

# Bush Grant Advisory Committee Meeting

July 21, 2015

365 Haecker Hall, St. Paul Campus, University of Minnesota

## Agenda:

Introductions

Brief recap of where we are at in the process – Jane Jewett

Brief history of how we got here – Wayne Martin

Presentation by Karen Korslund and Stephanie Van Dyke, the two people hired through this Bush grant, about what they have learned so far about the regulatory framework and agency operations.

Visioning and “wish list” of what could be accomplished through this process over the coming year – Jan Joannides

Prioritizing exercise involving post-it notes and sticky dots – Jane Jewett

Develop initial workplan for Karen and Stephanie.

Discuss next steps for advisory committee members; nuts & bolts of how they want to be kept informed & how to be involved in between meetings.

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## Members present

Helene Murray

Eric Sannerud

Chris Kudrna

Mary Jane Miller

Lisa Wetzel

Valerie Gamble

Karen Lanthier

Stephanie VanDyke

Sarah Leach

Wayne Martin

Bruce Savage

Tim Jenkins

Katie Lampi  
Jan Joannides  
Jane Jewett  
Cecilia Coulter  
Colleen Paulus  
Pakou Hang

## Introductions

Helene Murray – Minnesota Institute for Sustainable Agriculture; Executive Director

Eric Sannerud – Mighty Axe Hops in Ham Lake, MN; founding member of Minnesota Young Food Professionals

Chris Kudrna – Sustainable Farming Association; commercial garlic grower

Mary Jane Miller – Sustainable Farming Association; private food consultant and chef; developer of Crow River ketchup; client list includes Peet's Coffee & Tea

Lisa Wetzel – Minnesota Department of Agriculture; outreach coordinator in the meat and dairy inspections program, Dairy & Food Division. Has a background in education.

Valerie Gamble – Minnesota Department of Agriculture; food inspection supervisor in Dairy & Food Division. Background in geology; worked on organic nut and fruit farms in California.

Karen Lanthier – University of Minnesota; Regional Sustainable Development Partnerships and employed part-time by this Bush grant.

Stephanie VanDyke – Renewing the Countryside and employed part-time by this Bush grant; economics and psychology degrees from St. Olaf College; has worked as a business analyst with Target Corp.

Sarah Leach – Minnesota Department of Health; education and outreach in the Food, Pools and Lodging Services Section. Also a St. Olaf grad.

Wayne Martin – University of Minnesota Extension; Alternative Livestock Program. Grew up on a farm in Iowa, got his undergraduate degree from Washington State, and served in the Peace Corps in Ecuador.

Bruce Savage – Fond du Lac Band of Lake Superior Ojibwe; farmer, produced 47,000 lbs. of wild rice and also produces maple syrup. Works for Fond du Lac Tribal and Community College Extension.

Tim Jenkins – Minnesota Department of Health. Grew up in a farm family in central MN; worked as a migrant farmworker; worked in the food industry and in public health; was a food inspector for 12 years.

Katie Lampi – City of Minneapolis; works with cottage food producers and farmers’ markets.

Jan Joannides – Renewing the Countryside, Director. RTC is a non-profit working mainly in MN but some in WI and IA. It has produced the Renewing the Countryside book series; does storytelling about rural agricultural and food systems and provides technical assistance to people working in those systems. It is organizing the second year of the FEAST local food trade show. Jan had an Endowed Chair position with MISA that led to formation of the Local Food Advisory Committee, which led to this Bush grant.

Jane Jewett – Minnesota Institute for Sustainable Agriculture, Information Exchange program. Works off-campus and farms in Aitkin County (north-east-central MN). Provides staff support to LFAC and the Bush grant.

Cecilia Coulter – Minnesota Farmers Market Association; serves on board of directors. Founded and manages the Chisago City farmers’ market, and operates a mobile pizza oven.

Colleen Paulus – Citizen; retired from Minnesota Department of Health as director of the Food, Pools and Lodging Services Section. Was encouraged to pursue public health work by a U of MN professor and had a 35-year career, including working with legislation. Colleen sees a need for the Bush grant work because local foods as a sector has had explosive growth since 2008, and the laws weren’t as nimble as necessary.

