**Portable Document**

*This document is gives an in-depth overview of the ideas and resources generated throughout the Bush Grant project; it is intended to be the document that advocates of food safety, farming, and local food can take with them and put into the hands of others looking to learn more about this project and/or become involved.*

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Issue Brief

**Changing the Approach to Regulation of Local Food Systems in Minnesota**

**Summary/Key Takeaways**

Accommodating innovation and new business models in the local foods sector in Minnesota is important for increasing local communities’ access to a diversified, culturally appropriate food supply. Many startup food entrepreneurs have difficulty navigating complex, and sometimes contradictory, rules and regulations related to starting and growing a food business in Minnesota. Moreover, regulators are equally frustrated by the difficulties they face trying to explain complex regulations, the inconsistencies of interpretation between agencies, and systemic restraints that limit their ability to be effective educators.

**Vision Statement**

Minnesota promotes food safety and economic development through a user-friendly food business regulatory system that is coordinated, reliable and efficient. (See **Appendix A** for vision statement process development.)

* **Entrepreneurs** of small and large food businesses successfully navigate Minnesota’s easy-to-understand, transparent and streamlined system. Operators obtain the appropriate licenses and certifications and produce safe food for consumers.
* **Regulators** from agencies across Minnesota (MDH, MDA, and delegated local agencies) freely share knowledge and work a timely manner with entrepreneurs of food businesses and with each other. Regulatory agencies are accountable and consistent and support education, outreach and the production and service of safe food to Minnesotans.

**Why is Action Needed?**

For decades the local food community in Minnesota was small, and regulators could address unique circumstances in local food businesses by handling licensure and inspection on a case-by-case basis. However, with the increase in small business growth, many innovative businesses have struggled to fit within existing food safety and regulatory requirements. Various piecemeal fixes have been created over the years, but the resulting system is cumbersome. One former regulator stated, "The current system cannot be explained to the average person. That needs to change.”

To address these issues, the Bush Grant Advisory Committee (BGAC), a team of about 20 professionals who represent government agencies, community nonprofits, the University of Minnesota, and individual businesses have been overseeing the work of a Bush Community Innovation Grant Project. BGAC members have examined potential regulatory and non-regulatory approaches to achieving the vision of a Minnesota system that promotes food safety and economic development through a user-friendly food business regulatory system which is coordinated, reliable and efficient. They have developed consensus on structures or processes that may achieve the project goals, and have developed strategies to change the environment around regulation in Minnesota.

**What Are the Goals?**

In order to reach the vision statement listed above, the following were identified as key goals:

* Creating an improved climate for farmers and local food entrepreneurs to understand and comply with food regulations
* Fostering an increased focus on food safety by both regulators and the regulated community
* Decreasing complexity and increasing efficiency and transparency in licensing and inspection activities
* Improving and increasing systematic support for regulators from their agencies and from the regulated community to do education and outreach work.

**What Has Research Found?**

Farmer and food entrepreneurs may fear and resist the regulatory system because they do not want to jeopardize their businesses (Local Food Advisory Committee, 2015). This is may not for a lack of interest in food safety, but rather, a fear of not understanding the regulations and rules that must be followed, incorrectly operating, and being consequently shut down by regulators (Lanthier and Van Dyke, 2016). These food business owners want to create safe food, have access to information and resources, and be an ally with their inspectors, while continuing to make a living.

Regulators and inspectors are focused on food safety and eliminating hazards to public health while completing their job duties outlined by the State of Minnesota or delegated agencies (Lanthier and Van Dyke, 2016). Differing priorities and motivations between regulators/inspectors and farmers/food entrepreneurs can contribute to struggles within the current regulatory system..

Looking beyond Minnesota, European literature repeatedly affirms the critical role of innovation in enabling success of entrepreneurs (Bhaskaran, 2005; Lordkipanidze, 2005; Avermaete, 2003; Avermaete, 2004). Research shows that when food safety educators understand how farmers develop mental models, these educators can design learning programs and services that better enable the farmers’ success in implementation (Eckert, 2006).

**What are Next Step Options?**

The BGAC developed a number short, medium, and long-term “next steps” that could be taken to improve the regulatory environment in Minnesota through an iterative research and reflection model. Eight of these were developed more extensively into program logic models:

1. Implementing Workshops/Education Opportunities for Food Entrepreneurs
   * Ask: Regulatory experts, food entrepreneurs, and organizations representing food entrepreneurs commit to attending workshops; MDA/MDH and community organizations form an advisory committee to plan workshops.
2. Simple, Visual Representation(s) of Regulatory Concepts (flow chart/idea tree)
   * Ask: A work-group made up of MDA/MDH/Delegated agency staff and food entrepreneurs is formed and tasked with creating the document(s); hire project manager and business flow consultant; document created and circulated among local foods community.
3. Joint Educational and Problem Solving Forums 2x Per Year in 8 Locations in MN
   * Ask: MDAfacilitates meeting attendance by food inspectors operating in the regions and facilitates attendance by state-level meat inspections staff; MDH opens the Food Safety Partnership meeting structure to this regional in-person meeting 2x/year and facilitates regional meeting attendance by MDH staff based in the region. Delegated agencies facilitate attendance of their staff.
4. In-Depth Feasibility Modeling Research of Minneapolis 311 System
   * Ask: MDA/MDH or the University of MN hires a researcher to conduct a feasibility study about the implementation of the Minneapolis 311 System on a statewide level; MDA/MDH/Delegated agencies participate with this research.
5. Regional Food Safety Experts
   * Ask: Five new full-time Extension staff people operating out regional offices are hired; MDA, MDH and delegated agencies include these new educators in the existing educational structures so that they stay up-to-date on regulatory information.
6. Second Opinion Campaign
   * Ask: Agencies create and implement campaign that encourages food entrepreneurs to ask for a second opinion about licensing and regulatory rules; agency-level infrastructure created to handle second-opinion requests.
7. Implementing Statewide 311 System
   * Ask: MDA, MDH, and Delegated Agencies determine if and how to implement a statewide version of the Minneapolis 311 system based on the results of the systematic study
8. Statutory Changes
   * Ask: MDA/MDH lead the research of beneficial statutory changes and other stakeholders assist in the pursuit of these changes

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Visioning “IT” Document

**Final Vision Statement**

Minnesota promotes food safety and economic development through a user-friendly food business regulatory system that is coordinated, reliable and efficient.

* **Entrepreneurs** of small and large food businesses successfully navigate Minnesota’s easy-to-understand, transparent and streamlined system. Operators obtain the appropriate licenses and certifications and produce safe food for consumers.
* **Regulators** from agencies across Minnesota (MDH, MDA, and delegated local agencies) freely share knowledge and work a timely manner with entrepreneurs of food businesses and with each other. Regulatory agencies are accountable and consistent and support education, outreach and the production and service of safe food to Minnesotans.

**Development Process for Vision Statement:**

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| Problem Statement: Too many startup food entrepreneurs have difficulty navigating complex, and sometimes contradictory, rules and regulations that oversee starting a food business in Minnesota. Moreover, regulators are equally frustrated by the difficulties they face trying to explain complex regulations, the inconsistencies of interpretation between agencies, and systemic restraints that limit their ability to be effective educators of their licensees. | Rephrased into positive vision statements:  Startup food entrepreneurs are successful in navigating the easy-to-understand rules and regulations that govern food businesses in Minnesota. Regulators are able to explain these regulations in a timely manner, provide extra information, education (internal or external) and consult to food entrepreneurs to help them be successful, and are consistent across the agencies (MDH and MDA) when advising food entrepreneurs and offering information. |

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| ***“Happy Customers, Better Business, Safer Food”*** |  |

**FIRST DRAFT Vision Statement:**

The licensing and regulatory system for food businesses in Minnesota is a coordinated, reliable, and efficient system that is user friendly, has clear and rational entry points, focuses on food safety, and supports food business growth in Minnesota. Startup food entrepreneurs are successful in navigating the easy-to-understand, transparent, and streamlined licensing and regulatory systems. Regulators are able to explain these regulations in a timely manner; provide education and outreach (internal or external); extend resources; track and consult food entrepreneurs throughout their business endeavors; and act as accountable, consistent, and supportive regulators to both food businesses and across the agencies (MDH and MDA).

Program Logic Models

**Bush Grant Advisory Committee Vision Statement:**

Minnesota promotes food safety and economic development through a user-friendly food business regulatory system that is coordinated, reliable and efficient.

* **Entrepreneurs** of small and large food businesses successfully navigate Minnesota’s easy-to-understand, transparent and streamlined system. Operators obtain the appropriate licenses and certifications and produce safe food for consumers.
* **Regulators** from agencies across Minnesota (MDH, MDA, and delegated local agencies) freely share knowledge and work a timely manner with entrepreneurs of food businesses and with each other. Regulatory agencies are accountable and consistent and support education, outreach and the production and service of safe food to Minnesotans.

**8 Program Logic Models:**

* Short term:
  + Workshop/Educational Opportunity for Food Entrepreneurs
  + Simple, Visual Representation(s) of Regulatory Concepts (flow chart/idea tree)
  + Joint Educational and Problem Solving Forums 2x per year in 8 locations in MN
* Medium Term:
  + In-Depth Feasibility Modeling Research of Minneapolis 311 System
  + Second Opinion Campaign
  + Regional Food Safety Experts
* Long term:
  + Implementing Statewide 311 System
  + Statutory Changes

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| --- | --- | --- | --- | --- |
| 1. **Workshops/Educational Opportunity for Food Entrepreneurs - short term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Hold workshops and trainings for food entrepreneurs with evolving curriculum based on agency and entrepreneur needs. | | | | |
| **Ask:** Funding is secured for workshop development. Regulatory experts, food entrepreneurs, and organizations representing food entrepreneurs commit to attending workshops; MDA/MDH and community organizations participate in planning and delivery of workshops. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding (travel expenses, curriculum development, advisory committee)  Pilot funding  Leadership & Management Expertise  Design & Communications Capacity  Outreach documents  Organizations willing to participate or host  MDA/MDH involvement – leadership and food safety expertise  Food entrepreneurs’ experience  Curriculum Design  Spaces (virtual/in-person) to meet  Evaluation design | Establishment of workshop leadership positions  Create a board of directors/advisory committee that includes MDA/MDH staff, members from targeted community, and organizations representing food entrepreneurs  Training of educators with curriculum  Presentation of educational curriculum to food entrepreneurs  Continuing updating of training/curriculum  Conduct Evaluations  Targeted outreach to start-up food entrepreneurs | Increased food entrepreneur knowledge - including on issues of food safety  Reduced confusion around requirements on the part of food entrepreneurs | Food inspectors field fewer points of confusion. | Decreased number of site visits to problem establishments for inspectors  MDA/MDH/Delegated Agency staff are better able to identify common problem areas for food entrepreneurs |
| **ASSUMPTIONS:** Educational workshops will lead to effective food safety and licensing knowledge and implementation among farmers, food entrepreneurs, food system advocates, and regulators. | **EXTERNAL FACTORS:** The success of this project will depend on willingness of participants to engage by attending meetings and contributing during these meetings. Levels of fear around this topic will also affect project success. | | | |

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| **2. Simple, Visual Representation(s) of Regulatory Concepts (flow chart/idea tree) - short term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Flowchart/idea tree allowing people to better understand the regulatory system so they can seek out needed information in the correct places. | | | | |
| **Ask:** Funding is secured for document development and project manager and business flow consultant are recruited. A work-group that includes MDA/MDH/Delegated Agency staff and food entrepreneur representatives is formed and tasked with creation of the document. Document is created and circulated among local foods community. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding (project manager and business flow consultant)  Communications expertise  Design Capacity  Communication channels for new resources  MDA/MDH/Delegated Agencies leadership – high-up staff people within agencies are assigned this project as part of job responsibilities  Work-group team of MDA/MDH/Food entrepreneurs/Orgs  Opportunity costs documentation  Participation from the Minnesota Management and Budget office (MMB) to help with organizational development | Work-group team meetings to create and revise document, clarify information.  Identify and document food entrepreneur entry points into the regulatory system  Hire business flow expert and project manager  Business Flow Analysis  Flow chart/idea tree is designed  Outreach campaign on communicating early with inspectors to be paired with this document  Tell targeted groups about new resource  Provide inspectors with this resource to distribute to food entrepreneurs  Continuing updating of document  See if DEED would get involved, as they already have a “how to start a business” component | Increased food entrepreneur knowledge of who to turn to for licensing, food safety,  and regulation questions  Increased food entrepreneur knowledge - including on issues of food safety  Reduced confusion around requirements on the part of food entrepreneurs | Food inspectors field fewer points of confusion. | Decreased time spent shuffling questions from food businesses at MDA/MDH  Shows the gaps in regulatory processes and where it needs to be improved (proof for need of Mpls 311) |
| **ASSUMPTIONS:** The creation of a simple visual representation of regulatory concepts will increase knowledge and understanding of licensing and regulation system for farmers, food entrepreneurs, food system advocates, and regulators. | **EXTERNAL FACTORS:** The success of this project will depend on willingness of advisory committee members to engage by attending meetings and contributing during these meetings; it will also depend on the participation of the MMB. | | | |

