

Chapter 1: Introduction

In this chapter, readers will:

- Review manual purpose and goals
- Explore market trends and opportunities
- Define categories of on-farm food service
- Understand key commercial kitchen elements

Talk about paradise for the local food enthusiast: dining directly on a farm, savoring specialties made with that farm’s fresh-raised fare and chatting with the farmer that grew it. Nothing could be more of an entertaining and flavorful food connection for those looking for out-of-the-restaurant box, unique and memorable dining experiences.

It’s easy to see the initial appeal of such farm-to-table endeavors from the host farmers’ perspective as well. Not only would you be diversifying and increasing your income base, but you would foster the intimate opportunity to share both your farm home and bucolic setting while loyal customers taste your harvest in the freshest possible manner.

Add these two motivations together and you see a vibrant movement of various on-farm food events growing in number, from informal “pizza farms” selling wood-fired pizzas made with farm-raised ingredients to pricier white-tablecloth, multi-course dinners. While still small when compared to the reach and volume of the restaurant industry in Minnesota of over 10,000 outlets and eight billion in sales (Source: National Restaurant Association), this on-farm food service movement is increasing to the point here in the Midwest that national media outlets such as USA Today increasingly shine the spotlight on what’s happening [here](#).

[Chicago Tribune \(5/29/14\): Pizza Farms Bake Up Homegrown Joy](#)
[USA Today \(7/29/13\): Pizza nights lure visitors to Midwest farms](#)

But while the concept of sharing a meal around a table reaches back through centuries of history, in today’s business and regulatory reality, it isn’t as simple as setting out an extra table and chairs and collecting cash to get something started. Adding any form of on-farm food service to your farm business mix really requires a well thought out and strategic planning process to bring you to long-term success. While by no means impossible, it’s a process that necessitates research, asking questions, patience and intestinal fortitude to successfully navigate the start-up [waters](#).

About this Publication

The goal of this publication -- *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* – is to help provide a starter toolkit and roadmap for farmers intrigued to potentially start

Comment [JJ1]: I wouldn’t mention these here, just include an endnote.

Comment [JJ2]: DESIGN NOTE: Maybe a sidebar here that lists the range of what on-farm food service might include.

such a venture.

While this is one of the first resources to [explore](#) and address the complex legal and regulatory issues related to on-farm food service, remember this whole “farm to table” movement still remains a young industry. [Because it is new and](#) without a deep-rooted history and track record to draw from, [it is critical for there reader to understand that it is](#) subject to change. By attempting to launch such a venture, you will be needing to pioneer new entrepreneurial territory as these type of ventures don’t readily fit into the existing regulatory and business check-boxes. Not a regular restaurant but not exactly a one-hit wonder special event, on-farm food service businesses require new approaches and perspectives from all sides involved with this process, from interpreting the Minnesota Food Code to addressing insurance and liability issues.

[As such on-farm food business ventures grow in number and volume and shine a spotlight on various regulatory roadblocks and business barriers that currently exist, some states are proactively addressing this by passing “Farm to Fork” legislation that authorizes and legalizes specific categories of on-farm food service.](#)

[For example, Nevada passed such legislation in 2013 that defines a “farm-to-fork” event as something organized on a farm where prepared food is provided for immediate consumption to paying guests, which is them exempted from the state’s standard food establishment permit requirements if they register with the “health authority” hold no more than two farm-to-fork events in any month.](#)

[Since Minnesota does not have similar legislation \(at this time\),](#) this manual will help farmers navigate current opportunities [and build more regular food-service income streams specified](#), specifically:

What this publication will cover:

- Part-time, on-farm food service ventures in Minnesota that supplement and diversify an existing farm’s income base and thereby manage risk such as pizza farms and farm-to-table dinners. [On-farm food service is defined as ready-to-eat items that are most likely consumed on-farm but could also be take-out \(i.e., pizza\).](#)
- Help farmers to understand and navigate the various regulatory and legal categories and issues [during the business start-up research phase.](#)
- Basic business planning, marketing and outreach to support ultimate business success.

What this publication will not cover:

- Full-time, full-service restaurant start-ups.
- Value-added food products for sale that are not consumed on-site, either retail or wholesale

Comment [JJ3]: DESIGN COMMENT – pull out box that explains this more.

(i.e., a jar of pickles).

- Regulations outside of Minnesota. While much of the information and perspectives covered will be applicable to those starting on-farm food ventures outside the Minnesota borders, particularly related to business planning and marketing, please note each state operates under its own definitions and legislation and needs to be understood and addressed [on its own](#).

