WISCONSIN
LOCAL FOOD MARKETING GUIDE

A Producer's Guide to Marketing Locally Grown Food

THIRD EDITION

The Wisconsin Local Food Marketing Guide publication was made possible through the Wisconsin Department of Agriculture, Trade and Consumer Protection and the Buy Local, Buy Wisconsin program, which strives to increase the sale of Wisconsin food products to local buyers.

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The publication is also available online at http://datcp.wisconsin.gov Search "Local Food Marketing Guide"

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INTRODUCTION

PUTTING A FACE AND A PLACE TO FOOD: LOCAL FOOD BRINGS RESURGENCE OF NEW AGRICULTURALISTS

The Wisconsin Department of Agriculture, Trade and Consumer Protection is proud to present the third edition of the award-winning *Wisconsin Local Food Marketing Guide*.

The *Wisconsin Local Food Marketing Guide* is intended as a resource for farmers and producers. It will acquaint you with some of the opportunities you can use to market your food products. You will learn from those who pioneered innovative production and marketing approaches. Understanding what's involved in local food marketing will better prepare you for success.

The first edition garnered the Wisconsin Library Association Government Roundtable's Distinguished Document Award, and was one of twelve documents to receive the American Library's Association's Notable State Government Document award.

HIGHLIGHTS OF ADDITIONS

Chapter 1:

New business development section
New section on social media and marketing
New section on registration and business contracts

Chapter 2:

New information on sales tax and food sampling laws for farmers markets
New section on agritourism trails

Chapter 3:

New information and resources in grocery section
New section on farm to school

Chapter 4:

Updated regulations

From farmers markets to community supported agriculture, from artisan cheeses to branded meats, Wisconsin's original entrepreneurs—its farmers—are reinvigorating agriculture in the state. These progressive farmers are transforming the landscape and culture of agriculture. Their influence is affecting how food is grown and how new food systems will be built. They are an important piece of Wisconsin agriculture, complementing the successful commercial agricultural industries built in Wisconsin.

In the past, more people had a connection to the land as producing food was a necessity of life. Communities created festivals around the planting and harvesting seasons, beseeching good crops and bountiful harvests. Their lives and the lives of their neighbors were intimately connected to the harvest yields produced from their efforts.

In the past century, as rural populations gravitated toward urban centers, many of the

connections people traditionally had with the land became strained and even broken. Today, the average U.S. citizen is three generations removed from production agriculture. Without the direct connection to growing food themselves, consumers have begun expressing an interest in knowing where and how their food is produced and grown. This desire to make a food connection has linked food producers and consumers.

Local food production is a groundswell sweeping across the state's countryside and inside urban areas, creating opportunities for Wisconsin farmers. New customers are streaming to farmers markets, seeking not only farm-fresh produce but also a connection to the land on which it is grown. Studies have shown that consumers are increasingly looking for food diversity, freshness, and ties to food producers.[1]

Consumers are rediscovering the bounty grown in Wisconsin. From garden vegetables to fruit trees; from honey and maple syrup to meat products; from restaurant creations sourcing local foods to simple, home-cooked meals, a new food landscape is appearing on Wisconsin's tables. As Wisconsin witnesses and participates in this expansion of local food production, a resurgence of textures and flavors is surfacing to benefit both producers and consumers.

The timing has never been better to enter the local food production systems in Wisconsin.

Increased consumer demand, interest in preparing healthy meals, information availability, and expertise willingly shared with new producers have changed the dynamics so that small- and large-scale farmers, alike, can thrive in the marketplace.

Recent polls and studies reveal the local food trend. Nearly everyone, from local consumers to large chain stores, is taking part at some level. A 2008 survey found that 82 percent of American consumers had purchased local food, while only seven percent had not.[2] According to an analysis conducted by the U.S.