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| **3. Joint Educational & Problem-Solving Forums 2x per year in 8 locations in MN - short term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements in the FSMA and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** MDA/MDH/Delegated staff and food entrepreneurs located in 8 regions of Minnesota hold in-person meetings twice per year to share information, work out food safety solutions, and build relationships within the region. | | | | |
| **Ask:** Funding is secured for meeting facilitation. MDA/MDH/Delegated Authorities facilitate meeting attendance by food inspectors operating in the regions and by state-level staff where appropriate. MDH and MDA assist with developing meeting schedule and securing venues. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding to support travel, honoraria, food, etc.  MDA/MDH/Delegated Authority leadership support for attendance by staff within the regions  Commitment from MDA/MDH/Delegated Authority staff with regions to attend  MDH Food Safety Partnership existing meeting infrastructure opened to this forum 2x/year  MDH 8 regional offices opened to this forum 2x/year  Meeting coordination/facilitation team managed by Renewing the Countryside  Sustainable ag & local food organizations, trade associations willing to assist with outreach communications, logistics, hosting (MISA, MFMA, SFA)  Food entrepreneurs committed to attending | FSMA curriculum and educational materials created  Targeted outreach to food entrepreneurs to encourage attendance  Targeted outreach to regional MDA/MDH/Delegated staff to encourage (require) attendance  Development of food entrepreneur case studies within regions  Development or compiling of resource documents based on feedback from the regional meetings  Ongoing revision of meeting design/content based on evaluation & feedback by attendees  Meeting agendas may include:  \* Presentations by food entrepreneurs about their businesses (case studies)  \* Panel discussions  \* Q & A from the field  \* Informal networking & discussion time  \* Presentations by regional regulators re: food safety issues and best practices  \* Problem-solving around licensing or food safety issues | Increased food entrepreneur knowledge  and inspector knowledge including  on issues of food safety and business practices  Increased MDA/MDH/Delegated inspector and staff knowledge of food entrepreneur questions and concerns  Increased food entrepreneur knowledge and reduced confusion around licensing and food safety | Coordination/alignment among food  regulatory agencies within regions  Apply increased knowledge of food safety (FSMA and state regulations) to business practices | Improved food entrepreneur  perception/trust of MDA/MDH/Delegated Authority  intentions  Improved MDA/MDH/Delegated Authority perception of food entrepreneur willingness to comply with food safety provisions  Increased efficiency for food inspectors  fielding fewer points of confusion |
| **ASSUMPTIONS:** A two-way dialog learning method will lead to effective FSMA knowledge retention and implementation among farmers, food entrepreneurs, food system advocates, and regulators. | **EXTERNAL FACTORS:** The success of this project will depend on willingness of participants to engage by attending meetings and contributing during these meetings. Levels of fear around this topic will also affect project success. | | | |

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| **4. In-Depth Feasibility Modeling Research of Minneapolis 311 System - medium term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Conduct a systematic study of the Minneapolis 311 System and create a feasibility report on how/if a similar statewide structure would occur. | | | | |
| **Ask:** Funding is secured and a researcher is recruited to conduct a feasibility study about the implementation of the Minneapolis 311 System on a statewide level. MDA/MDH/Delegated Agencies participate with this research. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding (Staff, graduate researcher)  Researcher  Staff to direct researcher  Minneapolis 311 staff/program developers share information and advice  Information expertise for designing study  IT Expertise  Involvement of Materials Management Division (MMD) in the MN State Office of Administration for external “look” at the agencies structure. | Study Design  Documentation of existing inefficiencies in the system  Conduct Business Flow Analysis  Conduct study  Quality improvement and performance management  Creation of feasibility report  Staff bring researcher(s) up to speed on background information for project  Staff inform research direction | MDA/MDH/Delegated agencies understand pros/cons/likelihood of success to implement a similar model at state level | Stakeholders equipped to lobby for and implement statewide system | State legislator and governor have data on cost and parameters of implementation |
| **ASSUMPTIONS:** An in-depth feasibility study of the Minneapolis 311 system will effectively determine if it can and should be implemented on a statewide level. | **EXTERNAL FACTORS:** The success of this project will depend on the ability of the researcher to gain access to specific information, the level of involvement of the MMD, and the amount of information shared by the Minneapolis 311 staff and program developers. | | | |

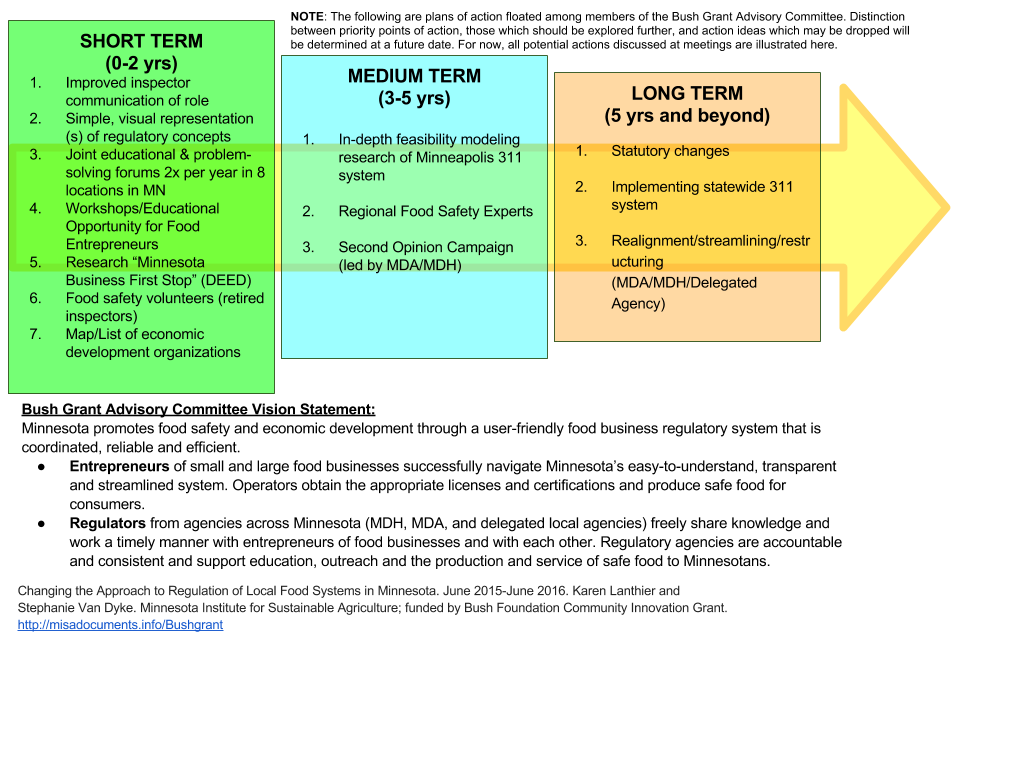
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| **5. Regional Food Safety Experts - medium term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Create positions throughout MN that farmers/food businesses trust to ask food safety-related questions and have adequate training/background to refer people appropriately. | | | | |
| **Ask:** Funding is secured and five new full-time Extension staff people are hired to operate out of existing regional offices. MDA, MDH and Delegated Agencies include these new educators in the existing agency educational structures so that they stay up-to-date on regulatory information. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding to hire new staff people  Communications Capacity  Resource/hosting organizations  Resource documents  MDA/MDH involvement – leadership, educational structures, and food safety expertise  Food entrepreneurs’ experience and engagement  University of Minnesota Extension involvement and support | Decide organization(s) to house positions  Hire on staff members  Establish job responsibilities and parameters for position  Gain support from the Food Safety Defense Task Force  Targeted outreach to start-up food entrepreneurs through the sustainable agriculture and local food network or organizations in Minnesota.  Guide entrepreneur questions to related organizations as needed  Collect existing and create new resource documents for food entrepreneurs  Work with regulators  within the agencies | Increased food entrepreneur preparation to contact an inspector.  Increased food entrepreneur knowledge - including on issues of food safety  Reduced confusion around requirements on the part of food entrepreneurs | Efficient referral of entrepreneur questions due to collaboration between Licensing Liaisons & Regional Food Safety Experts  Food inspectors field fewer points of confusion.  Regional Food Safety Experts become part of the agencies’ learning management system | Faster turnaround time between concept and application approval  Food entrepreneurs have a information resource they trust and can learn from within their geographical region. |
| **ASSUMPTIONS:** The Regional Food Safety Experts will be effective, helpful trusted,, and sought out by farmers, food entrepreneurs, food system advocates, and regulators. | **EXTERNAL FACTORS:** The success of this project will depend on the willingness of organizations to house the positions and how responsive food entrepreneurs are to the outreach efforts. | | | |

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| **6. Second Opinion Campaign - medium term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Second Opinion Campaign to educate food entrepreneurs with a list of options for next steps if faced with a denial from an inspector. | | | | |
| **Ask:** Local food system organizations and agencies participate in creation and implementation of a statewide campaign that encourages food entrepreneurs to ask for a second opinion about licensing and regulatory rules. Needed funding is secured and agency-level infrastructure is identified or created to handle second-opinion requests. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Funding  Local food system organizations/communications and outreach capacity  Resource documents for food entrepreneurs  MDA, MDH and Delegated agency infrastructure for handling second opinion requests | ID MDA/MDH/Delegated staff who will take on these job responsibilities and what department they’ll be housed in  Campaign strategy identified, planned, and implemented  Teach food entrepreneurs to get a second opinion by calling inspector’s supervisor, reaching out to MISA or RTC, or other organizations or food experts in MN.  Targeted outreach to food entrepreneurs  Work with local foods organizations to enhance campaign’s visibility | Increased MDA/MDH/Delegated inspector and staff knowledge of food entrepreneur questions/concerns  Improved entrepreneur perception/trust of MDA and MDH inspector intentions  Reduced confusion around requirements on the part of food entrepreneurs | Food inspectors field fewer points of confusion. | Efficient referral of entrepreneur food questions  Elimination of “dead-end” result for entrepreneurs who struggled within inspector’s requirements. |
| **ASSUMPTIONS:** The Second Opinion Campaign will make a measurable impact on food entrepreneurs and food entrepreneurs needing to ask for a second opinion will always be efficiently helped. | **EXTERNAL FACTORS:** The success of this project will depend on the success of the campaign and the willingness of food entrepreneurs to ask for a second opinion. Levels of fear around this topic will also affect project success. | | | |

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| **7. Implementing Statewide 311 System - long term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Using results of systematic study, set in place a statewide version of the Minneapolis 311 System | | | | |
| **Ask:** Stakeholders involved in the feasibility study in #4 determine if and how to implement a statewide version of the Minneapolis 311 system based on the results of that systematic study. MDA/MDH/Delegated Agencies participate in that determination. Major Legislative and other funding is secured for the implementation. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Research on City of Mpls system - to be completed earlier (listed under medium-term activities) to roll into this longer-term project  Documentation from City of Mpls of their implementation of the system  Funding – MN Legislature/Governor  IT systems expertise  Experienced City of Mpls staff  Other state models  Food entrepreneurs’ experience  Organizations’ experience  MDA/MDH involvement / leadership  Support from Commissioners of MDA and MDH  Design & communications capacity  Leadership & Management expertise  Media support and attention | Pilot project?  Establishment of systems and leadership for both process management and food safety/regulatory expertise  Align purpose with government goals and efficiency (for marketing to legislature)  Connect goals of 311 system with goals of Minnesota Food Charter  Establishment of IT system for tracking cases  Time tracking & accountability system  Scripting & training for entry-point personnel  Continual updating of system/scripting & training  Establish feedback loops: legislative updates, food entrepreneur input, training of inspectors  Communication & Education campaign directed at public  Identify supporters and gain their commitment to action/helping | Improved public perception of value of MDA and MDH inspectors  Increased food entrepreneur knowledge - including on issues of food safety  Reduced confusion around requirements on the part of food entrepreneurs | Reduced inaccuracies & repeat calls  Food inspectors field fewer points of confusion. | Better experience for food entrepreneurs  More efficient workflow for food inspectors  No one gets lost in the system/timeliness of approvals  Improved food safety by having more entrepreneurs entering the regulatory system  User experience improved |
| **ASSUMPTIONS:** The implementation of a statewide version of the Minneapolis 311 system will create greater efficiency for regulators and better results for food entrepreneurs. | **EXTERNAL FACTORS:** The success of this project will depend on willingness of agency staff and legislators to support the system. | | | |

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| **8. Statutory Changes - long term** | | | | |
| **SITUATION:** Farmers, food entrepreneurs, food system advocates, and regulators in Minnesota have difficulty navigating complex food safety requirements and in state and local rules and regulations. Moreover, there is a disconnect in understanding around food safety practices and business innovations among these groups at the regional level. | | | | |
| **Summary:** Identify statutes that need to be changed and pursue those changes. | | | | |
| **Ask:** MDA/MDH/Delegated Agencies assist in statutory language development and in evaluation of food safety risks/benefits and implementation costs/savings of statutory changes  proposed by local food system stakeholders. | | | | |
| **INPUTS** | **OUTPUTS** (Activities) | **OUTCOMES** | | |
|  | | Knowledge | Actions | Conditions |
| Statute researcher  Funding – MN Legislature/Governor  Other state models  Support from Commissioners of MDA and MDH  Design capacity for writing new statute  Media support and attention  MDA/MDH involvement – participation, food safety expertise, assistance in writing draft statute  Support and knowledge from agencies, university, and nonprofit organizations (stakeholders) to aid in changing statute | Research statutory changes  Establishment of leadership positions  MDA and MDH assist in draft creation/writing of one licensing statute  Identify supporters and gain their commitment to action/helping  Supporters pursue implementation of statutory changes within legislature and governor’s office  Training of regulatory staff about new statutes  Targeted outreach to start-up food entrepreneurs about statutory changes | Reduced confusion around requirements on the part of food entrepreneurs  Increased clarity and knowledge of statutory requirements | Food inspectors field fewer points of confusion.  Reduced inaccuracies & repeat calls | Increase in business start-ups  Back-and-forth confusion between MDA and MDH eliminated  User experience improved |
| **ASSUMPTIONS:** Statutory changes will create a simplified licensing and regulations system that will allow more food entrepreneurs to easily enter and succeed within the system. | **EXTERNAL FACTORS:** The success of this project will depend on willingness of the agencies’ to participate in the statutory changes process, the involvement of supporters/lobbyists to push for change, and how the idea is received/perceived by government decision makers. | | | |

