and other food service institutions, must meet certain requirements relating to food safety prior to sale. These requirements do not apply to farmers who sell eggs from their premises for direct sale to the ultimate consumer.

- Eggs sold to grocery stores and restaurants must meet the requirements of Minnesota Statutes 29 and Minnesota Rules 1520. Copies of the statute and rules are available from the Revisor of Statutes web site at www.revisor.leg.state.mn.us/ Basic compliance with these requirements includes the following:
 - a. The eggs must be clean and cannot be cleaned by wet cleaning. A sandpaper block or other means of dry-cleaning is acceptable.
 - b. All eggs must be candled and graded either by the farmer or by the grocery store or restaurant that purchases the eggs. A handbook about shell eggs and candling and grading criteria is available on the United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS) web site at www.ams.usda.gov/poultry/resources/pypubs.htm#L3
 - c. Eggs must be refrigerated at 45° F or less after grading and be maintained at that temperature during storage.
 - d. Containers (cartons, cases) of eggs must be labeled with the following mandatory information:
 1. Grade and size of the eggs.
 2. The name, address, and zip code of the packer or distributor.
 3. A pack date in Julian calendar (day of the year) form. For example: The labeling of a Grade A egg packed on June 1 will have a pack date of 152.

4. A freshness date not to exceed 30 days from the date of pack. The freshness date must also have an explanation such as “expires,” “best if used by,” or similar explanation. In the above example using June 1 as the pack date, the freshness date is July 1.
5. The safe handling instructions: “To prevent illness from bacteria: keep eggs refrigerated, cook eggs until yolks are firm, and cook foods containing eggs thoroughly.”

- Farmers who sell only eggs from their production are exempted from obtaining a food handler license. However, they must register with the Minnesota Department of Agriculture, Meat, Poultry and Egg Inspection program at (651) 201-6027

This fact sheet was originally authored in 2003 by Lynn Mader as part of a project coordinated by Pride of the Prairie, a collaborative project of area farmers and citizens; Land Stewardship Project; University of Minnesota-Morris; University of Minnesota Extension Service; West Central Regional Sustainable Development Partnership; and the Sustainable Farming Association of Minnesota. The Minnesota Department of Agriculture was a partner in the project, and financial support was provided by the North Central Sustainable Agriculture Professional Development Program (SARE PDP). The fact sheet was updated in July 2006 by Kevin Elfering, head of the Dairy and Food Inspection Division at the Minnesota Department of Agriculture. (651) 201-6027

Revision 11/07/06



Custom-processed Meat Sales Sample Order Form

_____ (date)

(Insert your farm name and address here)

Thank you for your order!

Your animal will be custom-processed, which means that your personal selection of the animal substitutes for an inspection at the processing plant.

You are welcome to visit the farm to select your animal. If you would like to schedule a visit, please call us at:

_____ or email: _____

If you prefer not to visit the farm, and instead authorize us to select an animal for you, please sign and date below:

(Customer signs here)

Minnesota Department of Agriculture rules require that our customers own their animals before the animals are processed. Therefore, we are asking for a payment of \$_____ at this time. We will bill you for the remainder after your meat is processed.

Thank you, and we appreciate your business!

(Signed)

APPENDIX B: Supporting Information for Sales of Meat, Poultry, Eggs, and Dairy

Meat and Poultry Marketing Information for Farmers

Selling meat from your animals directly to customers is one way of gaining more profit from the animals you raise. Farmers who direct-market their meat typically keep 75 to 80 percent of the consumer price of the meat, compared to about 45 percent for animals they sell on the open market. Many customers are looking for meat from animals that are raised exclusively on pasture, or without antibiotics or hormones, or any number of other alternative methods. There are farmers who have been successful at tapping into this niche market.

The Minnesota Department of Agriculture regulates the direct sale of meat by farmers to consumers. There are several ways to make direct sales, each with somewhat different requirements. This section covers the basic regulations for the common methods of direct sale of meats such as beef, bison, pork, lamb, and goat; a sample form to use if you choose the custom-processed method of marketing; and a list of other useful references.