Department of Agriculture, many large retail chains have made efforts to locally source their products.[3]

This expanding demand has shown itself in both direct and indirect markets. Between 2009 and 2010, the number of farmers markets in the United States grew by 16 percent, to 6,132 from 5,274.[4] The 2007 Census of Agriculture found that Wisconsin is home to 437 farms that market their products through Community Supported Agriculture, ranking seventh out of all fifty states. Restaurants are also a large purchaser of local food: the National Restaurant Association's 2008 "fine dining" operator survey found that 89 percent of operators offered locally grown or locally made items, and 90 percent believed local food would become more popular in the future.

The range of local agricultural products available has expanded as farmers have responded to the public's interest in the food appearing on their plates. As consumers' desire to reconnect to their food drives their buying choices, farmers are presented not only with new opportunities to meet that demand, but also an opportunity to tell the stories of their farms, lifestyles, and philosophies.

These expanding markets provide excellent potential for new and existing producers. The scope of Wisconsin's production diversity covers many areas, and each new producer brings a unique set of skills and perspective to the table.

[1] Food Marketing Institute. 2009. U.S. Grocery Shopper Trends, Food Marketing Institute: Arlington, VA.
[2] Onozaka, Y., Nurse, G., and D. Thilmany McFadden. 2010. "Local Food Consumers: How Motivations and Perceptions Translate to Buying Behavior." Choices, Vol. 25.
[3] Martinez, S. et al. 2010. "Local Food Systems: Concepts, Impacts, and Issues." U.S. Department of Agriculture Economic Research Report 97.
[4] U.S. Department of Agriculture. 2010. "USDA Announces that National Farmers Market Directory Totals 6,132 Farmers Markets In 2010." News Release 0390.10.

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Chapter 1



CHAPTER 1: Getting Started

How do you get started in local food production and marketing? What do you need to consider? Like any business venture, establishing the entire concept and developing the initial steps may seem overwhelming. You must learn a whole new set of skills and be proficient at them for your business to succeed.

The good news about local food production and marketing is that you don't have to start from scratch to learn the business. This guide provides information on many valuable resources available to help you get started, develop a plan, and define your goals.

GATHERING INFORMATION

For those unfamiliar with farming, the first steps, such as acquiring land or planting seeds may be a complete mystery. Fortunately, many resources and opportunities exist for beginning farmers to help them get started with agricultural production. This section provides resources for those looking to start farming and those looking to expand into new types of production. It is also important to remember that the steps of beginning farming are flexible, and no two farmers follow the exact same formula in starting a farm.

On Farm Experience

One excellent opportunity for new farmers is to work or intern on an existing farm. Many experienced farmers are eager to share their excitement and knowledge about farming. Some offer special teaching sessions during their program on topics like irrigation or machinery. Others offer internships that often last for a growing season but sometimes continue on for a year or longer. The following websites maintain up-to-date listings of jobs, internships, and apprenticeships:

Resources for Beginning Farming

Loon Organics: A Prototype Technical Case Study for Beginning Farmers
Profiles in Sustainable Agriculture
"This case study describes how a husband-and-wife team became interested in farming, how they got their training, and how they transitioned from farming on land rented from mentors to buying their own 40-acre farm."
http://sustagprofiles.info/

Center for Rural Affairs – Beginning Farmer Resource List
A list of various opportunities and resources for beginning farmers and ranchers.
http://www.cfra.org/resources/beginning_farmer

Resources for Beginning Farmers
Minnesota Institute for Sustainable Agriculture
A directory of many resources for farmers across the Midwest.
http://www.misa.umn.edu/Publications/index.htm#general

The Upper Midwest Organic Resource Directory
Midwest Organic and Sustainable Education Service
A reference guide to organic resource groups, certification, government agencies, and more.
www.mosesorganic.org

Beginning Farmer Educational Tools

Farm-Based Education Jobs:

Farm-Based Education Association
http://www.farmbasededucation.org/forum/categories/job-postings/listForCategory?sort=mostRecentDiscussions

Sustainable Farming Internships and Apprenticeships
National Sustainable Agriculture Information Service
http://attra.ncat.org/attra-pub/internships/

Seeking Farmers-Seeking Land Clearinghouse
Land Stewardship Project
http://www.landstewardshipproject.org/fb/resources.html

Internship Board
Minnesota Institute for Sustainable Agriculture
http://www.misa.umn.edu/StudentPrograms/Internships/index.htm

MOSES Farmer-to-Farmer Mentoring Program
Midwest Organic and Sustainable Education Service
http://www.mosesorganic.org/mentoring.html

Attend Classes and Conferences

Many new and continuing farmers and business owners also enroll in classes and workshops in order to expand their agricultural knowledge. Some classes or conferences only last a day or two, making it a quick and easy way to gain information on a new topic.