Importantly, this manual is written in the spirit of collaboration and teamwork between farmers as business owners and entrepreneurs and the various agencies that administer these related regulations and codes, from the Minnesota Department of Health to local county zoning boards. This is not a resource to work “around” the system or find loopholes. The manual comes from the belief that the ultimate priority and mutual goal between all parties is food safety, providing safe food and a healthy and safe setting in which to consume it.

As you read through these pages, you may personally know [of](#) farm businesses that are doing things differently than the way this manual outlines. While [issues](#) like zoning vary [greatly from town to town, even](#) different inspectors and agency staff [may](#) interpret [the same code](#) differently to some degree. If there is strong discrepancy between how your local regulator interprets [an issue of law \(for example, the Minnesota Food Code rather than local zoning ordinances\)](#) and how things work in a different part of Minnesota, the Local Food Advisory Committee <http://www.misa.umn.edu/FarmFoodResources/LocalFood/LocalFoodAdvCmte/index.htm> offers a straight-forward process for [bringing these issues forward where they will be discussed and addressed](#) in a collaborative spirit.

Additionally, [some](#) businesses, [whether they realize it or not](#), may simply be operating [outside the law](#), under the radar [of](#) or at least not in the way that the regulations intended. Whether through honest misinformation or not, such situations [involve risk for](#) everyone involved, from the farmers’ business to attendees to the overall momentum of the farm-to-table movement. This is precisely what this manual aims to address by providing accurate, vetted and reviewed resources in a compiled and organized manner.

Understandably subject to change and revision as this on-farm food service business sector evolves, [the](#) spirit of this manual is to move forward together in open, transparent dialogue and communication between all involved – from inspectors to farmers to non-profit educators – to cooperatively create a safe food system while also generating additional revenue generated on-farm.

Business Opportunities for On Farm Food Service

The market timing is ripe and ready for on-farm dining opportunities, fueling the growth of what’s currently happening.

Two key target segments driving this market growth:

1) Local Foodies Enthusiast

Definition: People who buy food directly from farmers at farmers' markets, through CSA/Community Supported Agriculture, or food cooperatives and who seek out and support direct farmer connections and want to know – and feel good about – where their food is coming from.

This growing market is evidenced in:

- The number of farmers' markets in the U.S. increasing over 200 percent over the last 15 years, with 5,274 farmers' markets in 2009 (Source: [USDA](#)). [Minnesota reflects this trend: In 1994, the printed farmers' market directory produced through the Minnesota Grown Program listed 43 markets and today the Directory lists over 175 markets.](#) (Source: [Minnesota Department of Agriculture](#)).
- The first three of the "top food trends" reflect this segment: people interested in locally grown produce; locally sourced meats and seafood; sustainability as a culinary theme (Source: National Restaurant Association).
- Assuming 50 to 500 subscribers each, CSAs supply more than 270,000 U.S. households during the growing season. (Source: USDA Sustainable Agriculture Research and Education). [The Land Stewardship Project's CSA guide currently lists 65 CSA farms catering to Minnesota markets.](#)
- ~~Nearly 40 percent of people claimed that they haven't changed organic product purchasing habits because of the recession. Only 3 percent said they stopped buying organic products altogether.~~ [Organic market demand remains strong, with three-fourths of U.S. consumers purchasing organic products.](#) (Source: [O-Mintel International Group Ltd., on the \\$6.2 billion organic food and drink market](#) [Organic Trade Association](#)).

2) Culinary Tourism

Over the last ten years, the role food plays in the travel industry has grown tremendously, fueled by everything from "Food Paradise" and "No Reservation" shows on the Travel Channel to the swarm of tempting food photos invading social media feeds. Travelers increasingly seek out both the unique and flavorful, with dining consistently [rating as](#) one of the top three favorite tourist activities. (Source: World Food Travel Association).

These travel and food enthusiasts are particularly seeking [authentic](#) agricultural experiences and "insider" perspectives, something a farmer and farm direct dining experience can offer. (Source: Travel Industry Association of America).

Additionally, urban dwellers are seeking out on-farm, agritourism, related experiences, again fueling interest in on-farm dining experiences. From 2007 to 2012, the number of U.S. farms catering to city folk went up 42 percent, bringing in more than \$700 million. Since 2007, the amount of money brought in under the category of agritourism rose by 24 percent. (Source: US Census of Agriculture)

Comment [JJ4]: I'd be interested in others thoughts on the term foodie. I find that some find it elitist. Hmm. Maybe local food enthusiast?

Comment [JJ5]: We do have MN numbers here.

Comment [JJ6]: Again, I have MN

Comment [JJ7]: Maybe just indicate increases in organic purchasing.