Pakou Hang – Hmong American Farmers Association (HAFA)

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## **Recap of where we are at in the process:**

- Bush Community Innovation Grant applied for in October 2014
- Made it through the first round of selection out of 350+ applications in January 2015
- Notified of award in April 2015
- Helene Murray, Jan Joannides, and Jane Jewett attended convening for grantees in early May 2015
- Award finalized and funds released in June 2015
- Karen Lanthier and Stephanie VanDyke hired into the two part-time positions in June 2015; Karen to work primarily with MDA and Stephanie to work primarily with MDH
- Val Gamble (MDA) and Sarah Leach (MDH) introduced Karen and Stephanie at their agencies, arranged opportunities for them to observe inspectors at work, and found them some work space and other necessities

- Karen and Stephanie have been reading background material and spending time in the agencies and out in the field with inspectors
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## History of the Local Food Advisory Committee:

- In 1996, the Minnesota Legislature passed the “Bread Bill,” allowing people to produce baked goods, jams, and jellies at home and sell them to customers at farmers’ markets. The “Bread Bill” moniker was later dropped and this has been termed the “non-potentially hazardous food” exemption.
- In 1999, the Minnesota Legislature passed legislation establishing the MN State Equal-To program for meat processing plants. This allowed for retail marketing of cuts of meat by farmers directly to consumers for the first time since the 1970s.

These two pieces of legislation expanded the volume and complexity of local food sales, and set the stage for further growth in this sector – and also set the stage for confusion about the new laws.

The “Pickle Bill” was passed in Minnesota in 2004, adding more expansion and more complexity. MISA, Wayne Martin’s program, SFA, RTC, and others worked at trying to figure out all of the parameters of regulations affecting local food, and to explain those to farmers and others.

For more detail on the formation of the Local Food Advisory Committee, see the Presentation on the LFAC web page: <http://www.misa.umn.edu/FarmFoodResources/LocalFood/LocalFoodAdvCmte>

Direct link to the presentation:

[http://misadocuments.info/Local%20Food%20Advisory%20Committee\\_ppt\\_021413.pdf](http://misadocuments.info/Local%20Food%20Advisory%20Committee_ppt_021413.pdf)

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## Discussion of Regulatory Landscape

### Farmer and food entrepreneur perceptions:

- Liability insurance only covers a farmer or food business if you are doing legal things.
- It’s easier to go around the rules than try to follow them because they are so foggy.
- You only find out information about what the regulations are when you’ve done something wrong.
- There’s a fear of getting in trouble and no obvious avenue for expressing concerns if you don’t agree with an inspector.
- It’s critical to have food safety information: some of the things that farmers are doing in ignorance are appalling.

## Regulator perceptions:

- FDA and USDA set the parameters for what the regulations are.
- Things are in limbo while FSMA (Food Safety Modernization Act) is not yet implemented.
- Regulations were mostly developed in reaction to people getting sick. We need to shift from reactive to proactive.
- Would like to have the call to inspectors be seen as a valuable resource, rather than “better not to call.”

## Question about the definition of “local foods”

- Does this include major corporations that operate in MN, like Jennie-O, Hormel?
- What about a group of farmers coming together to collaboratively hold a contract – where do they fall in the definition? If you say that “local” means direct sales by individual farmers, then groups of farmers aren’t considered part of it.

## Response:

The group that launched LFAC considered this. There was concern at the time that the group not be co-opted by large corporate entities with different concerns than those operating at a smaller scale and in a more limited geographic area.

Wording from the Mission & Scope document for LFAC:

“Specifically, we are focusing on the sector of the food system that includes foods for direct human consumption that are raised, gathered, or processed by farmers, farmer groups, or non-farm individuals for direct sales to:

- Individual consumers
- Buyers who re-sell the products to individual consumers
- Business entities that act as brokers or distributors, but retain some level of producer identity with the products”

(link to the Mission & Scope document:

[http://misadocuments.info/Mission\\_and\\_Scope\\_LocalFoodAdvCmte.pdf](http://misadocuments.info/Mission_and_Scope_LocalFoodAdvCmte.pdf))

This description could be adjusted if people have suggestions for better wording.