Classes:

Farm Beginnings
Land Stewardship Project
"[A] farmer-led educational training and support program designed to help people who want to evaluate and plan their farm enterprise."
http://www.landstewardshipproject.org/farmbeg.html

Farm Business & Production Management Degree
Wisconsin Technical College System
A series of classroom and on-farm courses taught over a six-year period, resulting in a technical diploma. Available at technical colleges across Wisconsin
http://www.witc.edu/pgmpages/farmbus/wtcs.htm

The Center for Integrated Agricultural Systems
CIAS offers several beginning farming courses, such as Beginning Dairy & Livestock or Beginning Fruit, Vegetables and Flowers.
http://www.cias.wisc.edu/category/education-and-training/

Whole Farm Workshops
Michael Fields Agricultural Institute
Offers workshops like Soil 101 and Pest & Disease Management.
http://michaelfields.org/whole-farm-workshop-schedule/

Conferences:

Local Food Business Seminars
Wisconsin Department of Agriculture, Trade and Consumer Protection
Workshops held in locations around the state in an attempt to provide small-to-medium size producers with the tools necessary to take advantage of local and regional markets.
http://datcp.state.wi.us/
Search "Buy Local"

Fresh Fruit and Vegetable Conference
Wisconsin Fresh Market Vegetable Growers Association
A winter conference open to all fresh produce growers and agritourism operators; the conference offers networking opportunities and a trade show.
http://www.wisconsinfreshproduce.org/index.php/news/fruit-vegetable-conference

Organic Farming Conference
Midwest Organic and Sustainable Education Service
Held annually in La Crosse, Wisconsin, this conference hosts over 60 informative workshops and 140 exhibitors.
http://www.mosesorganic.org/conference.html

BUSINESS DECISIONS AND PLANNING

Every producer needs to become aware of current business opportunities and future possibilities. Some questions to think about as you research market opportunities are: 1) what is going on in the markets you are currently interested in and 2) what possibilities or trends are being suggested or talked about? Researching these two points provides opportunities to gather market information. In addition to these initial steps, read the professional organizations materials associated with your market of interest, network with market buyers, and use that information to then make a decision on initial product(s) to produce and test.

Choosing a local food marketing strategy that works for you depends on your personal preferences, the amount of product you produce, your ability to work with state inspections, the amount of customer contact you want, food preparation, and risk. The exercises below are a great start for thinking about what kinds of marketing might suit you. However, don't let these be your only considerations. If there's one defining feature of the local food movement, it's creativity. You just might find a new way to do things that matches your preferences.

Which Market Suits Your Personal Preferences?

Do you like working closely with people and having a lot of public contact?

If so, consider opportunities where you can work directly with the consumer such as, farmers markets or agritourism. If not, consider working with restaurants, grocers, or distributors.

Do you prefer to secure wholesale prices or do you see a premium price?

You can receive secure wholesale prices through distributors or institutional food service. Achieve premium prices through an on-farm store, CSAs, farmers markets, Pick Your Own, restaurants, or grocery stores.

Market Types

There are many options for marketing your food locally. Some of the most visible local food sales are direct from farmer to customer, but there's more than direct marketing. There are growing opportunities to connect to a local food system through intermediate marketing. Consider balancing your risks by choosing more than one marketing avenue.