Beyond the Plate: Using commercial kitchens for additional income

With the potential investment of an on-farm commercial kitchen, think about ways you could diversify your income further by using that space for other related ventures such as:

- Value-added products

An item made in a commercial kitchen could be sold and used in various ways, adding multiple income streams from the same product. If you are operating a pizza farm, for example, you may want to can~~and~~ tomato sauce during the peak of the tomato crop that could be used on your pizzas throughout the event season, including the early spring before the tomatoes are ripe. This commercially-produced sauce could then also be used in a variety of ways in other income generating capacities :

A pizza ingredient during the following season before tomatoes are ripe

Sell to event guests

Add value to early season CSA boxes

Sell wholesale to area retailers

- Kitchen rentals

There may likely be other budding food artisan entrepreneurs in your area looking for commercial kitchen space to rent. Given that you probably are not using your kitchen space daily, even during the peak summer season, this could be an opportunity for rental income.

The Organic Processing Institute (www.organicprocessinginstitute.org) maintains a map of community and kitchen rental facilities in the Midwest, which can be a starter resource of going rates and set-ups in your region. However, the specific licensing issues for kitchen rental are not addressed here. Please see (insert community kitchen manual name/contact).

- Culinary classes

Take food service up a notch: Don't just serve them the dish; invite folks back to learn how to make it. Your kitchen space would lend itself for marketable on-farm cooking classes. See the class listings on larger culinary store websites like Williams Sonoma and Sur La Table Cooks of Crocus Hill, Kitchen in the Market, area Whole Foods and food-coops for ideas, particularly new areas for classes like kids classes and customized classes for bridal showers.

Categories/Types -of On-Farm Food Service

(Design notes: Could we include this as a summary comparison chart? Note this list is intended as an introduction/overview summary for the first chapter. There are references to page numbers in Rachel's chapters for more detail)

For our purposes in this manual, the term "on farm food service" can refer to a range of different formats for ways to bring people to your farm to eat and share a food experience.

How exactly you choose to engage in and structure your venture depends on a variety of

Comment [JJ8] : This section seems to come a little out of nowhere. I wonder if it is a sidebar? One thing, is so far in the publication we haven't mentioned commercial kitchens – so maybe it also just goes later in the document.

Comment [JI9] : DESIGN NOTE: "Beyond the Plate" make a sidebar (perhaps later in the manual/Chapt. 2)

Comment [JJ10] : This bullet point needs a little work.

Comment [JJ11] : In MN our regulators are quick to point out that a community kitchen is not necessarily a licensed commercial kitchen. I wonder if we might want to be a bit more cautious – and we could refer them to the publ on commercial kitchens that MISA and others are doing.

Comment [JJ12] : We could mention – instead of Williams Sonoma, some local places like Cooks of Crocus Hill, Kitchen in the Market, food co-ops and Whole Foods???

factors, including what your ultimate goal is, who your audience is and what partnership and facility options may be available locally.

The following summarizes eight different on-farm food service categories to start us off. Several of these will be covered in more detail in other chapters as noted- [While all these options are feasible, note that they still require proper licensing and facilities. Be sure to both read this manual carefully and also contact your local regulator.](#)

1. Private events

[A private event is an event where food is offered to family and friends.](#)

See Chapter 3/Serving Safe & Delicious Food Through the Law (Pg. ##) for more detail.

Description:

Events in which you invite specific individuals to a gathering where you will be serving food. No payment (or donation) is received for the food. For example, inviting specific CSA members for a harvest thank you dinner for volunteer work over the summer.

Pros:

[As everyone knows, a license is not required to serve food to our families and friends.](#)

Cons:

Doesn't generate farm income or advance business diversification long-term.

2. Potlucks

See Chapter 3/Serving Safe & Delicious Food Through the Law (Pg. ##) for more detail.

Description: A meal where attendees gather voluntarily and bring a dish that they prepared in their individual home kitchen.

Pros:

Simpler way to host an on-farm food event that still markets the farm and business but does not require a license or other regulations and fees. Generates a strong collective, positive community vibe through everyone contributing and sharing food.

Cons:

Also doesn't generate farm income. Food quantity and quality dependent on attendees.
Doesn't necessarily promote and showcase items grown on the farm.

Comment [JJ13]: Ha, ha. It would be important to screen guests to be sure they are good cooks!

3. Partnering with a chef and/or restaurant

Description: Partner with a local restaurant to co-produce and market the event. Restaurant chef prepares food off-site in restaurant commercial kitchen and delivers/preps on-farm in a

catering capacity. Restaurant typically handles the reservation facilitation and payment. These situations most likely happen when a farmer and restaurant already have an existing relationship (i.e., the restaurant buys meat regularly from the farm).