Timeline Document



Aligning Document

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vision Statement** | **Problem Statement** | **Bush Grant Goals** | **Short-term** | **Mid-term** | **Long-term** |
| Minnesota promotes food safety and economic development through a user-friendly food business regulatory system that is coordinated, reliable and efficient. • Entrepreneurs of small and large food businesses successfully navigate Minnesota’s easy-to-understand, transparent and streamlined system. Operators obtain the appropriate licenses and certifications and produce safe food for consumers. • Regulators from agencies across Minnesota (MDH, MDA, and delegated local agencies) freely share knowledge and work a timely manner with entrepreneurs of food businesses and with each other. Regulatory agencies are accountable and consistent and support education, outreach and the production and service of safe food to Minnesotans. | • Too many startup food entrepreneurs have difficulty navigating complex, and sometimes contradictory, rules and regulations that oversee starting a food business in Minnesota. | •Improved climate for the regulated community... to understand and comply with food regulations. | • Workshops or continued education to entrepreneurs  • Map/List of related resources and economic development organizations • Food safety volunteers (retired inspectors) • Explore potential for partnering with “Minnesota Business First Stop” (DEED) | • Regional Food Safety Experts • Second Opinion Campaign (MDA/MDH/Delegated) • In-depth research of Minneapolis 311 System | • Statutory changes •Realignment/streamlining/restructuring (MDA/MDH/Delegated Agency) • Statewide implementation of some or all components of Minneapolis 311 System. |
| •Increased focus on food safety by regulated community | • ID collaborators (SFA, MISA, etc.) • Workshops or continued education to entrepreneurs | • Regional Food Safety Experts | • Statewide implementation of some or all components of Minneapolis 311 System. |
|  |  |  |  |  |
|  |  |  |  |  |
| •Moreover, regulators are equally frustrated by the difficulties they face trying to explain complex regulations, the inconsistencies of interpretation between agencies, and systemic restraints that limit their ability to be effective educators of their licensees. | •Increased focus on food safety by regulators | • Leverage Food Safety Partnership (MDH)/Food Safety Defense Task Force (MDA) • Workshops or continued education to entrepreneurs | • Second Opinion Campaign • Regional Food Safety Experts | • Statutory changes |
| •Decreased complexity and increased efficiency and transparency in licensing and inspection... | • Simple visual representation(s) of regulatory concepts | • Feedback system •Improved tracking system for everything that comes into MDA/MDH/Delegated • Regional Food Safety Experts | • Statutory changes •Realignment/streamlining/restructuring (MDA/MDH/Delegated Agency) • Statewide implementation of some or all components of Minneapolis 311 System. |
| •Improved and increased systemic support for regulators... to do education and outreach work. | • Improved inspector communication of role • Standing meetings among coordinated agencies/”regional system” meetings 2x per year | • In-depth research of Minneapolis 311 System • Second Opinion Campaign | • Statewide implementation of some or all components of Minneapolis 311 System. |
| Changing the Approach to Regulation of Local Food Systems in Minnesota. June 2015-June 2016. Karen Lanthier and Stephanie Van Dyke. Minnesota Institute for Sustainable Agriculture; funded by Bush Foundation Community Innovation Grant. https://mnlocalfoodregs.wordpress.com/ | | | |  | |
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Referral Organizations Chart

Ideas for Inspectors when working with Food Entrepreneurs

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Community/Non-Profit Resources** | | | | | | | | | | | | |
|  | Community and Economic Development Associates | Hmong American Farmers Assoc. | Land Stewardship Project | Latino Economic Development Center | MN Farmers  Market Assoc. | MN Farmers Union | MN Farm Bureau | MN Food Assoc. | MN Institute for Sustainable Agriculture | Regional Sustainable Development Partnerships | Renewing the Countryside | Sustainable Farming Association |
| ***Business Development*** | ✔ | ✔ | ✔ | ✔ | ✔ |  | ✔ | ✔ | ✔ |  |  |  |
| ***Farmer Education /Support*** |  | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ | ✔ |  | ✔ | ✔ |
| ***Financial management*** | ✔ | ✔ |  | ✔ |  |  |  |  |  |  |  |  |
| ***Food regulations*** |  |  |  |  | ✔ |  |  |  | ✔ |  | ✔ |  |
| ***Insurance*** |  |  |  |  | ✔ | ✔ |  |  |  |  |  |  |
| ***Language translation referral*** |  | ✔ |  | ✔ |  |  |  |  |  |  |  |  |
| ***Loans/Grants*** | ✔ | ✔ |  | ✔ |  |  |  |  | ✔ | ✔ |  |  |
| ***Membership*** |  |  | ✔ |  | ✔ | ✔ |  |  |  |  |  | ✔ |

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| --- | --- | --- | --- | --- | --- | --- |
| **Other Agency/Government Resources** | | | | | | |
|  | Dept of Labor and Industry | Minnesota Grown | Small Business Admin | Small Business Development Centers | Dept of Employment and Economic Development | Regional Economic Development Commissions |
| ***Business Development*** |  |  | ✔ | ✔ | ✔ | ✔ |
| ***Farmer Support*** |  | ✔ |  |  |  |  |
| ***Financial management*** |  |  | ✔ | ✔ | ✔ | ✔ |
| ***Food regulations*** |  |  |  |  |  |  |
| ***Insurance*** |  |  |  | ✔ | ✔ |  |
| ***Licensing and Codes*** | ✔ |  |  |  | ✔ |  |
| ***Loans and Grants*** |  |  | ✔ |  | ✔ | ✔ |
| ***Membership*** |  | ✔ |  |  |  |  |

|  |  |
| --- | --- |
| **Organization Name** | **Programs** |
| Community and Economic Development Associates | Community Support Program, Small Business Assistance, Community Development & Planning. http://www.cedausa.com/ |
| Department of Employment and Economic Development | Starting a Business (legalities, insurance), Managing a Business, Financing a Business (taxes, loans, recovery financing), Locating in MN, Expert Help. http://mn.gov/deed/ |
| Department of Labor and Industry | Construction Codes and Licensing, Occupational Safety and Health. http://www.dli.mn.gov/ |
| Hmong American Farmers Association | Agricultural Land Trusts, Alternative Markets, Business Development, Research, Trainings  http://www.hmongfarmers.com/ |
| Land Stewardship Project | Land Stewardship, Farm Beginnings, LSP Farmer Network, Farm Transition Tools, Community Organizing  http://landstewardshipproject.org/ |
| Latino Economic Development Center | Business Loans & Technical Assistance, Latino Academy Teocalli Tequiotl OIC, Greater MN, Special Projects  http://www.ledc-mn.org/ |
| MN Farmers Market Association | Insurance & Membership, Farmer’s Market, Resources, Conferences  http://www.mfma.org/ |
| MN Farmers Union | Membership, Advocacy, Insurance, Education (Youth Camps, Scholarships). http://www.mfu.org/ |
| MN Farm Bureau | Agriculture Transport Handbook, Farm Fresh Direct, Minnesota Farmers CARE, Safety, Speak For Yourself  http://www.fbmn.org/ |
| MN Food Association | Training, Education, CSA. http://www.mnfoodassociation.org/ |
| MN Grown | MN Grown Directory (farmers & markets), Farm Fresh Road Trip, Membership, Wholesale Directory  http://minnesotagrown.com/ |
| MN Institute for Sustainable Agriculture | Sustainers’ Coalition, Ask MISA!, Farm & Food Resources (Business Planning,Crops & Livestock, Farm to School, Local Food, Organic, Urban Agriculture, Beginning Farmers), MISA Publications Catalogue. http://www.misa.umn.edu/index.htm |
| Regional Economic Development Commissions | DevelopMN Initiative, Comprehensive Planning, Business Loans, Entrepreneurial Training Programs, Business Marketing and Retention Planning, Energy Efficiency Planning and Development, Management Planning. http://www.mnado.org/ |
| Regional Sustainable Development Partnerships | Five regional boards spanning Greater Minnesota, work with communities and award seed funding for sustainable development projects (clean energy, sustainable ag/food systems, natural resources, and sustainable tourism/resilient communities),  http://www.extension.umn.edu/rsdp/ |
| Renewing the Countryside | Publications (Growing Regional Wealth, Howard County Zoning Regulations, Accessory Dwelling Units to Support Farm Transitions), technical assistance, “Story Clearinghouse” (case studies on food-related businesses), Farm-to-Institution networking sessions, New Farmer University, farm transition planning, female farmer networking, specialty crop enhancement teams, on-farm food service.  http://www.renewingthecountryside.org/ |
| Small Business Administration | Financing, loan programs, resources for starting a small business, local mentoring and support connections, support to make a business plan, government contracting information.  https://www.sba.gov/ |
| Small Business Development Centers | Located in 9 regional centers in MN with pre-venture business services, startup business services, and established business services. Offer consulting (Access to Capital and Loan Packaging, Financial Analysis and Assessment, Accounting Systems and Literacy, Marketing and Research, Marketing Plan Development, Feasibility Analysis, Startup Assistance, Business Plan Development, Electronic Commerce/Website Development, Succession and Strategic Planning), does NOT administer loans/grants but helps small businesses find these. http://mn.gov/deed/business/help/sbdc/index.jsp |
| Sustainable Farming Association | Beginning Grazier Handbook, Deep Roots Farmer Development program, Farmer workshops (soil health, grazing, webinars), Farm Solutions podcasts, Farmer Networking, Chapter memberships (e.g. Lake Superior), Production-type memberships (e.g. sustainable sheep)  http://www.sfa-mn.org/ |

Appendix: Case Studies

**Wabasha Farmers’ Market**

An interview with Sara George

**Summary:**

* Desired outcome: linking a local hospital and school with farmers market produce.
* Two months of growing season passed between connection being made with an inspector and the inspection taking place.
* George did not understand some of the inspector’s requests for changes and was unable to get clarification that she could understand and work with.
* When clarification could not be found working with the local inspector, George did not know what additional recourse could be taken.
* When her inspector approved a tote sanitation plan but a separate attorney commented that her draft plan might need additional changes, George was torn between making additional changes and the likelihood that additional time would be lost.
* After spending thousands of SHIP dollars to connect with the school and the hospital, inspection was stalled over needing a permanent structure to inspect and list on a license, but there was no location at the Wabasha Farmer's Market to use or build.
* Inspectors face challenges when working with new and innovative food business models because they do not fit into traditional inspection boxes. A clear path for addressing these original ideas in a timely manner does not exist.
* If innovative small businesses models are desired, there must be a way to help small entrepreneurs reach their potential while still maintaining a safe food supply.

**The Story:**

As a mother, farmer, full-time employee at the Harborview Cafe, board member of the Minnesota Farmers’ Market Association (MFMA), and volunteer market manager of the Wabasha Farmers’ Market, nearly all of Sara George’s waking hours revolve around work within the food system. Even with all of this involvement in the food system, George still struggled in summer 2015 to advance a new project that would link Wabasha Farmers’ Market produce with the local hospital and school. This case study will highlight what happened and the challenges that arose.

This project began when money was awarded from the Minnesota Department of Health Statewide Health Improvement Program (SHIP) to create a farm-to-school program in Wabasha. Produce needed to supply the program would be combined at the Wabasha Farmers’ Market and then delivered to the school. George was aware licensing and regulation requirements would apply and wanted to ensure the program was a licensed and legal operation from the very beginning.

In spring of 2015, George reached out to the state farm-to-school coordinator (Stephanie Heim), Jane Jewett of MISA, and an Minnesota Department of Agriculture (MDA) inspection supervisor in anticipation of needing input for this unique project idea. George’s goal was to implement a legally-functioning farm-to-school and farm-to-hospital program in Wabasha, MN that involved combining product of multiple farms to meet the needs of both institution and school. The MDA supervisor and Jewett assisted George in understanding the food safety considerations for an outdoor, at-market commingling and sorting operation. After many lengthy discussions, George independently sketched-out three potential protocols for the safe commingling and sorting of produce at the market and was ready to receive inspector feedback. By early May 2015, George contacted her Minnesota Department of Agriculture inspector for the first time, expecting that the work completed earlier in spring would streamline the inspection process.

However, prior to contacting her inspector, George learned she must become a registered vendor with Taher, a contract foodservice management company, to be a farm-to-school supplier. In her original vision, George intended to promote the sale of extra, unsold produce from the vendors at the Wabasha Farmers’ Market to the school. When she discovered that Taher must register each vendor individually, George suggested making the farmers’ market the registered vendor.

After multiple phone calls, voicemails, and emails, George received a response from an inspector on June 10th and an in-person inspection on July 1st in Wabasha. Although 30 days is a standard response time expectation from MDA, producers are not always aware of this and it present difficulties when working within seasonal production. Her inspector had many tasks for George to accomplish before a license could be issued. Because of the differences in response time expectations between initial contact and inspection, George had difficulties finding the money and human capital to meet required changes in the height of the growing season.

Additionally, George expected to work through the pros and cons of her three potential protocols with her MDA inspector. However, inspectors typically are presented with a single, straight-forward business plan proposal. Because of this difference in expectation, George was surprised that she wasn’t collaborating more with her inspector to choose an option that was both efficient and safe. Instead, she received specific directives, such as have a tent, handwashing stations, tables, and a tote sanitization policy to ensure food safety.

Even with limited time mid-season, George drafted a Tote Sanitization policy to have it approved as soon as possible. Although it was approved by the MDA inspector, an attorney with the Public Health Law Center, contacted by a local SHIP coordinator, pointed to potential areas of concern in the draft. George struggled to decide if she should change the policy or leave it since changes would need to go through another review by her inspector.

One of George’s suggested protocols included a transport vehicle operated by the farmers’ market; however, by early July, George knew that purchase of a vehicle would not be possible in 2015. She attempted to get clarification about ways to proceed in 2015 without the vehicle. After the July inspection, George’s inspector informed her, “Even if you never use it, I need something to inspect.” After spending thousands of SHIP dollars to start a farm-to-school and farm-to-institution program legally, everything was prepared except for the fact that there was no permanent physical structure to be inspected. George was looking for a way to start up legally in 2015, and then grow and change in future years. Adding a transport/storage vehicle would be a possibility for future years but she was seeking a plan for the time being that allowed her to start-up without it.

Within MDA, current rules and regulations also constrain the ways inspectors feel they can operate. A clear pathway for accommodating innovative ideas - like those of George - does not exist for inspectors. This makes it difficult for inspectors to solve unique situations in a timely manner. After hearing from George that she would be unable to have a vehicle within the 2015 season, the inspector consulted with his supervisors and then had to tell George that his hands were tied because he could not license without a vehicle or location to inspect.