Direct Marketing

Direct Marketing is selling your farm products directly to the consumers for their use. Products are not sold for resale. It allows for a direct connection at the point of sale for the producer and the consumer. Farmers markets, community supported agriculture (CSA) farms, agritourism, Pick Your Own, and on-farm stores are all forms of direct marketing.

Benefits

- Higher product price as the middle portion of the distribution system is eliminated
- Consumer connection at point of sale
- Direct feedback from customers when introducing new varieties or products

Challenges

- Higher product price does not necessarily lead to greater profits
- Time consuming
- Must have good customer relationship skills
- Scale might be limited

Success in direct marketing comes from producing a high-quality product where the consumers feel they are getting a better product for their money than if they buy elsewhere. Value is created when a product meets, or exceeds, the customers' expectations.

Intermediate Marketing

Intermediate Marketing is selling your product to a specific buyer for resale. This can be restaurants that use food to make a menu item, grocery stores that sell to the consumer, and institutions like schools and hospitals. You can also sell to wholesalers and distributors.

Benefits

- Brand exposure at multiple locations
- Potential to reach more consumers
- Consistent orders from buyers
- Larger volume can increase efficiency

Challenges

- Owners and buyers change
- Price received is usually lower than for direct marketing but profits might be better regardless
- Seasonal supply can be a challenge to relationships with certain buyers

Product Research

Write out your product idea in pencil as there will probably be changes to your initial idea. Then start calling on prospective customers (not family and friends) asking them what they like and don't like about your idea. After visiting 10 or 20 prospective customers, you will have gained unrivaled market's needs information and may now know what product or product attributes signify an opportunity.

Ask prospective customers to hold a focus group on your product. This will reveal if your product is really needed by the marketplace and allows you to test price points with different buyers. It will also help determine the market volume demand, a crucial part of business plan projections. If required, adjust your product to meet market needs.

Those considering adding value or processing your raw agricultural products must use their capital wisely. In order to conserve capital, it may be to your advantage to use others resources to initially produce your product.

- Source product from growers whose production standards meet your requirements
- Use others' facilities to produce and package your product:
  - Contract manufacturing and/or packaging
  - If needed, contract for distribution

- Rent facility (maybe off production hours) for production and/or packaging

When pricing your products for market, you need to develop a pricing program for each product. This will allow you to incorporate all expenses, such as materials, transportation, packaging and marketing costs, yet obtain a fair return on your labor. Setting prices is typically the hardest thing farmers do when they market products.

Creating a Business Plan and Budget

Marketing produce, meats, or value-added farm products is a business and, like any other startup business, it takes an investment of time and money to ensure success. Finding your place in the market depends on your land base, scale of production, and managerial abilities.

Developing a business plan helps you define your business, provides you with direction to make sound decisions, helps you set goals, and provides a means to measure progress. A business plan increases your chance of success. Business plans do not need to be extensive, but must answer several questions that enable you to focus your efforts. Developing and writing your plan forces you to examine the resources you have available and the ones you need. You can also evaluate the capital investment and additional materials required. Having a sound business plan with cost and income projections supports a knowledgeable case for a loan, should you need to raise startup funds. It also points you in the right direction for future growth opportunities.

Business Plan Basics

A business plan is as important for an established business as it is for startups. A business plan should have a realistic view of your expectations and long-term objectives. The process of developing a plan forces you to clearly understand what you want to achieve and how and when you can do it. This process includes evaluating, discussing, researching, and analyzing aspects of your proposed business and may ultimately determine the financial feasibility of your ideas.

Purpose of a Business Plan

- Helps clarify your objectives
- Develops a structure for your business
- Aids financial discussions with lenders or investors
- Provides a benchmark for comparing actual performance with initial goals

Before Writing a Comprehensive Business Plan

- Define your target audience
- Determine requirements to reach goals
- Decide the likely length of the plan
- Identify the main issues to be addressed

Business Plan Outline

- Introduction
- Mission, Vision, and Objectives
- Company Summary
- Product/Service Offerings
- Market Analysis
- Target Markets
- Marketing/Sales Strategies and Projections
- Operational/Manufacturing Plans
- Management
- Financial Projections
- Appendices

Your business plan should be realistic about expectations and long-term objectives. By using an outline such as the one above, you will be able to write each section concisely yet comprehensively. One key is to address only those matters of real substance and major significance within the main sections of the plan. See resources in this section to obtain more specific information on business planning and developing budgets.