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## Presentation by Karen Lanthier and Stephanie VanDyke: Food Inspections and Meat Inspections

(link to presentation: [http://misadocuments.info/bushgrant\\_Presentation\\_072115.pdf](http://misadocuments.info/bushgrant_Presentation_072115.pdf))

### Discussion of presentation

- “Response” in this presentation means “outbreak incident response.”
- Question: do inspectors stay in their category, or crossover?
  - In the MDA, cross-training is becoming less common because food is under the jurisdiction of FDA and meat is under the jurisdiction of USDA, so cross-training of inspectors is complicated.
  - Crossover happens in MDH. There are many exceptions to food facilities being regulated by the Food Code and inspected by Food, Pools and Lodging Services Section of MDH:
    - Hospitals and nursing homes are under a different code than the food code; this is administered by the Health Regulation Division.
    - Youth camps are under the Youth Camp Code
    - Prisons are inspected by Food, Pools and Lodging.
- What is the relationship between MDA and MDH?
  - There is non-formalized but frequent conversation between MDA and MDH staff.
  - Rapid Response (to an illness outbreak) involves both MDA and MDH.
  - In 2000 there was negative media publicity regarding restaurant inspections. This led to upheaval in regulations and establishment of the Food Safety Partnership between MDA and MDH.
  - MDA relies on MDH for drinking water inspections.
  - MDH has delegated authorities in many cities and counties in the state.
- How does a farmer or food entrepreneur figure out which agency to go to?
  - Example of apple pies from Commercial Kitchen Guide: they could be sold as whole pies for a customer to take home (MDA jurisdiction), or as slices of pie on a plate for a customer to eat right there (MDH jurisdiction). Who inspects is decided by the percentage of sales: if >50% of your sales fall under MDH jurisdiction, you are inspected by MDH. If >50% fall under MDA jurisdiction, you are inspected by MDA.
  - Question: What if you’re just starting out and don’t know what percentage of sales will come from each type of sale?
    - Answer: make an estimate and revise if needed after the first year of operation.

## Discussion of Licensing

- When working with a co-packer to produce a value-added product, the regulations are fuzzy and the co-packers don't have the answers on what license the seller needs to sell the product.
- Licensing vs. Inspection – these two things are not the same. When we are talking about product of the farm, the product is exempt from licensing but still needs to follow food safety regulations and the facilities may need inspection.
  - Example: Processed wild rice – product of the farm if no off-farm ingredients are added. Exempt from license. Low risk; probably no inspection of facilities.
  - Fruit salad made with all farm-produced fruit and farm-produced honey; no other ingredients. Product of the farm, so exempt from license – but complex preparation involving peeling, cutting, etc. so needs facilities inspection.
  - Risk is an important concept. High-risk foods, complex food preparation = stricter facilities requirements.
- Plan review process is needed for licensing of food facilities.
  - It's less expensive to have problems caught early in the building process.
- Meat processing at Equal-To plants is inspected continuously.
- Dairy: Grade A – quarterly inspection. Grade B – semi-annual inspection.
  - Minnesota has 3,400 dairy farms; about 400 are Grade B.
- Minnesota Statute 31 governs all food (<https://www.revisor.leg.state.mn.us/statutes/?id=31>)
- Discussion of pre-operating inspection, post-operating inspection, and continuous inspection of meat products.
  - There's a difference between inspection of *facility* and inspection of *product*.

## Visioning Exercise

What are the issues?