Other neighborhoods, towns, and cities have programs similar to George’s idea, but she has yet to understand how they have accomplished these programs in light of the many tasks (e.g. tote cleaning policy) and permanent physical infrastructure (e.g. truck or shed) that she was informed about. George stated, “It breaks my heart when I have to send the extra produce home with the hard-working farmers...If the farmers’ market vendors were able to supply to schools and hospitals, this would change.” George’s frustrations are further fueled because she was not able to work through the licensing issues with her inspector within the 2015 growing season. She had expected a more holistic approach during the licensing process that involved analyzing multiple options to bring her business idea to fruition.

As of December 2015, George is at a loss of what to do. She is willing to do almost anything to make the program work due to the energy and time she has invested into it. She could be successful with a license that accommodates her transient farmers’ market set-up and allows product pick-up by the buyers. However, the current regulatory system in Minnesota limits the opportunity for regulatory staff to troubleshoot with small business entrepreneurs who have innovative, boundary-pushing business models, while also ensuring a safe food supply.

***Key Terms***

***Commingling and Sorting***- Practice of mixing and arranging product from different farms for redistribution. When commingling product, documentation of farms from which product came is important for traceability of products in case of a food safety concern.

***Food Service Management Company (FSMC)*** *-* A commercial enterprise or a nonprofit organization that may be contracted with by the school to manage any aspect of the school food service. A FSMC may act on behalf of a school food authority and be in charge of directing any aspect of the food service.[[1]](#footnote-1)

***Farm to Institution*** - The connection of hospitals, daycares, and other institutions to local food grown by family farmers.

***Farm-to-School -***“Farm to school connects schools with fresh, local food grown or raised by family farmers.”[[2]](#footnote-2)

***Registered Vendor***- This is an individual or business who has presented information on their business(es) to an organization that requires this information. Often registration is required as a method of improving traceability of product if a food-borne illness were to occur.

***Statewide Health Improvement Program (SHIP*)** - Program of the Minnesota Department of Health (MDH) focused on illness prevention in counties across Minnesota by working directly with members of the community and community organizations within these counties.

***Tote Sanitization Policy*** - Documentation of the steps used to ensure vessels transferring product from one location to another are cleaned in a way to prevent foodborne illness.

**Clover Valley Farms**

Interview with Cindy Hale

**Summary**:

* Hale and Hall started raising poultry in 2004 and began selling their poultry from the farm in 2007.
* Clover Valley Farms was the subject of a case study completed by the Minnesota Institute for Sustainable Agriculture in 2011, which was shared widely with other experts and organizations in Minnesota.
* Clover Valley Farms was incorrectly told by an MDA staff person that outdoor processing of poultry in Minnesota was illegal
* The farm was in fact legal because Hale and Hall were processing fewer than 1000 birds per year and selling to individuals who came directly to the farm to pick up the birds
* After this incident, Hale and Hall made an economic decision to move away from poultry and into vinegar and other value-added production.
* This decision stemmed from the fact that they could not get insurance for their farm. Many insurers do not know how to assess risk for innovative farming models and are thus reluctant to grant coverage.

Cindy Hale and Jeff Hall run Clover Valley Farms in Northeastern Minnesota as a modern homesteading model that makes economic use of every feature of their farm. Integrated farming is key to their practice, and features of their integrated system include apple and small fruit orchards; pastured sheep, hogs, and chickens; a year round passive solar greenhouse; and more. Poultry production was added into the farm management system in 2004.

As time passed after this addition in 2004, Hale and Hall wanted to raise poultry as a yearly project that could fit with their off-farm jobs - jobs which revolved around the academic-year calendar. As a result, the Hale and Hall focused on growing their flock. During this growing process, they referred extensively to resources from the Minnesota Department of Agriculture (MDA) and connected with University of Minnesota Extension Educator, Wayne Martin - a specialist in small scale poultry production and other small scale livestock production. Hale and Hall began selling poultry from the farm in 2007, and specific details on their business planning methods can be found at: http://sustagprofiles.info/cvf\_intro.html

Because their integrated farming system was of high interest to other producers statewide and beyond, Clover Valley Farms allowed the [Minnesota Institute for Sustainable Agriculture (MISA)](http://www.misa.umn.edu/) to write an in-depth case study of their farm operations in 2011. As this case study neared completion, it was shared with many state and local experts within organizations like University of Minnesota Extension and the MDA. MISA staff were intentional in bringing in this expertise so that the report could accurately depict inspection and regulation requirements.

Trouble arose for MISA staff and Clover Valley Farm when a report draft was returned from MDA with a post-it note next to the poultry processing picture, stating that outdoor processing was not legal. As business owners trying to create a successful enterprise who had conducted extensive research during the planning phase, it was unnerving and traumatic for Hale and Hall to be unexpectedly told that their operation was illegal. MISA staff and a few reviewers from other organizations conducted follow-up discussions with MDA staff to determine the statute and rulemaking behind this statement. In the end, it was determined that the assessment made in that note was a misinterpretation of current rules and statute. Outdoor processing was allowed in the case of Clover Valley Farms because of factors like the processing of <1,000 birds per year and Hale/Hall were selling to individuals who came directly to the farm to pick up their birds. As a result of this experience, MISA worked with MDA staff over the next few months to develop information about poultry processing regulations that was included in the [Clover Valley Farms case study](http://sustagprofiles.info/cvf_poultry_mktng.html). Around the same time, the MDA also updated a [fact sheet](http://www.mda.state.mn.us/licensing/inspections/~/media/Files/food/foodsafety/poultrysales.ashx) that more clearly explained poultry sales and regulations for farmers.

The assessment that poultry processing was occurring illegally stopped the Clover Valley Farms poultry operation in its tracks until resolution could occur. Although all parties involved worked to get to the bottom of the issue as quickly as possible, Hale and Hall were unaware if any formal system for re-evaluation of an inspector’s or other staff person’s statement existed. Resolution of the Clover Valley Farms issue and clarification of the larger body of regulations surrounding farmer sales of poultry happened, in this case, because of the context of an organization (MISA) developing a publication that required accurate regulatory information. As Cindy Hale stated, “We (as farmers) really have to rely on the inspector or MDA staff, and if you get one who makes an offhand comment that is incorrect, the business owner doesn’t have the resources and knowledge to question the inspector.” Hale feels there is a strong need to clarify the appeal process.

Even though resolution was reached that allowed them to continue outdoor processing and on-farm poultry sales, Clover Valley Farms eventually decided to move away from the poultry business and into vinegar and other value-added production for economic reasons. Hale states, “While regulation turned out not to be the primary factor related to our decision to stop egg production, downsize meat production and ultimately get out of the on-farm poultry processing, it continued to lurk in the backs of our minds.” As it turned out, a larger issue that arose was around purchasing insurance. Because Hale and Hall have a mortgage on their farm, they must have insurance, but Hale has realized that many insurers do not know how to assess risk for innovative farming models and are thus unwilling to grant coverage. The regulations allowing on-farm processing and sale of poultry seemed ambiguous to insurers they contacted even after Hale and Hall provided extensive documentation of the registration process, legal requirements, labeling requirement, and more that made them compliant with federal and state regulations.

A positive result of the on-farm processing conversations has been that regulations around on-farm poultry processing are now more familiar to MDA inspection staff. Additionally, more information about on-farm processing has been included in new inspector training. One factor Hale would like to see improved is the clarity and availability of resources for farmers from the MDA. During the conversations on outdoor poultry processing, it came to light that Clover Valley Farms also needed to be registered as an on-farm exempt poultry producer - a fact Hale and Hall had not run across in what they had perceived to be an extensive search of the MDA resources. They discovered this document was listed under an egg production section of the resources - a place they had not looked as they were not selling eggs direct-to-customer, only meat. Hale still finds information difficult to locate on the MDA website. In a recent search for this form, as this case study interview was being conducted, Hale managed to find a link for the form after some searching, but it led her to a broken page. Hale pointed out that she also knows to look for this link now, but it can be a lose-lose situation for farmers and food entrepreneurs if they are expected to complete documentation but can’t find information on that expectation easily on the MDA website.

An additional factor Hale feels might have improved the Clover Valley Farms experience is for the regulatory system to have a clearer appeal method. She’d like it if more farmers and food entrepreneurs knew where they could make rapid appeals for second opinions on inspection mandates - especially those that would completely halt production. Furthermore, Hale states, “... while an appeals process would be good, this only becomes necessary if and when a problem arises. Even better, would be better access to complete and easy to understand information related to various regulatory requirements before an issue arises. Most farmers want to comply with laws and regulations, but if they can’t easily find them or interpret them this leads to problems...and then you need an appeals process.”

**Crow River Ketchup**

Interview with Mary Jane Miller

**Summary**:

* Miller had experience in food science, product development, and culinary worlds but still needed regulatory direction to reach the Crow River chapter’s ketchup production goals.
* Miller had the correct license to sell at a city of Minneapolis farmers market. She did not have the correct license to process produce in a commercial kitchen, and did not have the correct license to sell through the online co-op.
* Miller was never asked by an inspector to have an additional license for the co-op and was unaware of the issue. Similarly, no inspector asked about a license for the commercial kitchen processing. Miller had believed she was covered by the kitchen’s license, not realizing she needed one for herself in addition.
* Miller had the labeling completed in Indiana, per her copacker’s recommendation, but later realized she could have completed it in Minnesota.
* Miller benefited from having a mentor who had experience developing a similar product, but still had points of confusion when navigating regulations.

**Introduction:**

As an experienced business consultant, Mary Jane Miller has most recently used her background in food science and culinary work as well the knowledge she learned from working with large-scale, corporate-level food companies, to assist a small, local food business in Minnesota.

Miller started her consulting career in product development with large food businesses, including Pillsbury and General Mills. She later went to work with Target on their Archer Farms brand, which gave her extensive experience working with copackers. Throughout this time, she worked with a large team of professionals to create the Archer Farms products and get them on the shelves. Recently, Mary Jane Miller’s work has jumped to a smaller-scale business, the Crow River Ketchup Project, where her business knowledge has been helpful.

A resident of the Crow River area, Miller is a member of the Sustainable Farming Association’s Crow River chapter. In September 2014, a chapter member explained he had excess tomatoes leftover from his growing season, even after delivering many to the Hopkins School District. He did not know what to do others that were destined to go to waste. Miller used her business skills to outline what it would take to make a product, in this case, ketchup, with these leftover tomatoes. Unexpectedly, everyone around the table became engaged and excited with the idea, so Miller, along with SFA member Chris Kudrna (a chapter member knowledgeable in finance), put together a business proposal of what a ketchup enterprise would look like. This was presented to the Crow River chapter board as a method of making extra money for the chapter outside of dues and without seeking grant funding. They then hired Miller to carry out the project and created a “Ketchup Advisory Committee”.

Miller’s prior business career did not prepare her for navigating food regulations at the small-business scale. In her work for corporations, all licensing was handled by a legal team and she as a product development specialist had no involvement with legal or regulatory aspects of food sales. She was completely unaware of the existence of the food regulations that applied to the ketchup project. Much later (during the writing of this case study) she found out about the MDA’s publication, “Starting a Food Business in Minnesota,” and realized that it would have been very helpful in that start-up phase for the ketchup enterprise.

Chapter members volunteered their time for product preparation in a church’s commercial kitchen, chopping and roasting onions, tomatoes, and garlic. Crow River Ketchup did not have a license to work within the commercial kitchen space, but the kitchen itself was approved as a commercial kitchen. Throughout the course of the production and sale process, no inspector asked if they had a license to use this space.

Miller ran into complications around labeling and selling the chapter’s product. Not knowing where to go to complete her labeling, Miller took a recommendation from a trusted copacker for a labeling resource at the University of Indiana that is designed specifically for food entrepreneurs. Luckily for her and the chapter, it was not terribly expensive to go out of state and their labeling was specifically designed to meet the needs of small food producers. Later, Miller found out about Minnesota resources that she could have contacted, had she known they existed. Miller worked with professional labs to analyze her produce and create the nutrition label at the end of production. This would have been the ideal time to send out all the information to the regulators who would license her, but she didn’t know that she should do this.

By luck of being at a farmers’ market where she was sampling barbeque sauce, Miller found a mentor with a similar circumstance to the ketchup project who could help guide her in through licensing. If Miller had not met this mentor, she believes it would have been difficult to know where to start and what was needed. For example, when Miller filled out the application for the farmers market, the market manager said, “I’m sure you have all the licenses in place.” At this point, Miller had no vendor licenses to sell the products in Minneapolis. Miller found out three days before the start of the market that she needed licensing. Worried, Miller asked her mentor what licenses she would need to have, and he suggested a food market distributor license, a wholesale food handler license, or a retail food handler license depending on where the chapter intended to sell the product. In the end, she drove to Minneapolis and carried documents desk to desk in order to make sure everything was ready for the first market day. Because they planned on selling at the Mill City Market, Miller obtained a food market distributor license from the City of Minneapolis.

The Crow Wing chapter also wanted to sell the ketchup through the Buffalo Co-op (an online marketplace), but there was a discrepancy between two inspectors’ statements. Connie Carlson, the president of the Co-op, worked with the inspector and was told that the chapter would not be allowed sell the ketchup through the co-op. However, when a second inspector happened to replace the initial one, this new inspector stated that they could proceed with sales. This was frustrating for Carlson and Miller to have two different opinions from inspectors who were trained under the same guidelines. Had the inspector not changed, the chapter would have been stuck at this juncture. Inspectors did not mention any additional licenses being needed beyond the food market distributor license. Miller was surprised to learn, during the writing of this case study, that there should have been additional licensing for sales taking place outside of the City of Minneapolis.

The project was not entirely completed by the end of Mary Jane’s contract with the chapter. The chapter analyzed the numbers and how to increase marketing for the product. After realizing they could not make a profit from this ketchup, they decided to look into other product avenues. They learned a lot and are working on what next steps might be.