Resources for Business Planning and Budgets

Budget Projection for Vegetable Production
Iowa State University Extension
This enterprise budgeting tool can help vegetable growers estimate the costs and revenue associated with producing a product.
www.extension.iastate.edu/Publications/pm2017.pdf

Building a Sustainable Business
Minnesota Institute for Sustainable Agriculture
A Guide to Developing a Business Plan for Farms and Rural Businesses.
http://www.misa.umn.edu/Publications/BuildingaSustainableBusiness/

Business Planning for Any Value-Added Agricultural Business
WI Department of Agriculture, Trade, and Consumer Protection
Carl Rainey - Division of Agriculture Development
Phone: 608-224-5139

Enterprise Budgets
Center for Integrated Agriculture Systems (CIAS)
Enterprise budgeting tools for dairy sheep, dairy goats, poultry, and specialty foods.
http://www.cias.wisc.edu/category/economics/enterprise-budgets/

Farmer-Led Case Study on Financial Success Comparison
Center for Integrated Agricultural Systems (CIAS)
"Grower to Grower: Creating a Livelihood on a Fresh Market Vegetable Farm"
http://www.cias.wisc.edu/wp-content/uploads/2008/07/grwr2grwr.pdf

Other Business Resources

Land

Every farmer needs land, whether it's for planting, livestock or processing. Finding affordable farmland can sometimes prove to be challenging. However, several projects now exist that seek to partner retiring farmers with beginning farmers, eventually leading to a transfer of ownership. The resources below also include programs that identify available land in your area.

Farm Link
WI DATCP Farm Center
Farm Link is a farm transfer matching program, basing matches on compatible goals and needs.
http://datcp.wi.gov/Farms/Wisconsin_Farm_Center/Farm_Transfers/Farm_Link/index.aspx

Lands of America
A large database of land for sale across the country, including farms and ranches.
www.landsofamerica.com/america

Land Bin
A database of land for sale in Minnesota and Wisconsin.
www.landbin.com/land/wi

Land Stewardship Project Clearinghouse
Land Stewardship Project
A clearinghouse for beginning farmers seeking to rent or buy land.
www.landstewardshipproject.org/fb/resources.html

Labor

Another aspect to beginning a farm or a new food business venture is to hire labor. Some options include finding interns, hiring foreign labor, or allowing volunteer work. One of the easiest ways to find labor is to post your opportunities online. Also consider posting these opportunities on the resources listed on page 8 in the box under jobs, internships and apprenticeships.

Crop Mobs
An organization that arranges for groups of non-farmers to volunteer on a farm for a short period of time.
http://cropmob.org

Foreign Labor Certification
U.S. Department of Labor
The H-2A program allows employers to utilize foreign labor on a temporary basis in agricultural jobs.
http://www.foreignlaborcert.doleta.gov/h-2a.cfm

Job Center of Wisconsin
Wisconsin Department of Workforce Development
A large job database for all sectors of the economy.
https://jobcenterofwisconsin.com


Photo: NRCS

Financing

Most new businesses or business ventures require external funding to get started. Private banks are not the only option. Make sure to investigate public lenders and private organizations that exist to develop rural areas or to encourage entrepreneurship.

