

***Diversify Your Minnesota Farm Business Through Food Service:
A How-to Manual for Serving Food on Your Farm, from Farm-To-Table Dinners to Pizza
Farms and More***

Background notes for Advisory Committee:

- Approximately 50 pages/18,000 words. Approximate word counts are listed by chapter for perspective.

- This manual focuses specifically on farmers running for-profit businesses that are looking to diversify through an intermittent on-farm food operation (i.e., one night a week in-season) and what license categories/regulations such an operation will fall under. This will not cover full-time, on-farm restaurants.

- The manual will briefly cover other means of creating a “farm to table” experience outside of installing an on-farm kitchen entity, such as contracting with an outside third-party business to fully manage the event such as Dinners on the Farm or Outstanding in the Field (i.e., the farm is serving more as a “host site for hire” and an outside entity takes care of all the regulations/paperwork) or renting an off-farm, inspected and licensed site such as a church kitchen. However, the majority of the material focuses on the how-to aspect of running such an operation as a supplement to an existing farm business.

- Additionally, the manual will touch on other income streams from your commercial kitchen entity beyond food service such as value-added products.

- Right now we have a section in the last chapter/resources of “frequently asked questions” with the intent to specifically dispel some common “myths” of on-farm food service, with a particular focus on various innovative alternatives that may not be in compliance with the regulatory framework. (Examples in outline). This information will also be integrated into the body of the manual.

1. Introduction: (Writer: Lisa Kivirist; 3,000 words)
 - a. Business Opportunities for On Farm Food Service
 - i. Growth in local food market
 - ii. Culinary tourism: Overview & growth potential
 - iii. Beyond the Plate: Using your commercial kitchen entity for producing other products/income streams (i.e., value-added farm products, kitchen rentals, culinary classes, etc.)
 - b. Categories of On-Farm Food Service
Note: Will list pros/cons of each and include a summary comparison chart
 - i. Private events and potlucks
 - ii. Partnering with a chef and/or restaurant
 - iii. Using a full outside event management service

- iv. Occasional/Intermediate food service options (under special event, food stand, and mobile food unit licensing, for example.)
 - v. Renting off-farm commercially-licensed space (i.e., church kitchen)
 - vi. Bed & Breakfasts (ability to serve breakfast, included in lodging price, but no other meals)
 - vii. Pizza Farms (take out but typically consumed on-premise, picnic-style) **
 - viii. Full Farm-to-Table dinners **
- ** = Manual topic focus

- c. Key Elements of a Commercial Kitchen
 - i. Walls & Floors
 - ii. Sink & Water sourcing

2. Assessment: (Writer: Lisa Kivirist; 2,000 words)

- a. Personal fit as a food service operator
 - i. Diversification entrepreneur questionnaire: Am I a strong candidate for an on-farm food service business?
 - ii. Assessing your tool kit: What related skills do I have and what do I need to further develop? (Includes assessment chart)
 - iii. Developing culinary management and customer service skills
 - iv. Seasonality business basis: Summer intense
 - v. Family integration and balance
- b. Synergy with other farm operations
 - i. Understanding how on-farm food service would fit into existing farm business
 - ii. Integration/merger of farm schedules: How to best incorporate on-farm business into current daily/weekly/monthly farm chores and responsibilities
- c. Possibility of further diversification
 - i. Value-added products created in kitchen
 - ii. Renting kitchen out to other local food artisans
 - iii. Hosting private events
 - iv. Off-site catering

3. Mixing Food Service Regulations into the Recipe: (Writer: Rachel Armstrong/Farm Commons; 4,000 words)

- a. License Types
 - i. Food Service Permits
 - 1. Food and Beverage establishments: restaurants, cafes, high-risk, medium-risk, etc.
 - 2. Temporary establishments: food stands, carts, and mobile units.