Looking back on the process, Miller believes that contact with a coach or someone in addition to her mentor would have made the process more straightforward and streamlined. Ideally, this coach would have been versed in the process of starting a food business so that Miller could have gone from point A to point B without having unexpected detours in the middle. One of the major take-aways from the ketchup project is that it would have been helpful to have someone to keep the ball rolling and moving. With a project manager to keep licensing and next steps in order, the project may have been finalized more quickly. Additionally, Miller said it would be interesting to re-create a work team within the Sustainable Farming Association,, similar to the team she worked on at Target, that could play some of this project management role. This way, the small food entrepreneur would be able to plug in and be directed to all of the relevant pieces right away (e.g. marketing, financing, licensing, production).

For now, the Crow River SFA chapter is looking to turn the ketchup business into a different value-added product. They want the product to be unique, to reflect the taste of the Crow River Valley, and to be viable for both the chapter and farmers from whom they purchase. Being a proactive organization with the human knowledge, resources, and capital to make it happen, they are optimistic that they can make another value-added product to support the Crow River chapter of SFA. Even though this project had Miller’s previous food business experience and the licensing knowledge of her mentor, this project still faced setbacks. Working on a product within a large, multi-department corporation with various types of expertise readily available is a very different experience from working on a product within a non-profit group without that kind of support network. Aspects of this story can be used to inform what kind of guidance would be useful for other entrepreneurial food businesses.

**You Betcha Kimchi**

Interview with Iman Mefleh

**Summary**

* Mefleh and Silberschmidt created You Betcha Kimchi to sell a healthy, fermented food to the broader community while also running Growing Lots Urban Farms. Their goal is to make their kimchi out of all locally grown ingredients.
* At the beginning of their kimchi production, Mefleh and Silberschmidt inaccurately believed they were operating legitimately after registering their business with the Secretary of State, but were shut down after discovering they needed to be licensed through the MDH and City of Minneapolis as well.
* Mefleh and Silberschmidt quickly outgrew home kitchen production scale and moved into a commercial kitchen space, but confusion on correct licensing still abounded. Mefleh is still unsure if they truly have the correct licenses.
* Kimchi presents unique challenges in that it requires bacterial fermentation, requiring food production processes that often go against traditional food safety recommendations.
* Mefleh feels a culture shift is needed among both inspectors and their broader agencies to have a more collaborative outlook on working with small food entrepreneurs - helping them identify alternative best practices when standard food safety practices won’t fit their processing needs.

**Introduction:**

Iman Mefleh and her husband Joe Silberschmidt own and operate two businesses: You Betcha Kimchi, started in October 2013, and Growing Lots Urban Farms in 2014. Their plan was to start the kimchi business, test out the business plan using vegetables from an organic and local vegetable farm, and then start a farm that would allow them to grow all of the vegetables for their kimchi. Having no farming background but a desire to learn, they took the Farm Beginnings class at Land Stewardship Project and interned on a friend’s farm before acquiring Growing Lots Urban Farms.

**First Steps:**

When Mefleh and Silberschmidt started You Betcha Kimchi, they registered their business through the Secretary of State’s office and began their business. They tested their recipes with friends, scaled-up to bigger batches, and worked on standardizing the recipes. This initial work was done in their home kitchen with sales to friends conducted on Facebook.

One day, Mefleh and Silberschmidt received a call from the City of Minneapolis Health Department saying that they had to shut down because they were an unlicensed food business. This was a huge wakeup call for them; at the time, they were unaware of the need to also be licensed by the health department in addition to registering with the Secretary of State’s office. Mefleh asked for information on the types of possible licenses, and they quickly applied for and received a home processor license from the City of Minneapolis to continue to work out of their own kitchen. Sales continued to thrive and Mefleh and Silberschmidt quickly outgrew their personal kitchen space and began looking for a commercial kitchen space.

**Moving to City Food Studio**

Mefleh and Silberschmidt landed on City Food Studio, a commercial kitchen located in Minneapolis, MN. However, as this was in the middle of the year, they continued to operate with a home processor license until it was time for renewal; they had just submitted a payment for the home processing license before moving and didn’t have extra money to spend on another new license. Although they suspected that the location change might be an issue with their licensing, they were confident in their food safety practices since these did not change between locations. Many licensing and inspection concepts became clearer after they moved to City Food Studio since other food entrepreneurs shared with them their stories of confusion and how these were resolved.

When the home processor license was close to expiring, the transition to a new licensing for a commercial kitchen space was confusing. Mefleh has copies of an e-mail chain of communications with City of Minneapolis Health Department regulators that is filled with conflicting answers about which license to obtain. Mefleh stated, “I could still be wrong. I’ve gotten so many different answers - multiple people in the same department told me different things.” In the end, it was anticipated that the business’s wholesale accounts were going to be much larger than their farmers market accounts, so they obtained a wholesale manufacturer license through the MDA and a farmers market license through the City of Minneapolis which allows them to sell at the Northeast Farmers Market. However, to them, it is puzzling as to why they need double licenses. “If we already have a license through the state, why do we also need another license to do the farmers market?” Mefleh and Silberschmidt stress that they work hard to make sure that their kimchi is safe to eat regardless of the venue in which it is sold.

**Balancing Inspector Recommended Practices and Kimchi Creation Needs**

One issue Mefleh and Silberschmidt have run into repeatedly is the fact that kimchi is a fermented food and it doesn’t have clear guidelines and best practices specific to it in health code. “We *want* to keep our food at the danger zone, unlike other food businesses, because we are fermenting (which requires healthy bacterial growth). That’s our strategy. We are depending on (healthy) bacteria to make our kimchi,” said Mefleh. “It is interesting to balance what we know is right for fermentation and also almost teaching the state what fermentation means...while also having to comply with some things the state demands,” says Mefleh.

An example of this challenge is that Mefleh and Silberschmidt cannot use the same commercial sanitizer that almost everyone uses in commercial kitchen spaces, because it turns their kimchi batches grey. Unfortunately, Mefleh and Silberschmidt have had difficulty finding alternative options and no one they’ve spoken with can advise on alternative sanitizers. Mefleh and Silberschmidt are at an impasse - “the health inspection system is not set up for this kind of [fermentation] processing. We could sanitize our equipment with soapy water, by boiling, or by baking, yet our inspector’s suggestion has always been to wrap the kimchi in plastic.” They want to do whatever it takes to have a safe product, but their first and foremost focus is making a high quality product. Having regular plastic exposure to their kimchi compromises that quality, and they would like to work with their inspector to find other acceptable sanitation practices.

Furthermore, although their inspector relationship is a fairly amicable one, Mefleh feels her inspector doesn’t “get” fermentation and is not able to think creatively with them on acceptable production solutions. In addition, during their last inspection, their MDA inspector used FDA inspection guidelines and was asking different questions to both Mefleh and Silberschmidt when they weren’t in the same room - a tactic which Mefleh and Silberschmidt felt was possibly being used to test for conflicting answers. Mefleh found this use of FDA guidelines and questioning methods inappropriate. She’s too small to fall under the FDA regulations they were being inspected for, and Mefleh had to say to her inspector multiple times, “This is an MDA inspection so please let’s stick to that.” Mefleh stated, “inspectors should be your ally - they should stop you from doing things that are bad for food safety, while also helping you be better.” It feels to her, instead, that inspectors would rather shut down any business that does not fit simply into health code.

**Ideas for Systematic Improvements**

Mefleh had many ideas for what needs to be improved in the licensing and regulation system in Minnesota. One suggestion Mefleh had was for the Secretary of State’s business filing website to ask you, when filing your new business, if you are starting a food business and recommend a number to call at MDA or MDH for those who are. This would increase the chances that anyone starting a food business also knows about the need to work with MDA and MDH. Secondly, Mefleh thinks that the web resources from the agencies need to be drastically improved. In a day and age when almost anything is accessible on the internet, it’s puzzling as to why it’s so hard to navigate and access government websites to get the right information. Thirdly, Mefleh thinks that it should be easier to navigate growing your business from small to medium-sized. She knows they want to head that direction with You Betcha Kimchi, but there’s not a lot of supportive, incubating room for medium-scale businesses.

Lastly, to Mefleh, it feels like the state is resistant to assisting small, unique business models. It would be an improvement if the inspection culture and state statutes made room for innovative ideas, acted more as an ally than as an enemy, and were more open to assisting in developing food safety practices that don’t fit into standard check boxes. “I value food safety and believe inspectors need to make sure people are using safe practices, but I do think that there are things that we do for the sake of ‘food safety’ which make food toxic to our bodies and have detrimental impacts on the environment (including micro-environments),” explains Mefleh. Some examples of what Mefleh means by this include, “using plastic wrap excessively, or using it to cover things that may leach chemicals from it, or using chemical sanitizer when we know that it kills good bacteria that are necessary to keep pathogens in check, and mostly pathogenic bacteria can survive when it is used.”

**Conclusion**

Mefleh says that in general, food entrepreneurs are dissatisfied with the licensure process for startup food businesses. “If you go around City Food Studio and ask what people think about the licensing process, you’d get various kinds of responses and swear words. It’s just not easy,” says Mefleh. The people she knows who have food businesses and have stuck it out past a year are operating in a very hectic environment, and the licensing and inspection process does not make it any easier. Mefleh has actually consulted with a few people who want to start food businesses and recommends that they look up the licensure requirements before they start anything -- it’s too risky not to. “It should be so clear - abundantly clear - which license you need. Why should there be confusion or questions about which license you need?” If the state really wants to have safe food, finding and understanding the information to do so should be obvious and accessible to everyone.

For Mefleh, being part of the systematic change that needs to take place to allow room for innovative food businesses is worth the struggle. “I’m willing to go through a lot of the struggle because I think it’s worth it. The system is never going to change if people get shut down for trying. We are trying to persevere, even when things have been tricky and the government isn’t understanding of what fermentation really means,” concluded Mefleh.

**Abundant Catering**

Interview with Jackie Williams

**Summary**

* With over 40 years of experience in both the corporate and small business food worlds, Williams is an executive chef with abundant experience and a drive for excellence.
* Williams’s experience, combined with business development assistance through the Micro Entrepreneur Program, Minority Economic Development Association, and classes at Women’s Venture all helped her succeed when beginning her own business.
* In 2009, Williams began operating out of A Toast to Bread but needed to find a new kitchen out of which to operate when A Toast to Bread was shut down in January 2014.
* Communications between state inspectors and individual owners who had operated within A Toast to Bread were lacking. Williams was unaware that her business was listed as “out-of-business” by the state until she needed to communicate with state inspectors about obtaining a license for the Renaissance Festival.
* Current discussions with a City of Minneapolis inspector about the Kenwood Isles kitchen expectations leave Williams and the manager of the property desiring clearer understanding of expectations since they vary by inspector.
* Williams has a number of inspection and general improvement ideas related to food safety coursework requirements, recognition of minority/ethnic business owners, increasing incubator kitchen space, and more.

**Introduction**

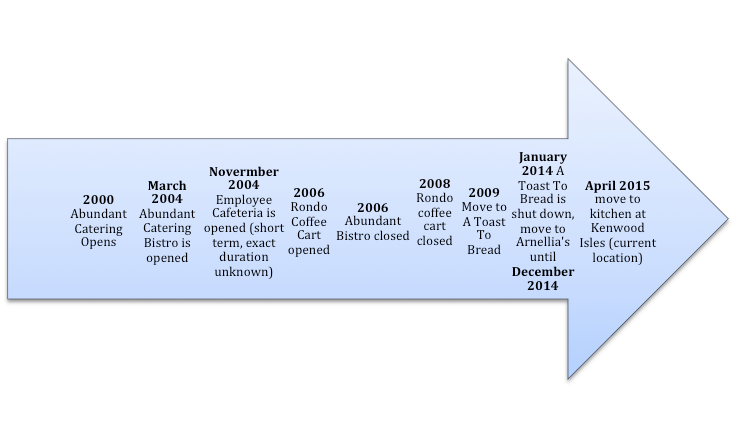
Jackie Williams is an executive chef with over 40 years of experience and owner of Abundant Catering in Minneapolis, MN. Abundant Catering was founded by Williams in 2000 and has been at the root of her food business enterprises ever since. Williams is driven by a desire for excellence, a fact that can be seen throughout her career. Early in her career, for example, Williams became the first African American woman to graduate from the Chef Apprentice Program at Allegheny Community College.

Williams career began as a corporate trainer for Houlihan's and then transitioned to an Executive Chef position in corporate restaurants in 1990. In 1996 she left corporate America to work at Eat Your Heart Out Catering, a backstage entertainment catering company. In 1998, Williams left Eat Your Heart Out Catering to start her own catering business, In Good Taste Catering. However, when she got her business license from the Secretary of State, she did not incorporate the “In Good Taste Catering” name. As time went on, she found out there was another woman with the last name Williams who also had a Minnesota business called In Good Taste Company. Williams thus had to change her company’s name and decided on “Abundant Catering”, which she incorporated in 2000.

**First Steps**

When Williams first started her business, she went through the Micro Entrepreneur Program at the Neighborhood Development Center (NDC) in Minneapolis. She worked with the Minority Economic Development Association (MEDA) to write a business plan, and also consulted with and participated in finance classes at Women’s Venture. Ultimately, she obtained funding to start her business from NDC, but the input and knowledge from NDC, MEDA and Women’s Venture helped her have a solid, well-thought-out business plan.

The first step Williams took when starting her business was to register her business at the Secretary of State. She learned the hard way that she could have saved money by registering the business and incorporating the business name at the same time, but this was not clear when she initially registered with the state. After this registration, Williams contacted The City of Saint Paul and had an inspector come out to conduct an inspection of the kitchen space she was using.