- People being really creative, using new technology. Example: solar dehydrator
- New recipes: need a pathway to getting them tested and approved.
- Need a simple way to navigate the licensing process
  - More information for farmers on what the marketing and licensing options are; where different products or markets split out into different license types; would help people make better business decisions.
  - Jan: Something like Turbo-Tax, which also deals with very complex legal codes
  - Improve the public “face” of the system – something like a “First Call for Help.”
- Changes in local food systems and business structures
  - Co-ops can address some of the financial challenges, BUT --

- Licensing, GAP certification – these currently have to be done by individual farmers, which is prohibitive to the formation and viability of co-ops that could otherwise help with group marketing.
    - There's a need to address new ways that farmers come together into larger entities.
  - Noted that GAP is outside of the food inspections realm
    - But so related to marketing of local food; are there ways to get these regulatory systems to interact, be less silo-ed?
- Support needed for clients of co-packers
  - What is a co-packer? Mary Jane Miller explained: I develop a product recipe in my home kitchen. I take it to a mid-range processor with all of the equipment. They produce the product; but then the seller has to get the proper labeling and licenses for peddling the product.
- Training for inspectors on the challenges faced by food businesses, how food businesses operate.
- Mechanism for cross-reporting: get a designated seat for a local food representative on the Food Safety & Defense Task Force.
  - Jim VanDerPol currently sits on the Task Force; Jane Jewett also attends.
- Produce training modules about the regulatory landscape that could be used by non-profits, others who do direct farmer training
  - "Starting a Food Business in Minnesota" could be the base
  - Pakou: HAFA is already creating a curriculum based on Starting a Food Business.
- One-stop-shop for licensing questions
  - Delegated authority is a huge issue; very hard to figure out
  - Staff at MDH, MDA take lots of triage-type of calls; people who call are getting directed, but lots of people aren't calling
    - That may be because people want to know what will keep them out of trouble, not chase after regulation.
  - It's hard to keep a qualified person in the office to answer questions; inspectors are out inspecting most of the time.
    - MDA is creating a licensing liaison position, consistently staffed by the same person.
  - Minneapolis has a 311 phone number; call anytime and get directed.
- Coaches rather than inspectors to walk people through the licensing process
  - The coaches would need really good training to be sure not to send people astray
  - Something similar to AURI's R & D team – but more accessible – need people who can help right away.
  - Have someone knowledgeable, trained, credentialed who could oversee coaches
- Address inconsistencies in regulations/interpretations
  - Build in a continuous improvement loop
    - MDA's database of licensing and inspection situations



## **Group experiment: How does Wayne Martin get started baking and selling brownies from his home?**

Where does he go for information?

- Farmers' market manager
- MDH
- MDA
- Internet (Google search for "starting food business Minnesota")
- City government
- Others already making and selling brownies
- Expert/mentor
- Library
- Blog
- Never ask; just start with no knowledge

Would it be possible to connect people with licensing information via things they already do know about starting a business – like the need to pay sales tax, or the need for liability insurance?

Where do we want people to end up? How do we do outreach to let people know their options?

- Manuals, other documents are an overview.
- Need one-on-one help
- Need to do training, outreach at conferences that farmers attend
- Identify several "right ways" to get started and tell people to pick the one that's most comfortable for them

## **Voting on Needs Identified in Visioning Exercise**

20 votes – Navigational system/TurboTax model

5 votes – Hotline/Ombudsperson/Liaison/Concierge (which word??)

7 votes – Certified coaches

\*\* The above three are different approaches to the same hoped-for outcome: People can navigate the system and not get hopelessly confused.

8 votes – Training for inspectors re: small businesses

6 votes – Accommodate innovations

## **Workplan for Stephanie and Karen**

Consensus was to develop a set of case studies that focus on recently established or developing local food businesses and explore what obstacles those people encountered, how they have interacted with food regulations, and what questions they have about regulations affecting their businesses.

- The case studies will provide the group with a set of real-work examples to use for identifying the most logical pathways toward improving the system.
- Case studies could also be the basis for training of inspectors about small food business operations.

Potential case study subjects:

- SFA's Crow River ketchup
- HAFA – three food businesses
- Hops
- Anne Borgendale/cheese maker
- Wabasha Farmers' Market – wholesale produce packing
- Buddy's Kitchen – mentor/co-packer
- Lisa Baker – picnic on the farm
- A pizza farm
- Hidden Stream Farm – local distributor
- City of Minneapolis – “Fig to Fork”
- Fond du Lac
- Food trucks
- Twin Cities mobile markets; seeing demand for processed foods in addition to produce

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