Inspected slaughter and processing

A farmer using this method will have animals slaughtered under inspection at a USDA or state equivalent plant. That means that an inspector will be present at the plant during the slaughter and will inspect every animal. Inspected slaughter has benefits for the farmer and the customer. Inspection assures that the animal was healthy at the point of slaughter, and gives farmers several options for marketing:

- Meat from inspected slaughter can be sold by the quarter, half, or whole animal. The farmer need not wait until the whole animal is sold to have an animal processed. If there is a sale for half an animal, the farmer can have the animal processed and hold the remainder in approved storage until it can be sold.
- Meat from inspected slaughter can be sold in amounts smaller than a quarter, half, or whole.
- Farmers can sell individual cuts of meat from inspected slaughter. A food handler's license is not required if the product being sold is just the meat from the farmer's own animals, with no added off-farm ingredients. If off-farm ingredients are added (sausage seasoning, for instance) then farmers must have a food handler's license to sell the product. Labeling is required for sale of cuts of meat or packages of processed meat products. The label must be approved by

the inspector at the processing plant. It must include the farmer's name, address, and zip code; identification of the product; a safe handling statement on raw products; and any other label requirements. For more information on labeling requirements, contact the Dairy and Food Inspection Division of the Minnesota Department of Agriculture at 651-201-6027.

Farmers need not have on-farm storage for meat in order to sell cuts of inspected meat. Meat can be stored at an approved facility such as a locker plant.

Farmers can pick up and deliver meat from a cold storage facility to customers. Mechanical refrigeration is required for storage of meat, but it is not required for short-term transport of meat. There must be insulated storage that keeps the meat frozen during transport, and transport must be completed within four hours.

Farmers who want to store meat for sale on their farms must have an inspected storage facility that meets stringent requirements similar to a requirements at a grocery store.

There are many details of marketing meat that can differ from farmer to farmer. Farmers should contact the Minnesota Department of Agriculture (MDA) Dairy and Food Inspection Division at (651) 201-6027, to discuss their marketing plan and find out what they can do.

Custom-exempt Slaughter and Processing

In some areas, inspected slaughter is not available either from USDA or state equivalent plants. Another option that farmers can use is sale of live animals followed by custom-exempt processing. There are a number of restrictions and requirements with this method, but many farmers use it successfully.

With custom-exempt processing, the farmer must sell live animals. Farmers can sell an animal to more than one customer, but an animal must not be slaughtered and processed until the entire animal is sold. Verifying the sale of whole, live animals becomes complicated if an animal is divided among many customers. The MDA Dairy and Food Inspection Division recommends the following guidelines for sale of animals for custom processing:

- Sell quarters, halves or wholes of beef and bison animals and of large Cervidae animals such as elk.
- Sell halves or wholes of hogs, sheep, goats, and smaller Cervidae animals.

The MDA Dairy and Food Inspection Division recommends that farmers have a system to track animals and verify sale of live animals.

Animals should be ear-tagged or otherwise identified so that customers can make their choice. With custom-exempt processing a customer's choice of an animal substitutes for official inspection at the time of slaughter, so farmers must offer customers the opportunity to select their own animals. Customers should be given a form to sign stating that they selected a particular animal, or that they declined to select and instead authorized the farmer to select an animal for them. See the sample form on page 112.

Farmers should sell live animals by live weight. Farmers who do not have livestock scales available can take a payment from customers before slaughter, and then base the final price on hanging weight of the carcass.

Farmers can arrange slaughter and processing for their customers. However, customers pay the farmer for the animal and pay the processor separately for the processing. Farmers should not handle customer payments to custom-exempt processors.

Customers should pick up their own processed meat. Farmers can do occasional delivery to customers who are unable to pick up their own.

Poultry

Poultry farmers can process and sell up to 1000 birds per year without a license. The processing must be done on the farm and under sanitary conditions. The birds must be sold directly to customers from the farm premises. The Minnesota Department of Agriculture requires that operators desiring to sell under this exemption be registered. There is no fee and no inspection will be conducted unless a complaint is received.

There are a number of other options for direct marketing of poultry. Poultry processing and marketing regulations are very complex. Contact the Minnesota Department of Agriculture Dairy and Food Inspection at (651) 201-6027 for detailed information.

