

# PROPOSAL FOR IMPROVING FOOD LICENSING FOR INNOVATIVE ENTREPRENEURS

Economic upheavals and opportunities inspired by the local food movement have led unprecedented numbers of Minnesotans to start food businesses.

2010 to 2016:  74% in number of food business licenses issued.

**Mostly:**

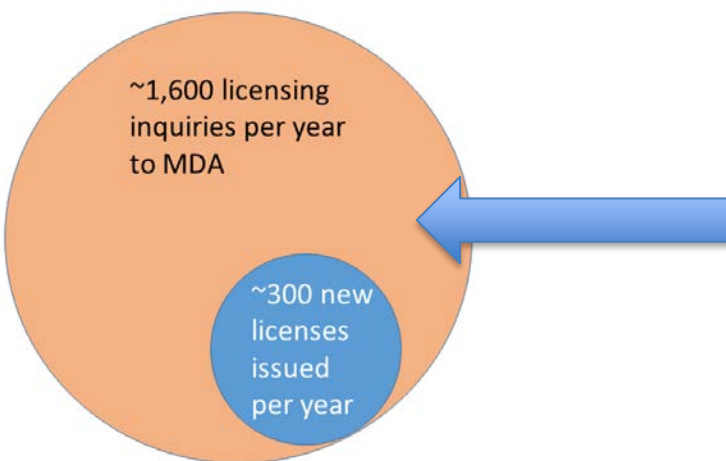
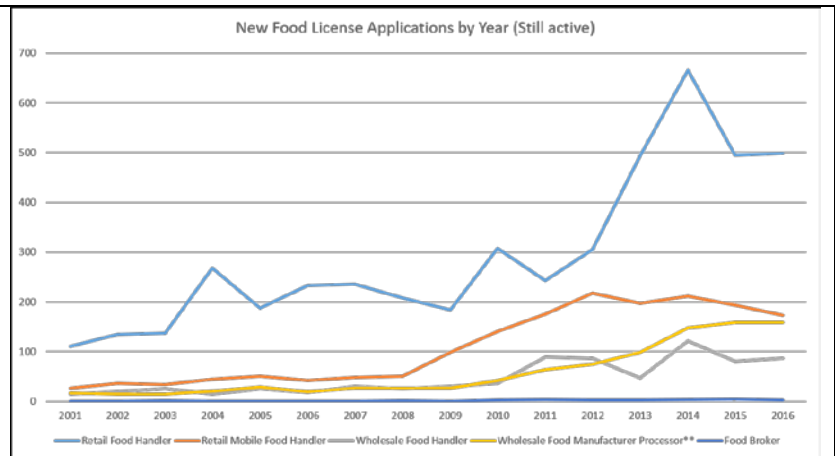
\* retail food handler

\* food manufacturer

license types used by

**small and mid-size food entrepreneurs**

Source: MN Department of Agriculture



~ 1 new license from every 5 inquiries.

IF just 10% more inquiries get a license, that means

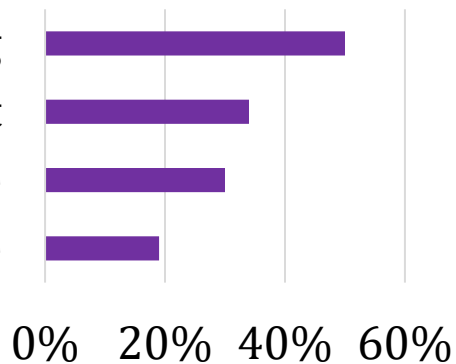
~130 more food businesses per year in MN

Why some would-be food entrepreneurs give up:

Source: Food Enterprise Experiences Survey, Feb. 2017

Licensing  
Equipment  
Kitchen space  
Insurance

N=74

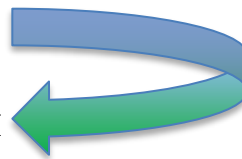


<p>Some innovative enterprises become <b>tangled</b> in unclear regulatory language.</p>	<p>Wabasha Farmers' Market took:</p> <p style="text-align: center;">18 months + involvement of farm groups + meeting with MDA staff</p> <p style="text-align: center;">to achieve licensing for innovative local produce distribution enterprise.</p> <p><small>Source: Wabasha Farmers' Market case study, June 2016</small></p>	<p><b>Delays</b> are especially costly to small businesses.</p> <p>How long until a food entrepreneur could proceed?</p> <div data-bbox="943 405 1479 699"> <table border="1"> <caption>Survey Results: How long until a food entrepreneur could proceed?</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>within 6 mos</td> <td>77%</td> </tr> <tr> <td>&gt;6 mos</td> <td>23%</td> </tr> </tbody> </table> <p style="text-align: right;">N = 70</p> </div> <p><small>Source: Food Enterprise Experiences Survey, Feb. 2017</small></p>	Response	Percentage	within 6 mos	77%	>6 mos	23%
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### SOLUTION: A SMOOTHER, MORE CONSISTENT REGULATORY PROCESS

A new MDA “Food Business Innovation Coordinator” position backed up by a team of experts would create a brighter path to licensing of innovative business models, providing both consistent regulatory interpretation and timely decision-making.

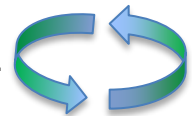
- One *FTE for Food Business Innovation* housed at MDA
  - 0.5 FTE = Coordinator
  - 0.5 FTE = MDA regulatory specialists
- *SALT: Solution Advisory Licensing Team*
  - Regulatory specialists from MDA and MDH
  - Volunteer participants:
    - Experienced food business entrepreneurs
    - Representatives of economic development agencies/DEED
    - Food system advocates



The SALT Team will serve the innovative food entrepreneur while protecting food safety.

The Solutions Advisory Licensing Team would:

- Have authority to issue definitive interpretations of statute and rule
- Convey decisions back to MDA and MDH staff trainers and field-level staff for implementation in the field.



Continuous improvement feedback loop

This proposal supported by:

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