Throughout the first years of Abundant Catering, Williams tried a number of business ventures (illustrated in timeline below) in addition to the catering. From 2004-2006, Williams operated Abundant Catering Bistro (a soul food restaurant located in Saint Paul). In 2004 she also operated an employee cafeteria for a very short period of time, and from 2006-2008 she operated a coffee cart in the library in the Rondo Neighborhood of Saint Paul. When Williams closed down the Abundant Bistro restaurant in 2006 to more deeply pursue the coffee cart business, thinking that it was the smart business decision, it unfortunately wasn’t successful. Williams then decided to regroup and refocus on just Abundant Catering and has tried this focused approach to her business ventures ever since.  **A Toast To Bread**

In 2009, Williams decided she wanted to started making food again, but since she no longer had the Abundant Bistro to work out of, she began operating at an incubator kitchen in Saint Paul called A Toast To Bread. Early on at A Toast To Bread, Williams noticed a food safety hazard with another operator’s food preparation process. This operator was making a fermented bread starter in a noncontrolled, open environment. Since she was good friends with the owner of A Toast To Bread, Williams asked him if he was sure that this person was allowed to operate under these conditions. The owner said everything had been ‘okayed’, so Williams went on with her day-to-day operations even though this practice went against her years of experience with the inspection process and safe food preparation. Then, in early 2014, a state inspector came into A Toast To Bread to meet with a new operator who was trying to get licensed. Although Williams was not present when this occurred, she was told that the inspector immediately called his supervisor when he saw the other operator’s open-air fermentation process.

That night, Williams received a call from the owner of A Toast To Bread, saying that she needed to look for another kitchen out of which to run her catering business. Within days of inspection, A Toast To Bread was shut down and those who operated there needed to find somewhere else to run their business. Rather than directly notifying each business owner operating with A Toast To Bread, the state inspectors instructed the owner of A Toast To Bread to inform each owner of the closure. Additionally, each business operating within A Toast to Bread was registered as “out of business”, but this was also not directly communicated to Williams verbally or in writing from state inspectors. It wasn’t until later, when Williams went to register to serve at the Minnesota Renaissance Festival through MDH that she found out she was registered as “out of business”. She then had to fax over her license and prove that she was still in business and had never been out of business. Immediately following the closure of A Toast to Bread, Williams began running her catering out of Arnellia's, a bar and restaurant in St. Paul run by a close friend, where she stayed until December 2014. Then, in April 2015, she moved to the kitchen at Kenwood Isles, where she has been ever since.

Williams felt lucky to have the connection to her friend at Arnellia's because it allowed her to continue operating her business - even though she was unaware that her business status had been changed by the state. In hindsight, she believes this unbeknownst registration as “out of business” may have had an effect on her amount of business since she had been on the state of Minnesota’s list of minority-owned business under the Targeted Group/Economically Disadvantaged/Veteran-Owned (TG/ED/VO) Small Business Procurement Program but was removed automatically when listed as a closed business.

**Interactions and Inspectors**

Williams now operates out of the kitchen in the Kenwood Isles condominium building. She’s been there for about a year and is licensed through the City of Minneapolis. She also has been at the Renaissance Festival since 2009 and is now licensed for that operation through the MDH.

Williams describes her relationship with her City of Minneapolis inspector as ‘okay’. “The problem with him is that he’s a new, young guy. I’ve been in the industry for over 30 years and this kitchen has been here for 30 years. He came to inspect the kitchen this year, which has been licensed for 30 years, and told me, ‘you need to install a three compartment sink in this kitchen.’ Why do we need a three compartment sink, all of a sudden, when we have a dishwasher?” Williams got the building manager, Pat, involved, and they contacted this inspector’s supervisor. The email that Pat received back said that kitchen should have never been licensed in the first place without a three compartment sink and went on to ask for floor plan changes as well. This has felt like an unexpected and costly change in expectations to Williams and the building’s manager considering they’ve never been told there were any issue with these features with previous inspectors. Pat and Williams are continuing to communicate with the City of Minneapolis to work through any issues.

This setback, Williams noted, relates generally to her other experiences with inspectors. She noted that it is difficult to predict what a new inspector will focus on and thus make improvements in advance of inspection. She described her love-hate feelings about “old school” inspectors: “they go by the book and look in the littlest crack - really inspect everything. The younger ones come in and the things you think they are going to look at they ignore, and the things they do look at - it doesn’t pertain (as directly to food safety).”

**Ideas for Systematic Improvements**

Because Williams has so much experience and knowledge in the food business world, she feels as though the confusion around the inspection process hasn’t impeded Abundant Catering. However, she does have ideas for improving the system. For example, she witnessed cross contamination and other food safety issues among some operators within the A Toast To Bread. Often, these were operators with MDA licenses that didn’t require operators to take Certified Food Manager or other food safety-based trainings. “Anybody who handles food should have to take the class. MDA doesn’t require that, but they should...they should make it a law to make everyone safe.”

An additional opportunity for improvement is for the state to recognize challenges around promoting minority and/or ethnic small business owners. Abundant Catering is certified with the state as a minority-owned business under the Targeted Group/Economically Disadvantaged/Veteran-Owned (TG/ED/VO) Small Business Procurement Program, but this doesn’t automatically create the more equitable conditions it is intended to create. Williams pointed out that its focus misses the broader picture of an individual business owner’s experience that is beyond their race/gender/ethnicity. “When they put us all as minorities – Hispanics, Asians, blacks...everyone is minorities - as a black woman, you are still fighting...we still struggle,” says Williams. “[Right now] it’s true when they say ‘well it doesn’t matter how much experience or education you have” says Williams. Although Williams has a wealth (over 40 years) of food business experience and education, this is not captured in the limited scope of the TG/ED/VO Small Business Procurement Program.

A greater system challenge for startup food entrepreneurs is finding an incubator kitchen. There is much more demand for incubator kitchens than there is supply, and many kitchens have specific stipulations attached (e.g. only gluten-free foods can be made). Additionally, she sees many food entrepreneurs chasing food truck ideas because it seems simpler than finding a kitchen, without realizing they’ll need a commercial kitchen space for cleaning of that truck equipment. Her advice to other food entrepreneurs is to know the differences between food businesses and know what kind you want to do. Additionally, knowing where to go to get your license (MDA, MDH, or delegated authority) is also not only necessary but extremely helpful if you get it right the first time. Lastly, Williams said that she thinks every business entrepreneur should begin by heavily researching their business options. “Start out at the J.J. Hill Library - it’s a business library; anything you want to know about starting a business you can find there.”

**Conclusion**

Looking back, Williams thinks she might be more successful in her catering business if she had just stuck with the catering business instead of testing many additional business ventures, like the coffee cart. She decided eventually to reassess and now solely focuses on catering. “My hands were in too many things to perfect just one thing...my advice to other food entrepreneurs is to not grow too fast. When you grow too fast, you’re going to fail,” said Williams. However, now that she is focusing only on Abundant Catering, her business is doing very well.

**Healthy Food Safe Food - Farm to Table Focus Group Case Study**

**Why the HFSF Initiative?**

**by Tim Jenkins, MDH**

Food safety regulators assess and control risk for acute illness from the farm and along all points in the distribution chain until the consumer obtains or consumes the food product. Food access professionals assess “food environments” in communities and in a variety of settings in order to plan and implement strategies to ensure all communities have equitable and reliable access to a sufficient amount of safe, healthy food. Both food safety and food access are equally important to public health. The Food and Agriculture Organization (FAO) of the United Nations declared in 1992 that access to safe and nutritious food is a basic human right. The World Health Organization (WHO) stresses that food safety must accompany food and nutrition security, and the 2015 World Health Day focused on food safety from farm to plate. Both the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA) have strong programs to promote food safety and healthy foods. The State of Minnesota also places high value on safe, healthy food and is recognized widely for excellence in both areas.

Minnesota is also considered one of the healthiest states in the country. However, a statewide assessment has found that not all Minnesotans have the same chances to be healthy. Those with less money, and populations of color and American Indians, consistently have less opportunity for health and experience worse health outcomes. There is an urgent need to eliminate barriers for low-income and other populations experiencing inequitable access to healthy, safe food. Efforts to make healthier food available and accessible are, in some cases, hindered by rules, regulations, and policies designed to keep people safe from foodborne illness. Conversely, the transition to a fresher, more healthful, food system with more involvement of community members in learning food skills and handling food comes with the need for food safety education and strengthening of food safety practices. There are also broader issues like the need to strengthen the regulatory system’s capacity to respond to emerging innovative businesses, farm to table, that are responding to increasing demand for equitable access to healthy, safe foods.

**Introduction**

The Healthy Food Safe Food Project (HFSF)is a collaboration between University of Minnesota

Extension and the Minnesota Department of Health (MDH). Many factors pointed to the need for a formative evaluation of the food regulatory system, including experiences collected within both organizations, knowledge gained during the Minnesota Food Charter creation, and others.

**This project identified points of action on challenges that can be addressed by agencies, organizations, and food policy networks throughout Minnesota to increase access to food that is both safe *and* healthy across the state.** Specific HFSF project goals were to:

* Increase understanding of how food regulations shape access to healthy food for those who have the greatest barriers to access such as SNAP recipients, low income populations, and others most impacted by health inequities
* Identify food safety rules, regulations, and policies that hinder healthier foods choices. Some regulations, meant to ensure that we have safe foods, may make it harder for people to access healthy foods
* Develop strategies to change policies, systems, and environments to make it easier for food businesses to provide healthy food while ensuring food safety
* Create resources that make it easier to navigate the regulatory system, ensure food safety, and access the markets to meet the increasing demand for healthy, fresh foods
* Prioritize 10 important regulatory barriers to food access for SNAP recipients, low income populations, and others most affected by health inequities and create an action plan (systemic processes, communications, educational, and specific regulatory barriers/issues) to address these barriers .

This case study is specifically focused on the discussion points of action identified within the Farm-to-Table Focus Group meeting held at the University of Minnesota in November 2015 and supported in part by the Local Foods Advisory Committee through their Bush grant project. Participant backgrounds include farmer, child care provider, school food service director, food truck manager, community kitchen operator, and hunger relief system administrator.



**Focus Group Needs, Ideas, and Priorities**

Focus group participants were engaged and passionate about providing healthy food. They recognized the urgency to address health issues associated with the food supply and the obligation Minnesota has to advance health equity. Participants also had extensive experience providing safe food to the public and placed high priority on food safety. People owning and operating food businesses would like help in transitioning to a healthier, more equitable food business model. Their top needs, ideas, and priorities were:

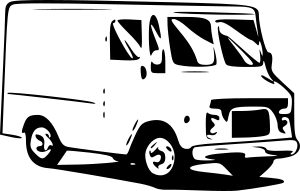
* Develop grants, funding, loans options for facility equipment and start-up costs
* Provide technical assistance to market healthy foods
* Prioritize assistance to small and non-profit food operations that especially face regulatory barriers and often are the ones serving people of lower income or with other food access challenges
* Provide food safety systems, education, and training
* Support food hubs or other food distribution infrastructure for small growers and food businesses - the state was seen as playing a role in this since it supports other types of essential infrastructure
* Create easy-to-navigate regulatory and licensing process at the State and Local levels
* Re-design regulatory process to foster transparency and collaboration between regulator and business operator
* Centralize sources of information for food safety and for contacting the appropriate regulatory staff to meet the needs of food businesses
* Implement a statewide service to match local farmers to restaurants, grocery stores, food shelves and institutions looking for local foods

**Barriers and Potential Solutions (As Identified by Focus Group)**

Throughout the course of the focus group, different barriers to offering both healthy and safe food across Minnesota were raised. The following is an overview of the barriers discussed:

Licensing

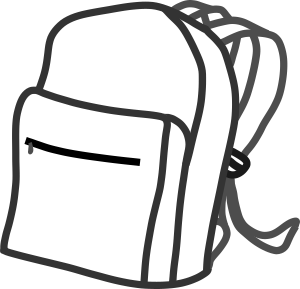
Some organizations are required to hold multiple licenses, even though they are held to the same food safety standards for each license. This cost makes it difficult to start and stay in a business



***Example:*** a food truck needs a mobile food vendor license to sell on the street. If they want to go off-street, they need a catering license. If they want to do a special event, they need a special event license. In addition, a food truck may need a license in more than one county.

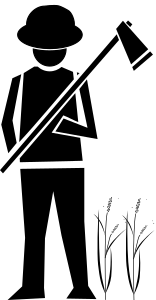
Focus group participants noted that the bureaucracy is difficult to navigate. There is no single source of information on inspection and licensing, so trying to figure out what a new business or new effort requires is challenging. “*[The licensing system is] Difficult to navigate. The bureaucracy is deep. There are people at the city level who are very helpful, but you have to find them. Trying to figure out what you need is a nightmare. There is no one source.”*

Participants also discussed the need to cultivate a relationship with their inspector. They perceived it as a responsibility of the licensee to develop a relationship with their inspector in order to have greater success. One licensee purposefully sought out a sanitarian who was open to her vision, and then she worked closely with the inspector as she implemented her vision.

***Example:*** *“When I first came to the school district, I had a sanitarian who wasn't a visionary. He was very [particular] about food practices, and I knew that I could never bring in local food. And so I asked for another health inspector. And so when we started moving forward bringing in local products, I worked very closely with her to set up guidelines and whatnot.”*

Another barrier mentioned by participants was that rules can be interpreted very differently among inspectors and by businesses. “*Interpretation is key. I've butted heads with some city inspectors over lots of things. (I ask,) ‘Even though it doesn't say?’ (and they reply,) “Well, that's how we interpret it.” Well, how am I supposed to know that? It's not spelled out. There's that grey area and so interpretation is everything at that point.”*

When a change is required, these changes often frustrate food business operators because inspectors say what shouldn’t be done but don’t offer direction for resources that could help correct the issue.

***Example:*** *“From the perspective of the farmer, we've got barriers and conflicts thrown at us all over the map…Most of us who grow vegetables are independent [producers] and it's something new and there's no support system. I wanted to get direction from the Department of Health and the inspector about what I'd need [to build a storage and washing facility on my farm]. There was absolutely no help. I understand that because…everything is up to interpretation… In actuality a lot of these policies really don't mean anything, it's just something for the lawyers to talk about when there's a problem.*

Participants went on to point out that it seemed like the most difficult issues, relating to licensing, occurred during the startup phase of a project.

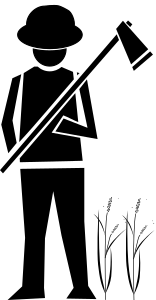
One recommendation was that licenses be streamlined to make it easier to know what is required so licensees can more easily implement their business vision. It would be helpful to have resource materials developed that licensing agencies can give to licensees, showing where they can get additional help.