Egg Marketing Information for Farmers

Farmers can sell eggs to wholesale businesses. Organic Valley Cooperative (www.organicvalley.com) is one business that buys eggs from organic farmers in Minnesota. If you are selling eggs to a cooperative, a broker, or a distributor, follow their requirements for handling of the eggs.

Farmers can sell eggs to the public directly from their farm premises. No licensing is required as long as the eggs are from your own flock of chickens raised on your farm. There are few restrictions. You can recycle used egg cartons for sales from your farm premises, and you do not need to candle, size, or grade the eggs. Eggs should be stored safely at a temperature no higher than 45° F in a clean area so that cross-contamination does not happen.

Farmers can sell eggs to the public at farmers' markets. No licensing is required as long as the eggs are from your own flock of chickens raised on your farm. You can recycle used egg cartons, but you must add a label that gives your name and address. Eggs must be maintained at a temperature of 45° F. Mechanical refrigeration must be used for storage of eggs, but eggs can be transported to the farmers' market in coolers on ice as long as a temperature of 45° F is not exceeded and the eggs are outside of mechanical refrigeration for less than four hours.

Farmers can sell eggs to restaurants, grocery stores, and food services. You must follow the rules given in the Fact Sheet for Sale of Shell Eggs to Grocery Stores and Restaurants (in Appendix A page 111). Those rules can seem daunting, but they are not hard to follow if you take them a step at a time.

Registering

Call the Meat, Poultry, and Egg Inspection Division at the Minnesota Department of Agriculture, (651) 201-6027. Inform them that you are a farmer who wants to sell eggs to food retailers, and ask for a registration form. When the simple one-page form arrives in the mail, fill it out and send it back.

Cleaning

Sandpaper with 180 grit works well for cleaning bits of debris from eggshells. You can tack pieces of sandpaper to a wooden block if you like, but it also works well to just cut a small piece of sandpaper and hold that in your hand. The paper is flexible and can follow the curve of the eggshell. Discard sandpaper pieces when they become dirty, or when the grit wears off.

Grading and sizing

The Fact Sheet in Appendix A includes a link to detailed USDA information about how to grade eggs during the candling process. You use visual indicators of an egg's freshness to decide on its grade. To size eggs, you need a scale that will show fourths of an ounce. You weigh each egg, and put it in a size class according to the Egg Sizing Chart on the next page. Scales designed for sizing eggs are available from farm and hatchery supply companies.

Candling

Candling means shining a light through an egg so that you can check for cracks in the shell and for indicators of the egg's freshness. Candling devices are basically an enclosed box or container with a light bulb inside and a small opening in the box. You hold the egg against the small opening so that all of the light from the bulb shines through the egg. Egg candler are available from farm and hatchery supply companies. You can see photos of egg candler on the website of NASCO (www.enasco.com/farmandranch/).

Refrigerating

Eggs need to be stored in mechanical refrigeration at 45° F or less. That means you need to keep them in a refrigerator. Having a refrigerator dedicated just to eggs is a good idea. If that is not possible then dedicate the top shelf of your refrigerator to eggs, and don't store anything else on that shelf. That will prevent cross-contamination of eggs with any other items in your refrigerator.

Egg Sizing Chart

Small	Medium	Large	Extra-Large	Jumbo
1½ to 1¾ ounces	1¾ to 2 ounces	2 to 2¼ ounces	2¼ to 2½ ounces	2½ to 2¾ ounces

New Cartons

Eggs for sale to food retailers must be packaged in new cartons. For small-scale production, you can buy blank cartons and add the necessary information to the carton. Farm and hatchery supply stores offer blank cartons for sale. Each carton that you pack must contain eggs that are all the same grade and size. You cannot put some medium and some large eggs together in the same carton.

Labeling Cartons

Write the grade and size of the eggs on the carton. This information may change from carton to carton: you will likely have some cartons of medium, some of large, and so on. Include your name and address on the carton. Since this is repetitive information, it works well to use either a rubber stamp or a pre-printed stick-on label.

Include the safe handling statement: “To prevent illness from bacteria: keep eggs refrigerated, cook eggs until yolks are firm, and cook foods containing eggs thoroughly.” This information can also be added with a rubber stamp or a preprinted stick-on label.