Building Sustainable Farms, Ranches and Communities
The National Sustainable Agriculture Information Service
A guide to federal funding programs for agriculture and rural communities.
https://attra.ncat.org/guide/index.html

Business Resources
Wisconsin Department of Agriculture, Trade, and Consumer Protection
A comprehensive listing of resources provided as a tool to help small businesses develop and grow using money, information and technical assistance.
http://datcp.wi.gov/Business/Business_Resources/index.aspx

The Farmer's Guide to Agricultural Credit
Rural Advancement Foundation International
A guide to agricultural borrowing and lending, including tips on what lenders will look for and how to get ready to borrow money.
http://rafiusa.org/blog/the-farmers-guide-to-agricultural-credit/

Strategies for Financing Beginning Farmers
Center for Rural Affairs
A brief guide to financial considerations for new farmers and a list of funding sources.
www.cfra.org/files/BF-Financing-Strategies.pdf

Technical Assistance

Looking to experts for technical assistance can be an asset to your business. These areas can include but are not limited to: business planning, accounting and financial organization, packaging and label development, food safety, grant writing assistance, market development, and more.

Food and Value Added Agriculture Program
Educational resources, a network for seekers and providers of technical assistance and limited financial opportunities.
http://fyi.uwex.edu/aic

Wisconsin Entrepreneurs' Network
WEN's mission is to provide seamless access to the statewide network of entrepreneurial resources and expertise to create new ventures; help grow existing business, and move forward high potential entrepreneurs to enable Wisconsin to be competitive.
http://www.wenportal.org

The U.S. Small Business Administration
An independent agency of the federal government created to aid, counsel, assist and protect the interest of small business concerns, to preserve free competitive enterprise and to maintain and strengthen the overall economy of our nation.
www.sba.gov/index.html

Producer Profile:

Four Elements Herbals

Jane Hawley Stevens has been hard at work harvesting her organic teas since 1981 and knew she had a niche product for local markets. Holding a B.S. in horticulture from the University of Wisconsin, Stevens tended to her personal herb garden based on their family farm. Soon she and husband David were supplying stores with organically-grown potted herbs, while growing an expansive herb collection at the same time. Seeing the demand and wanting to share the benefits of her herbs with others, the Stevens branched out with Four Elements Herbals; a line that includes herbal remedies such as tinctures, teas and flowers essence in addition to body care products like soaps, salves, and bath salts.

"Why wouldn't you trust plants," says Stevens. "They're so beautiful. It's like they're calling your name."

To get into the larger retail markets, she also knew she needed a concrete plan for going up against the corporate companies like Lipton and Celestial Seasons when placed on the shelves in local retailers. The USDA was offering a $100,000 value-added producer grant which would catapult their business, but Stevens knew she had other steps to take first. Investing her time away from family and

nearly $200,000 for matching funds, Stevens enlisted in the Producer's First program to write a feasibility study, aid in business planning and design attractive packaging for the days her teas would be on the shelves for everyone to see.

"Our goal is to discover the alchemy of nature — simple and pure food for your skin. Each item comes forth from a precious element of the earth."

Professional advice came in and so did revelations that a feasibility plan wasn't the only thing Stevens needed to get her product on retail shelves. Networking with different local food organizations, she realized that "Eighty-five percent of the public prefer their tea in bags, although herbalists really like to have loose tea to get a stronger infusion," Stevens explained. "The grant itself is about packaging herbal teas into tea bags and to expand the market into grocery stores, beyond health food stores and specialty shops." Cost analysis was another hurdle. How could she cut costs and be more competitive with her superior product? Through her hard work in grant writing and assistance in business planning and marketing, Stevens was awarded the grant by the USDA which has assisted in processing her tea into the customer-requested bags. The hurdles she overcame by acknowledging buying habits and having a plan in place has paid off as work efficiency has improved and sales doubled after the first year of the award.

Knowledge of change is a lot different than knowledge of process; so she relied on the Producer's First program to launch her business and marketing plan into action.

OTHER CONSIDERATIONS FOR SETTING UP A LOCAL FARM BUSINESS

Farming is more than producing and selling food. Farming is running a business. A stable, resilient business requires attention to regulations that effect where and how a farm may operation. This section will help farmers determine what issues they should investigate before launching their business. Where that isn't feasible or changes occur after launch, farmers who have been operating for years should look at these issues as well.