***Example:* “***This is probably putting a lot on the licensing people, like MDH, but when they go out to do an inspection or when they provide licensing, do they sit down and talk to the farmer, or the caterer, or the restaurant about, "Here's this list of resources”? “Here's this Minnesota Craigslist for networking. Here's where you can go for networking." There needs to be some central place that's getting this information to somebody. It seems to make sense for me...To give those licenses, not just your inspection and your food safety, but "We are here, we are going to share some resources with you."*

Recommendations also included looking to the food shelves as another model of how to do food safety inspections in which inspectors play a more supportive role.

Food Sampling

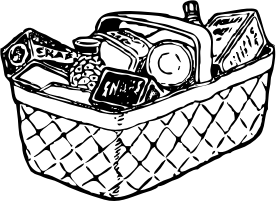
Beyond licensing challenges, focus group participants dug into food samples as a specific challenge area. They talked about food shelves needing to have a three-compartment sink for food sampling, cumbersome farmers market rules, and changed SNAP-Ed priorities that limit their educators abilities to conduct food sampling as a way to encourage students to try new foods.



***Example:*** “*What better way to get kids and families excited about fruits and vegetables than by letting them taste things? But the regulations for sampling, at the farmers markets, even if it's just an apple, there has to be a sink\*. So they have to make all these provisions for it and it just seems a little bit overboard. I understand if it's prepared, there's a little bit more involved and it needs to be a certain temperature and such. But even if it's fresh food?”*

**\*(The Farmers Market Sampling Rule (2013) no longer requires a sink to sample at a farmers market and establishes alternative guidelines to follow to sample at a farmers market, however the above indicates a need for effective, comprehensive, sustained communications so that all can benefit from the change. Providing equitable access to education and communication is key to the success of regulatory changes.)**

For food sampling, it was recommended that help be provided so food shelves can partner with SHIP and Extension to offer and promote healthier foods in a safe manner. One way of promoting healthy foods would be to find a way to offer food samples at food shelves. As part of this process, participants wanted to examine current sampling rules and create more ‘common sense’ food safety rules around sampling.

***Example:*** *Look at some common sense food safety rules, like, do food shelves really need a 3-compartment sink in order to sample fresh produce? Maybe they do, but is there just some really simple things? That to me I see as … maybe we don't want them cooking, but can we at least get them so they are able to sample produce. Minnesota Extension can't even go in and sample produce anymore.* 

**Successes within the Licensing System**

Focus group participants had a chance to identify times when things go well with licensing agencies. Specifically, things had gone well when the licensing agencies was…

* ...forward thinking.

***Example: “****Olmsted County is, "Let's move forward." They supported our initiatives and bringing in local foods, and guided us through the process. You handle local vegetables differently than you do coming through your vendor. Covered with dirt\*…. So they helped us through all that.”*

**\*(Expectations of product cleanliness is an attribute that can be specified by the buyer. Working**

**directly with the buyer can clarify these expectations.)**

* ...supportive of bringing in local foods.
* ...working with you (helps you deal with new issues, helps you figure out problems, and makes things work).

***Example:*** *“As much as I've said I've come up against roadblocks with the City of Minneapolis, they’ve been more than willing to work with us on something that didn't exist before. They are willing to take a look at that and they are very progressive in that way…Five years ago when I opened this business, it was a shared commercial cooking space with a cooking school and a little bit of retail and catering. They didn't know what to do with us: ‘Where are we going to put you?’ They didn't have anywhere to put me, (but) I didn't fault them for that since they figured it out and made it work. But, I also feel like there are more shared commercial kitchen spaces (now). There probably could be a designation so that everybody is following the same guidelines, or the inspectors know what to look for when they come in. The City of Minneapolis is very innovative in trying to get things to work. The drawback is that the City of Minneapolis is so big; it's harder to maneuver quickly.”*

**How Participants Currently Address Issues**

Participants said they are trying to push barriers and do their best to make money within the current system. They try to let the public know what they are doing and to make noise, “*As far as breaking down those barriers, it’s just sort of slogging through it - doing your best to make money with the higher costs that are incurred [when] trying to do the right thing. I don't know other than just sort of plowing ahead and trying to make noise about it and making the rest of the public know, I think that's the best that we can do.*”

# Some participants said that the biggest barrier is not regulation; it’s getting consumers to want healthy foods. In addition, they said that the demand for healthy foods is increasing and need the assistance of the public sector to help provide a food infrastructure that was more conducive to making fresh, healthy, safe foods more available and accessible.\*

# **\*Facilitator Note: The above paragraph expresses sentiments that are contradictory; however, it is important to acknowledge both of these perspectives as valid in context of a complex food system and the expressed needs to both create and meet demands for healthy, safe food.**

Local public health (including SHIP and Extension), with partners and food businesses from farm to table, can help improve the food environment in Minnesota communities by making it easier for businesses to provide the healthy *and* safe choice to their customers and clients. Food safety regulators can clarify and consolidate food safety resources as well as seek out partners in public health and nutrition. Together, these partners can work to solve the challenges that arise when the objectives of increasing access to healthy foods clash with the equally important objectives of food safety.

### **Minnesota Department of Agriculture, Meat Inspection Program Experience** - Jennifer Stephes

**Summary**:

* The MDA Meat Inspection Program was initiated in 1998 and has grown to a staff of around 26.
* A number of federal regulations and state regulations apply to meat inspection. The Meat Inspection Program at the MDA works to make this information accessible for meat processors and others they serve with outreach via fact sheets and other forms of communication.
* Some features of businesses that navigate the inspection process well are that they know what they want to manufacture and/or sell, have a planned facility location, and understand their end-user. Businesses often stay in business over many years when they’re open to continuously innovating, renovating, adding new locations, and/or improving technology
* New businesses are also often more successful in navigating the process when they have a mentor. MDA can sometimes facilitate this connection to a mentor if there won’t be issues of competition and they know of a business owner potentially interested.

**Day-To-Day Job Experiences**

Jennifer Stephes serves as one of three supervisors for the Minnesota State Meat Inspection Program within the Minnesota Department of Agriculture (MDA). Stephes was one of the first four inspectors in the Meat Inspection Program when she was hired the summer of 1999. The Meat Inspection Program started in 1998 to provide service to a number of State “Equal To” meat processors in Minnesota. Custom-exempt facilities were the primary model before this. As plants have grown and diversified in type, MDA has added more staff to be able to accommodate inspections at all of the new businesses. Within the Meat Inspection Program, there are 18 inspectors, two compliance officers, two support staff members, three supervisors, and the director.

By 2003, Stephes became the first Enforcement Investigation Analysis Officer (EIAO) for the program. In this role, she acted not as a supervisor, but as an auditor and identified potential problem areas in meat facilities; she worked with meat facility owners to help them strengthen their food safety systems involving their production processes. In 2006, Stephes was promoted into a supervisory role. She now is one of three supervisors within the program and currently supervises seven inspectors. Her other responsibilities include serving on the Achievement Award Committee within the MDA, the Local Foods Advisory Committee (LFAC), and a number of other outreach programs related to shell egg production. Minnesota has many small egg producers who are exempt from USDA rules because of their size. Stephes’ outreach work helps to ensure that even small egg businesses know how to produce and sell clean, safe eggs.

Stephes’ work is guided by a number of regulations. MDA adopts Title 9 of the Code of Federal Regulations (CFR), which specifies meat and poultry rules (e.g. labeling, humane handling of livestock, sanitation plans, and custom exempt rules). Additionally, MDA uses the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA), which were created through federal legislation. MDA also uses MN State Statutes 23 and 28A, which outline Minnesota-specific rules for meat and dairy.

**Interactions with Establishments & Small Business Owners**

One of Stephes’ most rewarding experiences involved working with a tamale business owned by a family who had emigrated from Mexico to Minnesota. The family’s business has grown from one restaurant into multiple restaurants and they now manufacture tamales as well. They sell made-from-scratch tamales hot in their restaurants, cold in grocery stores, and also at TCF Stadium at the University of Minnesota. Working with smaller entrepreneurs and assisting them through the regulatory process has been very rewarding for Stephes.

**Factors That Make The Inspection Process Easier/Harder**

From her perspective, formed by many years of inspection experience, Stephes believes that successful business owners are often ones who know what they are going to manufacture and/or sell, have a planned facility location, and understand who their end-user will be before working with their inspector. These business decisions make a difference on whether or not USDA must be involved in the inspection process and what local ordinances may apply. MDA meat inspectors give businesses a checklist at the beginning that shows what inspectors will look for, making sure to point out specific requirements such as septic systems and compliance with city ordinances.

It is also very helpful for business owners to have a connection to an already licensed, operating entrepreneur. This allows the new business owners to consult and learn from someone with direct experience. Sometimes MDA will facilitate that connection, but they have to be careful not to step into potential competition issues. The Minnesota Association of Meat Processors (MAMP) is also a great network and information-sharing resource for meat entrepreneurs. Additionally, it is advantageous for food entrepreneurs to be willing to work with inspectors and university staff, and to understand that the meat industry is a reactive environment - the pathogens and labeling requirements that have to be taken into consideration change over time as new strains of pathogens and labeling considerations evolve. Lastly, it is important for entrepreneurs to invest back into their businesses. From Stephes’ perspective, the business owners who are successful achieve this success because they are continuously innovating, renovating, adding new locations, and/or using new and improving technology.

The Minnesota State Meat Inspection Program inspectors all have full time positions. However, the workload is very geographically informed, and the number of facilities assigned to a given inspector depends on what part of the state the inspector works in. Inspectors in northern MN tend to have more drive time and fewer facilities, whereas inspectors in the Twin Cities tend to have less drive time and more facilities. Additionally, custom exempt facilities are only inspected once per quarter, whereas equal-to facility inspections require the inspector to be there during specific operational hours as well as requiring inspection staff to be present for the entire duration of the slaughter. Because of these time demands, the flexibility and availability of inspectors to work with entrepreneurs and answer phone calls and emails varies.

All inspectors must attend ongoing trainings and continuing education opportunities. To be promoted, inspectors must meet additional requirements such as receiving additional food safety training and accreditation. These factors ensure that inspectors are up-to-date on relevant information and any recent changes.

**Tools/Resources that She Provides to Small Business Owners**

The Minnesota State Meat Inspection Program has checklists, fact sheets, and resource links (such as USDA’s Food Safety and Inspection Service (FSIS), the University, or the [Niche Meat Processor Assistance Network](http://www.nichemeatprocessing.org/) (NMPAN). Often meat inspectors will point business owners to these types of resources when they are interested in newer, innovative models that MDA is unfamiliar with. Additionally, the Meat Inspection Program has monthly and quarterly newsletters and information emails that are sent out. For example, the Monthly MN Meat Minute is emailed and mailed to all of the official State Equal-To plants. It is also shared with the Minnesota Association of Meat Processors (MAMP), and they include it in their monthly newsletters for their members (including custom, retail, Equal-To, and USDA plants). The Department provides these kinds of resources (resources that they are directly involved in creating or that have been posted on the MDA website) as reinforcement of USDA-FSIS informational efforts as well as to clarify information within a Minnesota context. Lastly, when a food entrepreneur comes up with a new, innovative business model, it needs to be substantiated with scientific support and needs to be evaluated by MDA staff to ensure it meets all applicable state statutes and federal regulations. Often, MDA meat inspection staff directs this kind of food entrepreneur to Universities or other process authorities for additional support and/or research.

### **Delegated Agency Environmental Specialist Experience - Olmsted County Public Health**

### An interview with Lauri Clements

**Summary:**

* Olmsted County Public Health Services (OCPHS) is a delegated agency of the Minnesota Department of Health; its public health regulatory authority includes both food businesses and drinking water.
* Food entrepreneurs who complete business plan research (overall goals, menu offering, idea of cost and time constraints, etc.) before contacting their inspector tend to be more successful in navigating the regulatory system.
* Entrepreneurs who have food service backgrounds often have a better idea of the issues for which they’ll need to plan; those who don’t have this experience can benefit by working with a mentor in food business who can often help them avoid unnecessary mistakes.
* OCPHS is responsible for regulating about 600 licensed food establishments, and about 400 pools, lodging, manufactured home parks, and campground establishments.
* Because OCPHS inspectors are managing establishments just within their own county, resulting in minimal drive time, they are able to spend more time with operators and consult each establishment thoroughly.

**Day-To-Day Job Experiences**

As an Environmental Specialist for Olmsted County Public Health Services (OCPHS), Lauri Clements is one of seven inspectors who works with and inspects licensed facilities and special events, regulates drinking water quality, and manages a portfolio of broader related work. One current example of this broader work involves coordinating a Food and Drug Administration (FDA) grant focused on improving industry relationships and outreach.

The Environmental Health Division of Olmsted County’s Public Health Services provides a public health focus on all aspects of environmental health, not just on inspection for safe food handling practices. Given this broader focus, Clements’s work involves interacting with others both within and outside of OCPHS. For example, she helps inform food safety components of SHIP projects being led by health educators in the topic areas of farm-to-school and school garden creation. Clements also spends time bringing her expertise to advisory committees such as the Local Food Advisory Committee.

Another outcome of the OCPHS broader public health focus is that inspectors provide additional consultation time with the food businesses they serve. Since OCPHS is a delegated agency, inspectors follow the same statutes and codes as MDH. To improve the consultation and regulatory processes, OCPHS encourages feedback from operators, and these operators have reported that they value the consultative/educational approach and benefit from additional consultation time.

**Interactions with Establishments & Small Business Owners**

One of Clements’s most rewarding experiences occurred when she helped a school incorporate local meat products and fresh produce into their menu. She worked to identify a safe food source with the school and together they created a publication that highlights steps for other school food staff to identify safe local food sources in their areas as well. By having a broad focus on public health as well as food safety, Clements helped the school accomplish its goal of giving kids a healthier, local selection of food while still ensuring food safety.

**Factors That Make The Inspection Process Easier/Harder**

From Clements's experience, it is important for food entrepreneurs to have done their research and have a clear idea of business intent, a menu offering, a concept of cost and time constraints, and to engage with the regulatory agency and business plan development system right away after that research has been done. Starting the plan review process early helps to move the process along more quickly. It is also very helpful if the entrepreneur has a food service background since they often have a better idea of the issues for which they’ll need to plan. Entrepreneurs who don’t have this experience can benefit by working with a mentor in food business who can often help them avoid unnecessary mistakes.