- ii. Food manager certification
 - iii. Quick Mentions on: Retail food establishments, food manufacturers, cottage food producers, bed and breakfasts.
 - iv. Alcohol permits
 - b. License Obligations
 - i. Construction standards
 - ii. Equipment in the kitchen
 - iii. Procedures and processes for preparation
 - iv. Food sourcing and storage
 - c. Getting and Maintaining your licenses
 - i. Applications and approvals
 - ii. Inspections
 - iii. Fees
 - d. Farm Innovation and Regulations
 - i. When does an event fall under regulations?
 1. Clear regulations: Potlucks, private parties, and fundraisers.
 2. Gray areas: Dining clubs, CSA member-only events, “private” parties with a fee and unfamiliar people.
 3. Legal gray area equals risk: What accepting that risk means to the viability of the business.
 - ii. Reality of varying interpretations: How to best work with regulators; developing partnership relationships
 - e. Before you buy or build: Building, fire, and plumbing codes
- 4. Risk Management and Legal Concerns Beyond the Kitchen: (Writer: Rachel Armstrong/Farm Commons; 3,000 words)
 - a. Zoning:
 - i. Understanding and investigating the zoning code
 - ii. Getting special/conditional use permits
 - iii. Requesting variances
 - b. Injuries:
 - i. Understanding injury liability: negligence and its kin
 - ii. Minimizing the risk: Setting up a safe event from a legal perspective
 - iii. Insuring against the risk: understanding farm and commercial policies, event endorsements
 - iv. Getting and keeping an insurance policy: communicating with your agent, annual inspections, non-renewals and special risks
 - c. Food safety incidences:
 - i. Additional risk management strategies
 - ii. Insurance needs: commercial policies and product liability
 - d. Employment law: Legal ramifications of using farm employees for food service

- i. Different minimum wage obligations and recordkeeping
 - ii. Different workers comp rules
 - e. Sales Tax: collecting and remitting
 - f. Americans with Disabilities Act
 - g. Choosing a business structure (chart illustrates pros and cons): Sole Proprietorship/General Partnership; C Corporation; Sub-chapter S corporation; Limited Liability Corporation
- 5. Marketing the farm food business: (Writer: Lisa Kivirist; 2,000 words)
 - a. Marketing
 - i. Identify and define your target: primary, secondary
 - ii. Existing customers: CSA members; loyal market shoppers
 - b. Determine key logistics
 - i. Hours of operation
 - ii. Pricing
 - iii. Payment systems: Credit card processing options
 - iv. Reservation system
 - v. Bathroom arrangement
 - vi. Parking arrangement
 - vii. Cross-promotion with other local businesses (i.e., setting up a weekend package and include local lodging)
 - c. Customer Relations
 - i. Farm and food service atmosphere: Entertainment, music
 - ii. Developing and rewarding loyalty
 - iii. Developing strong relationships with neighbors
 - d. Outreach and Marketing
 - i. Word-of-mouth/referrals
 - ii. Public relations: press releases, local media
 - iii. Website: Key components
 - iv. Listings on free directories such as LocalHarvest, Eat Wild, etc.
 - v. Social media: Instagram, Pinterest, Twitter, Facebook
 - vi. Paid advertising
 - vii. Joining different organizations and associations (i.e., Green Routes)
- 6. Putting it all Together: (Writer: Lisa Kivirist; 2,000 words)
 - a. Business Plan
 - i. Budget development/Profit & Loss statement
 - ii. Managing & tracking expenses
 - b. Sustainability Factor
 - i. Triple Bottom line
 - ii. Local sourcing
 - iii. Reducing carbon footprint: Packaging, serving wear, renewable energy sourcing

- c. Financing
 - i. Determining financing need; keeping things lean and as debt-free as possible
 - ii. Traditional options: Bank loans, borrowing from family & friends
 - iii. Innovative financing: Kickstarter, crowd-sourcing, KivaZip

7. Checklists & Additional Resources (Writer: Lisa Kivist)

- a. FAQ: Dispelling on-farm food service myths
 - i. What is the defining line between a “private dinner party” to an event requiring permitting and inspection? How does a potluck fit into this?
 - ii. If I don’t charge a specific amount and just put out a donation charge, do I still need to through through permitting and inspection? What if I give away for free food that I prepare in my home kitchen?
 - iii. What is the difference if I only invite my CSA member? Can I include a farm-to-table dinner as a benefit of CSA membership (i.e., not charge individually) and not need a full commercial kitchen?
- b. Start-up Checklist
- c. Additional Resources

Case Studies: Case Studies will be incorporated throughout text at an appropriate spot where the story illustrates the topic discussed (i.e., a case study that does a great job marketing would be inserted into Chapter 5/Marketing the Farm Food Business). (Writer: Lisa Kivist; 3,000 – 4,000 words; approx. 750 per case study; 4-6 case studies; see case study list for more details)

- The Red Barn Farm of Northfield (Northfield, MN)
- Two Pony Gardens (Long Lake, MN) ***
- DreamAcres (Wykoff, MN) ***
- Squash Blossom Farms (Douglas, MN)
- Stoney Acres Farm (Athens, WI)
- Suncrest Gardens (Cochrane, WI)
- Lovetree Farm (Grantsburg, WI)
- Dinner on the Farm (St. Paul, MN); outsourcing example