Pros: Works well when a restaurant manager is motivated and takes on more of the facilitation detail, tapping into their food service experience. Chef will often work directly with the farmer to plan the menu around what the farm has in season and purchase directly from the farm, resulting in extra income.

Cons: Often these partnerships can be a little unclear and murky on who is responsible for what and how the overall budget will be managed. What is the farmer's role and expectation on compensation? Best if these responsibilities are outlined in a contract between farm and restaurant to avoid issues.

4. Using a full outside event management service See Pg. ### for more detail/Profile of Dinner on the Farm

Description: An outside, third party company (i.e., Dinner on the Farm, Outstanding in the Field) organizes, markets and is basically responsible for the whole event. Outside entity will likely handle all licensing, insurance, payments/reservations, food ordering/prep, marketing/advertising, staffing, clean up, etc.

Pros: No time commitment or cost investment needed of the farmer. Organizing entity typically buys as much ingredients as possible and may provide additional compensation to the farmer.

Cons: Typically is not a primary income-generator for the farm, other than marketing/brand awareness for the farm through the event and advertising.

5. Occasional/Intermediate food service options (Lisa's note: Need some feedback here on terminology/classifications for Minnesota under "description" Rachel?)

Description: For example, special event, food stand and mobile food unit licensing.

Pros: Potentially less cost investment than full commercial kitchen.

Cons: Limited in what you can prepare on-site; may be more assembly focused and still need an on-site kitchen for preparation.

6. Renting off-farm commercially-licensed space (i.e., church kitchen)

Description: Rented usage of existing commercial kitchen space off-farm, such as a using a restaurant or church kitchen off-hours. One option would be to both prepare and serve the

Comment [JJ14]: I'll let Jane take this as she is much more fluent in these.

Comment [JJ15]: So in this case – is the event at the church – or is the food just prepared there? Because if the second – I think there still would be licencing required for serving on the farm.

Comment [JI16R15]: Added some more description per Jan's comment. The event could go either way – but the key point here is using another commercial kitchen facility/not building your own.

food at this off-farm facility. Another option would be to just use the kitchen facilities for food preparation and then transport on-farm.

Pros: Much lower cost input than building an on-farm kitchen. Church kitchens may only ask for a donation or may even be free if you are a member. Possible opportunity to actually host the event at the restaurant or church site and not need to rent tables, dishware, etc.

Cons: Not all church kitchens are commercial grade. As a renter, your needs come secondary (i.e., you can get bumped if something else comes up), unless you have things detailed in a contract. If you are still serving on farm, transport between facility and farm can be a hassle and impact food quality. Additionally, one would still need to address the various event and licensing requirements required for on-farm events, even if food is not prepared onsite.

7. Bed & Breakfasts

Description: Overnight farmstay accommodations that include breakfast, showcasing items grown and raised on the farm.

Pros: Additional income derived from lodging element. Ability to give guests an authentic overnight farm experience.

Cons: Depending on what and how many people you serve, additional Minnesota Department of Health regulations kick-in. Food manager certification, additional fees, etc. required to serve breakfast to guests in your home kitchen.

Note: See this free MISA publication for more specifics on starting a farmstay in Minnesota:
Farmstay: Diversifying Your Farm Business Through Agritourism: A How-to Manual for Establishing a Farmstay in Minnesota.
www.misa.umn.edu/Publications/FarmstayManual/

8. Pizza Farms

Description: Pizzas assembled and baked on-farm, typically baked in an outdoor, wood-fired oven. Most pizzas consumed on-premise, picnic-style (i.e., no restaurant service) although take-out is available.

Pros: Opportunity to showcase farm-raised and produced items on the pizzas, which also lowers cost (vegetables, meat, cheese, grain, etc.) Casual, informal environment and general affordability of pizza makes these a very family-friendly and suitable for children.

Cons: Unless you take preorders or reservations, it is difficult to manage volume and traffic flow. Traffic very weather dependent.

9. Full Farm-to-Table dinners

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Description: Full dinner (typically multiple courses) served in a sit-down, table setting on the farm. Menu features farm-raised and produced fare. Events typically require pre-registration/tickets.

Pros: Ability to incorporate various farm items into a flavorful, culinary experience (and charge a premium for it).

Cons: May need to rent various items (tents, tables, dishware, etc.), which increase overall cost.

Comment [JI17]: Jan's comments above made into current revision.

~~(Lisa note: This “element” section originally here seems hanging/a little out of place — and Rachel covers this in Chapter 3. Just let me know if you think we should add back in):~~

- ~~€) ————— Key Elements of a Commercial Kitchen~~
- ~~i. ————— Walls & Floors~~

- ~~ii. ————— Sink & Water sourcing~~

Comment [JJ18] : I think it belongs in Rachel's area.