Write the pack date—the date that you candled, graded, sized, and packaged the eggs—on the carton, in Julian date format. Julian date means that you number the days of the year from 1 to 365, so that January 1 is 001 and December 31 is 365. See the Julian date table at amsu.cira.colostate.edu/julian.html.

Write the freshness date on the carton. This should say “Best if used by...” and a calendar date that is 30 days later than the pack date. Use the Julian date table to figure this out. Check the pack date in Julian date form, add 30 to that number, and then find the corresponding calendar date. For example, eggs packed on June 1, 2007 have a Julian date of 152. Add 30 to that number to get 182. Look at the Julian date chart, and find that 182 corresponds to July 1. Then your freshness date would read, “Best if used by July 1, 2007.”

Pricing your eggs

Remember to figure in your cost of packaging, cost of rubber stamping supplies or preprinted labels, and something for the time that you spend to clean, candle, grade, size, and package eggs. Hens outside of cages, hens on pasture, no antibiotics in the feed—these are farm practices that many customers appreciate and are willing to pay for. If you are selling your eggs to a food retailer, you need to set a price that allows both you and the retailer to make a profit.

Dairy Marketing Information for Farmers

Farmers have two main options for selling dairy products locally: raw milk or processed dairy products. The sale of raw milk is limited by the requirement that customers must bring their own containers to the dairy farm to get the milk. There are dedicated customers who will do that in order to get raw milk, but dairy farmers can reach a far greater number of customers by processing their milk. Processing of milk includes a wide array of activities such as pasteurization, bottling, and adding flavors to milk; as well as production of ice cream, butter, cheese, yogurt, kefir, sour cream, dips and spreads. Processing can even include the production of non-food items such as goat milk soap! See the Value-Added Processing section (page 104) for more information about processing options.

Any dairy food processing will require a facility that is inspected and approved by the Minnesota Department of Agriculture's Dairy and Food Inspection Division. Depending on the type of processing and the scale of the operation, the facility might not need to be elaborate. If you want to construct a dairy processing facility of any kind you need to contact the inspector for your area in the very early stages of your planning, so that you can find out what will be required. Call the MDA's Dairy and Food Inspection Division at 651-201-6027. Dairy processing operations are also subject to inspection by the federal Food and Drug Administration (FDA). See the Artisan Cheesemaking website in the Resources for Marketing Dairy Products for information about FDA requirements.

You will need a food handler's license for any food processing that involves adding any off-farm ingredients to the products. Even if your processing does not involve off-farm ingredients, you could apply for a food handler's license anyway. Having a food handler's license can be helpful if you want to approach restaurants, grocery stores, or food services about buying your dairy product, because it increases the buyers' confidence that you are a legitimate source for the product.

Farmstead cheese is a category of product recognized in Minnesota state law (see Overview of Minnesota Food Marketing Regulations, page 81). If you want to make cheese on your farm from milk that you produce on the same farm, you can apply to the MDA to use the term "Minnesota Farmstead Cheese." Food safety regulations are the same for farmstead cheese as for any other cheese production. Making farmstead cheese is a common entry point for dairy farmers who want to try some value-added processing. Farmstead cheese is famous for developing a flavor that is connected to a particular farm – a "taste of place" that depends on the way the dairy animals are managed, the soil type and mix of forages available to the animals on that farm, and the mix of microorganisms that live in the cheese room. That special taste of place can help you develop a loyal group of customers who value the flavor and the farm that produced it.

Resources for Meat and Poultry Sales

Consumer Information on Buying Meat Direct from Farmers. 2002(rev). Jenifer Buckley. Available in full text online or from: MISA, 411 Borlaug Hall, 1991 Upper Buford Circle, St. Paul, MN 55108. (612) 625-8235 or (800) 909-6472. misamail@umn.edu. www.misa.umn.edu/Consumer_Guide.html. Includes detailed information for consumers on the process of buying an animal for custom-processing; available for farmers to copy and use in educating customers.