Community and Neighbor Considerations

Zoning, neighborhood uses, and fences are important factors for farmers to consider, whether beginning or established. These factors can determine what opportunities the farmer will have and how the farmer negotiates through issues. For farmers considering a land purchase, these factors will affect whether the farmer wants to go forward and what price the farmer is willing to pay. Not every producer has the luxury of choosing farmland or has access to the right information ahead of the purchase. For producers who already have a farm operation, there is still tremendous value to investigating zoning, neighborhood uses, and fence laws. Knowing the legal outlines of the farm can help a farmer make effective decisions that avoid problems down the road.

Zoning

Zoning is a system of land use regulation that controls how private property owners may use their land. Farmers need to know if their land is zoned and, if so, what the zone classification dictates. The zoning code may affect whether a farmer may host large events on the farm, undertake value-added processing, house employees on-site, sell the land for future development, and many other ventures.

Under traditional zoning systems, land is divided up into different zones. In each zone, specific activities are allowed or prohibited. A few areas have moved away from specifically allowing or prohibiting specific activities. Instead, new zoning codes regulate according to an activity's effect on the community, but this remains uncommon. Zoning was originally created to segregate land uses to protect community health and wellbeing. To meet this objective, zoning is highly local. In Wisconsin, cities and villages primarily enact zoning codes. Counties also have the authority to adopt zoning for areas outside cities and villages. Towns may adopt zoning codes under some circumstances. If the county has a zoning ordinance, the county must approve town-enacted zoning for it to be effective. Most Wisconsin communities are zoned; some rural areas have no zoning at all.

In any particular location, the municipality, town, village, or county may handle zoning. For example, a municipal body, a local planning commission, or a county board may variously adopt or enforce zoning codes. Farmers should check the phone book or Internet to find the appropriate local zoning authority. Then, farmers should determine if their farmland location is zoned, and if so, in which zone their farm is located. After determining the zoning classification in which the farm falls, farmers should read the accompanying regulations for that classification. Many localities have zoning maps and descriptions online. Zoning offices will have print materials for review. Staff may be available to help explain how the code is arranged.

Sometimes, the zoning code does not accommodate a farmer's plans. In some cases, a prohibition on an activity may be the end of the road. But in other cases,

the farmer may be able to secure a variance or conditional use permit. Conditional use permits are issued when the code allows divergence from the standard regulations under particular conditions. If a person meets the conditions, the person will receive a permit. Variances are more unpredictable. Variances are granted when following the zoning code would cause unnecessary hardship and the intent of the zoning code would still be upheld by the proposed variation. Variances are local decisions and it may be helpful to talk with someone who has received a local variance to understand the local process.

All farmers should consider looking at the master plan for their area. All municipalities in Wisconsin are required to have a master plan and to follow that plan when changing or enforcing the zoning code. Of particular relevance to producers, the master plan must outline how the municipality intends to address economic development, housing, and agricultural resources, among many other elements. The master plan might help a farmer identify future markets for farm products, spot trends in land valuation, and generally provide an idea of what may surround the farm many years from now.

Zoning concerns are especially relevant when farmland borders urban areas—a common situation for many direct marketing operations located near potential consumers. As towns or other urban areas expand, counties or cities may change the land's zoning classifications. For example, towns may annex farmland previously under county jurisdiction and subject the property to municipal zoning. Other land use changes may result when counties rezone land. In either situation, governments could rezone farmland from "agricultural" to "residential" or "commercial," and so forth. The existing farm operation would be grandfathered as a "non-conforming use," which would allow the continuation of the farming operation, but could prohibit or restrict future changes or other farm-related businesses such as farm stands or U-pick operations.

Impacts on Neighbors

Farming operations, whether by producing odors, dust, noise, or other externalities, can have a significant impact on neighbors. When choosing a farm site and planning production and processing activities, direct marketing farm owners should be aware of the legal issues that may arise if neighbors are impacted. Farmers can also become the subject of adverse land use by other farming neighbors, and farmers should know where they stand in their ability to compel a neighbor to change his or her ways.