In Olmsted County, OCPHS is responsible for regulating approximately 600 licensed food establishments (20% of which are temporary, seasonal, or mobile), and about 400 pools, lodging, manufactured home parks (MHPs), and campground establishments. OCPHS uses a point system that more heavily weighs the higher risk establishments. Although they inspect every food business once per year, more time is spent at higher risk facilities. This means many businesses are inspected more frequently than the frequency outlined in Statute 157 for non-delegated authority MDH inspections. Despite the high number of establishments to inspect, OCPHS inspectors are able to regulate and consult with each establishment and conduct their responsibilities efficiently; because they are managing just establishments within their own county, resulting in minimal drive time and allowing for the additional time spent with operators.

Inspectors in Olmsted County have to go through continued education classes to maintain their credentials. Clements views this as a positive for the program since training and networking helps inspectors consistently improve their practices and learn new information needed in their field.

**Tools/Resources Provided to Small Business Owners**

OCPHS offers on-site consultation for entrepreneurs prior to plan review & licensing and provides anecdotal information about what successful practices the inspectors themselves have encountered before. Consultation for these small business owners is a requirement for Olmsted County inspectors, and the sooner the small business owner engages with his or her inspector, the better the experience usually is. Additionally, OCPHS works with large special events to ensure all environmental health standards are in place, whether it be working with the event organizer to hook up with water, electricity, hand washing stations, or trash. OCPHS takes a systematic approach to public health, and their organizational structure and operational processes allows them to understand each business with as much detail as possible.

### **Minnesota Department of Agriculture, Dairy Inspection Program Experience**

### An interview with Lisa Ramacher

**Summary:**

* Dairy inspectors in Minnesota work with both large and small facilities and are guided by many statutes, ordinances, and rules in this work.
* New businesses who know exactly what they want to do often have a good experience when they come into the regulatory process because inspectors have something around which to offer guidance. Inspectors are not allowed to give background information and pointers on the “how-tos” of dairy farming and processing but instead direct businesses to other resources, such as the University of Minnesota. Dairy inspectors can give recommendations to dairy producers and dairy processors. Dairy inspectors will often give producers and processors additional contacts to assist with obtaining guidance in a particular area.
* Three characteristics of entrepreneurs who successfully navigate the dairy inspection process include 1) Well prepared, 2) Open to understanding regulations, and 3) Willing to follow regulations. A willingness to learn is essential.
* A growing number of dairy producers and dairy processors, large inspection territories, and ongoing inspector training requirements are just a few factors that are challenging for dairy inspectors to balance.

**Day-To-Day Job Experiences**

As a dairy inspector for the Minnesota Department of Agriculture (MDA), Lisa Ramacher spends four to five days a week in the field inspecting dairy farms and dairy processing plants. This includes both on-farm processing facilities - which have been growing to fill the demand for locally produced food - and also large dairy manufacturers. Additionally, Ramacher licenses milk haulers, tests pasteurizers, types up inspection reports, samples products to test for food safety requirements, and attends trainings to keep her certifications up-to-date (such as Food Safety Modernization Act trainings).

The main statutes that affect Ramacher’s daily responsibilities include:

* Pasteurized Milk Ordinance - pertaining to Grade A Milk
* Code of Federal Regulations 7 (CFR) 58 - regulations around processing plants
* Minnesota Statute 32 - rules for dairy within MN
* 21 CFR 120 - Hazard analysis and critical control points (HACCPplans)
* 21 CFR part 110 - good manufacturing practices (GMPs) for any food plant (including dairy)
* 21 CFR 131 - defines all dairy products
* FSMA - includes recommendations on food safety preventive controls.
* USDA-Milk for Manufacturing Purposes and its’ Production and Processing

**Interactions with Establishments & Small Business Owners**

One of Ramacher’s most rewarding experiences involved working with one of the first on-farm processing plants in Minnesota. The owners had a strong background in food safety. For example, the chief cheesemaker had taken university coursework on food safety and because of this she already understood the importance of sanitation for quality food products from the start of the cheesemaking venture. What made it a successful inspector-business-owner partnership was that the owners were willing to do whatever was needed to make their product work and be safe for consumption. Additionally, they had high quality standards for their own business, including humane treatment of their animals, high-quality cheese, and excellent sanitation practices. “It was fun because they were willing to work *with* you,” Ramacher noted.

**Factors That Make the Inspection Process Easier/Harder**

According to Ramacher, it is very beneficial for new businesses to come into the regulatory process knowing exactly what they want to do. It is difficult for her as an inspector to offer guidance when the business owners do not know what kind of product they are going to create or who their market will be. Ramacher provides entrepreneurs guidance as it pertains to the statutes and laws, but as an inspector, she is not allowed to give background information and pointers on the “how-tos” of dairy farming and processing. However, she does direct business owners to the University of Minnesota’s Pilot Processing Plant to gain more information. (Other resources too.)

Three main traits that Ramacher sees in dairy entrepreneurs who are successful in the regulatory system include:

1. Well prepared: they’ve taken classes and trainings; they have a clear picture of their business plan, and they have a long term plan ( 5+ years) for their business
2. Open to understanding regulations: they want to know and understand the rules in order to have a successful business.
3. Willing to follow regulations: they understand the need for food safety to keep consumers healthy.

The MDA’s dairy inspection unit has been expanding to keep up with the growing number of start-up businesses. This expansion benefits Ramacher because it gives her more experience to draw from as she’s now involved with more innovative, new food businesses; as time goes on, she learns how to better help and guide these business owners. However, as time is more stretched; there is more time pressure with the added number of businesses to inspect, which takes time away from completing other tasks.

Ramacher covers about five counties and only has to drive for day trips, not overnight trips, like a few of her other colleagues. This can be challenging when she needs to make it from one end of her territory to the other for an urgent issue. Beyond these daily inspection duties, Ramacher participates in continued education trainings to keep her certifications up to date. It’s a time commitment that is necessary but often takes time away from working in the field, so managing all of these factors is a balancing act.

**Tools/Resources Provided to Small Business Owners**

One of the main resources Ramacher advises small business owners to use is the MDA on-farm processing guide, titled, “Starting a Small Dairy Processing Plant - The Basics.” This advises small business owners on who to talk to, what the various licensing requirements are, what statutes and laws to follow, and considerations they will need to make around their physical structures and facilities. Additionally, Ramacher advises entrepreneurs with incomplete business plans to take the time needed to fill out these plans. Doing more background research is important rather than jumping into processing and sales since dairy is a large capital intensive undertaking with many necessary precautions to keep consumers healthy. In addition, marketing and actually selling your product can be a challenge if you aren’t thoughtful in advance about your strategy. When there’s an opportunity and interest, Ramacher tries to help business owners connect with other people or entities that can answer questions in these areas of business planning and dairy processing.

**Food, Pools & Lodging Department, MDH Environmental Health Division**

An interview with Steven Diaz

**Summary**:

* Minnesota Department of Health (MDH) inspectors have the authority to license food and lodging establishments; each MDH inspector is assigned ~200-235 establishments in a given year.
* Successful food entrepreneurs often know the answers to the following questions when working with an inspector: “Where do you want to serve?” and “What do you want to serve?”
* Obtaining and maintaining credentials is a requirement for all of the inspectors at state and delegated agencies; inspectors take continued education trainings and classes to stay up-to-date.
* There are MDH resources available to food entrepreneurs, including fact sheets, example HACCP plans, guidance documents, construction guides, log sheets that assist in understanding how to operate a food business safely; one-on-one consultation is also available.

**Day-to-Day Job Experiences**

As the manager of the Food, Pools, and Lodging Division at the Minnesota Department of Health (MDH), Diaz spends a significant portion of his time meeting with others to create a vision for division improvements and movement of policies forward. He oversees inspectors of food establishments and has previous inspector experience as well.

MDH inspectors use multiple statutes in their day-to-day jobs. Statute 157 grants MDH inspectors the authority to license food and lodging establishments and also sets the license fees. Other statutes MDH inspectors must be familiar with include MN 327, recreational campgrounds and hotel information; MN 144, general health, some pools, and children's’ camps; 145A, delegation and delegated agencies; and statutes 28A, 32B, and 32C, which all relate to regulatory authority between MDA and MDH.

Diaz spends a fair amount of time dealing with Statute 157 because legislators propose changes to it frequently. When the legislature is not in session, Diaz spends time preparing for the upcoming session. A majority of Diaz’s time is spent on food regulations as well as adopting the new food code. The rest of his time is split up between lodging and manufactured home parks and campgrounds.

Within the MDH, all of the inspection staff are supported completely by license fees that are collected. Of those license fees, about 70%-75% come from food establishments. This range also reflects the relative amount of time inspectors spend working with food establishments.

**Interactions with Establishments & Small Business Owners**

Diaz reported that some of his most rewarding inspector experiences are often the ones that were more complicated to deal with, but ended with a positive resolution. For example, Diaz worked with a restaurant in southern Minnesota for almost 8 months before they were able to open and operate. This particular food entrepreneur was working through obstacles such as language and communication barriers; lack of a well-thought out business plan; and the choice of a building site which had previously been a pharmacy and was thus not outfitted for a commercial kitchen or restaurant. Although addressing these needs took significant time, the business owner’s plan evolved to where it satisfied both his business needs and the regulatory requirements; this business is now open and operating legally. Beyond success for the business owner, both Diaz and the community have benefited as well; the business is very successful and has become a mainstay in the community.

MDH inspectors see similar themes across the successful food entrepreneurs they work with. For small business owners, having the answers to two essential questions is extremely helpful when navigating the system and working with an inspector: **“Where do you want to serve?”** and **“What do you want to serve?**”

Some food entrepreneurs have had difficulty answering these questions in the past when they are just starting out; ideas are often partially formed and flexible, but this makes it difficult for inspectors to accurately advise these entrepreneurs. A mentor in a similar business situation may be able to offer more assistance at this stage for entrepreneurs still deciding what to pursue. Being unsure of plans and location can also be troublesome, because there are many delegated authorities across Minnesota. Not knowing the location of the future business can make it difficult to advise which regulatory agency to consult.

The next essential question is “How are you preparing the items you want to serve?” The type of preparation will affect the level of food safety concern. It is helpful if the food entrepreneur is willing to ask many questions and has a willingness to do research. Flexibility is built into the food code and level of risk depends on factors such as how the food entrepreneur is processing food, what equipment is being used, and the type of ingredients. For example, an establishment selling prepackaged sushi has less equipment and a low food safety risk, whereas an establishment making their own sushi from scratch has more equipment and a higher food safety risk.

It is sometimes difficult for food entrepreneurs to know their complete business plan right away, because food businesses and trends are constantly changing; sometimes trial and error is needed to figure out business strategy. Inspectors do work with operators to increase their understanding of how these factors play into their business plan. Entrepreneurs who research and are willing to be flexible and open to change tend to have success in adjusting quickly. Often these entrepreneurs recognize that rules around food have been established as they are because of the risk associated with different aspects of operation. The entrepreneurs who face the most difficult time are often those who are not open to adjusting their business ideas. Language barriers can also make navigating the system difficult.

**Factors That Make The Inspection Process Easier or Harder**

Many factors affect an MDH inspector’s job, including the number of establishments assigned, territory size, and risk category.

When Diaz started as an inspector, he was assigned 600 establishments for one year - especially astounding given that he was only part-time at that time. This did not allow much time for him to interact with individual operators. Instead, he had to focus on the most critical food safety cases to use his time efficiently. Today, MDH inspectors each have about 200-235 establishments in a given year, roughly 75% of which are businesses with a food service component. This is a more manageable workload and in line with national standards; MDH inspectors are increasing their follow-up rate now that they have more time to devote to each establishment. Inspectors have a greater opportunity to work with businesses and help them be in compliance as well as providing increased educational outreach and resources for entrepreneurs.

According to Diaz, territory size doesn’t have as big of an effect on inspectors as one might think; for example, West Saint Paul territory might have multiple establishments within 10 minutes of each other, which allows the inspectors to inspect the multitude of establishments that are in that larger city. To contrast, a rural area inspector who covers 2-4 counties has to drive more, but there are fewer businesses in this area and the inspection trips are timed to maximize trips out to different areas within the counties inspected.

Obtaining and maintaining credentials is a requirement for all of the inspectors at state and delegated agencies. This involves passing tests and completing a certain number of continued education credits (e.g. 24 credit hours every 2 years). This often affects the regulatory process positively, as staff are more up to date with current regulations, trends, and business practices. For example, with the increase in the popularity of sushi, MDH staff are trained in what to look for and inspect when seeing sushi establishments for the first time. MDH is also working to keep their inspectors as consistent as possible, so that each and every food entrepreneur receives the same information.

**Tools/Resources that He Provides to Small Business Owners**

MDH Food, Pools, and Lodging Services (FPLS) section develops and makes available certain resources (e.g. fact sheets, example HACCP plans, guidance documents, construction guides, log sheets) to assist business owners in understanding how to operate a food business safely. These resources are available both directly from the inspector and also online at the MDH website. However, the most important resource inspectors provide is a one-on-one consultation. Through either their inspector or plan reviewer, food entrepreneurs are in contact with an MDH staff person with whom they can discuss options. As part of this consultation, MDH staff people are also able to refer food entrepreneurs to resources outside of MDH, such as DOLI, MDA, or a process authority. Every business needs something different, and the goal is to customize the consultation experience to each specific business. MDH is just one piece of a very big puzzle, and although the inspectors will assist the food entrepreneurs in finding other resources and information, food entrepreneurs will continue to need to consult others for instruction on items like business planning and zoning.

1. United States Department of Agriculture - http://www.fns.usda.gov/sites/default/files/FSMCguidance-sfa.pdf [↑](#footnote-ref-1)
2. University of Minnesota Extension - http://www.extension.umn.edu/food/farm-to-school/ [↑](#footnote-ref-2)