Guidebook for the Preparation of HACCP Plans and Generic HACCP Models. Available online or contact: USDA Food Safety and Inspection Service (FSIS) Technical Service Center. (402) 344-5000 or hotline (800) 233-3935. TechCenter@fsis.usda.gov. www.fsis.usda.gov/OPPDE/nis/outreach/models/models.htm. HACCP stands for Hazard Analysis and Critical Control Points, an internationally accepted protocol for ensuring food safety that has been adopted by state and federal food safety regulators. Farmers who sell meat should have a HACCP plan, and farmers who sell animals for custom processing could benefit from a HACCP plan as well. The Technical Service Center serves as the Agency's center for technical assistance, advice, and guidance.

In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing. 2002. R.Prim and K. Foede. Publication no. BU-07683. University of Minnesota Extension. See access information under "Resources for product liability."

The Legal Guide for Direct Farm Marketing. 1999. N. Hamilton. Drake University. Available from: Drake

University Law School, Agricultural Law Center, 2507 University Ave, Des Moines, IA 50311-4505. (515) 271-2947. The author is a successful farmer, attorney and professor of agricultural law. This comprehensive guide covers liability, regulations, labor law, processed foods, and meat marketing issues.

Meat Price Spreads. W. Hahn, USDA-Economic Research Service Briefing. Retrieved December, 2006. Available online: www.ers.usda.gov/Briefing/FoodPriceSpreads/meatpricespreads. Data in table format showing monthly average price values for cuts of beef and pork, as well as turkey, whole chicken, egg, and dairy product prices at the farm, wholesale, and retail level.

Meat Processing Plants in Minnesota. MDA and MISA. Available online or contact MISA for assistance: MISA, 411 Borlaug Hall, 1991 Upper Buford Circle, St. Paul, MN 55108. (612) 625-8235 or (800) 909-6472. misamail@umn.edu. www.misa.umn.edu/Meat_Processing_Plants.html. Lists of Minnesota's custom-exempt processing plants and state "equal-to" plants offering inspected slaughter.

Operational Guidelines for Vendors at a Farmers' Market. MDA. Available in full text online or from: MDA, Dairy & Food Inspection Division, 625 Robert St N, St. Paul, MN 55155-2538. (651) 201-6027. www.mda.state.mn.us/dairyfood/fm_vendor_guide.pdf This brochure outlines procedures and regulations farmers must follow if they sell at a farmers' market.

Resources for Dairy Product Sales

Artisan Cheesemaking. <http://www.sfa-mn.org/cheesemaking.php> Retrieved December 2006. The Sustainable Farming Association of Minnesota has initiated a program to promote farmstead cheese production in Minnesota. The website offers information about cheesemaking courses, regulations, and an online discussion group for cheesemakers moderated by Jodi Ohlsen-Read, an experienced producer of artisan sheep's-milk cheese. Contact the Sustainable Farming Association of Minnesota – Minnesota Dairy Initiative, 17734 335th St., Sunburg, MN 56289. Telephone: (320) 278-2002. Email: mdi@sfa-mn.org.

Cheese Mobile. <http://www.thecheesemobile.com/> Retrieved December 2006. Website reports on a mobile cheese processing plant developed in New York through a grant from Sustainable Agriculture Research and Education (SARE). Contact: Rick Bishop, Agricultural Economic Developer, Sullivan County Division of Planning, 100 North Street, Monticello, NY 12701. Telephone: 845-794-3000 ext 3537. Email: rick.bishop@co.sullivan.ny.us.

Dairy Your Way. 2006. ed. Meg Moynihan. Minnesota Department of Agriculture and Minnesota Institute for Sustainable Agriculture. Information about a variety of dairy farming options, including Chapter 7: Value-Added Processing. Online: http://www.misa.umn.edu/Dairy_Your_Way.html. Retrieved December 2006. Order a print copy from the Minnesota Institute for Sustainable Agriculture, 411 Borlaug Hall, 1991 Buford Circle, St. Paul, MN 55108. Telephone: 800-909-6472 or 612-625-8235. Email: misamail@umn.edu.

The Small Dairy Resource Book: Information Sources for Farmstead Producers and Processors. 2000. Sustainable Agriculture Network. Available online only at: www.sare.org/publications/dairyresource/dairyresource.pdf; Retrieved December 2006. This book is a few years old and does not include recent resources, but it is a great source of information about older works on cheese and butter production. It includes resources on dairy animal husbandry, pasture management, a list of equipment suppliers, and a nationwide list of courses on cheesemaking.