When one landowner is bothered by another landowner's activities, the first landowner may sue the other landowner on a nuisance claim. A legal nuisance is when one person uses his or her land in an unreasonable, unwarranted, or unlawful way, and in so doing, affects the rights of another landowner. A nuisance may be a strong smell, loud noise, unsightly object, or some other condition causing substantial discomfort, so long as it is something that is perceptible to the senses. Nuisance is a common law subject. That means its exact contours have been determined through lawsuits rather than through legislation.

Nuisance claims can be brought by affected neighbors or by the state on behalf of the public as a whole. Nuisance claims may be brought against farmers or by farmers. For example, a farmer may be affected by noise and dust from a neighboring dirt bike track. In turn, a local resident may be affected by the noise and odor of a hog operation. Farm businesses must be aware that conditions they create may

rise to the level of actionable nuisance, particularly those businesses in close proximity to non-agricultural land. Courts have found some large livestock facilities to be a nuisance due to the presence of strong odors and flies, such that neighbors can no longer use their property as they expected.

Some farmers and landowners were concerned that residents moving from urban areas into rural areas would use nuisance claims as a way to control farm operations. Rural landowners felt this situation was unfair as the ex-urban resident "came to the nuisance." In response, many states have passed so-called "right-to-farm" laws. Despite what the name might imply, these laws do not create a legal right to farm. Rather, they control the outcome of a nuisance lawsuit when brought against a farmer.

Wisconsin has adopted a right-to-farm law. This law makes it much harder to stop existing farm operations from causing what would otherwise be considered a nuisance. If a neighboring landowner sues a farmer for nuisance, the court will ask whether the farmer had been using the land for agriculture before the plaintiff suffered the harm. If the farmer had been engaged in agriculture, even if the exact type or method of production has changed, the plaintiff will have a hard time winning the suit. The plaintiff would have to show that the farmer's actions pose a substantial threat to public safety. If the offending practice did not threaten public safety and the plaintiff wins the case, the remedies available are limited. The court could not order the farmer to remedy the problem in less than one year and could not impose a remedy that would negatively impact the economic viability of the operation.

Fence Law

Wisconsin's fence law goes back to the mid-19th century and reflects a time when livestock were a part of most households and free range grazing was the norm. The law still maintains some relevance today, and rural landowners should be familiar with the rights and responsibilities assigned by fence law.

Fence law governs "partition fences," which are fences placed as a boundary between two properties. The law dictates that where one landowner uses her or his land for agricultural purposes, the two landowners on either side share in the cost to erect and maintain the partition fence. If the landowners do not want to follow this baseline dictate, they can agree otherwise. The landowners should write down the agreement and file it with the county clerk if they wish for the agreement to bind future landowners. Problems may develop between neighbors if one landowner erects or repairs a fence and then sends the neighboring landowner a bill for half the cost, even though the law permits it. Landowners are encouraged to agree beforehand, but when they do not, the law provides a mechanism to help settle disputes. Local officials may be appointed as "fence viewers" to review cases and allocate responsibilities.

Fence law is in place to protect the farmer from liability. If two landowners have a legal partition fence in place, and the farming landowner's livestock escape and damage the neighbor's property, the farmer is protected from liability. However, this protection does not extend to swine, horses, sheep or goats that escape and damage a neighbor's fence-protected property. Landowners and farmers relying on this protection should make sure that their fence complies with the regulations that dictate spacing, wire count, tensile strength, and other specifications.

Legal issues with fences also arise when landowners later discover that a partition fence does not accurately demarcate long-accepted property lines. As surveys become more accurate, problems like these increasingly arise. Landowners in this situation should consult an attorney as soon as possible for additional information. If a farmer has been continuously cultivating the land for twenty years or more, the farmer may have a legal claim to the land even though the survey determines it to be the neighbor's according to the deed. There are ways landowners can settle these disputes and change deeds to reflect new understandings.

FARM REGISTRATION REQUIREMENTS

At the same time that a farmer is considering the neighborly considerations outlined above, the farmer should investigate state and federal rules about registering the facility. These rules are in place to protect farmers from disease outbreaks and protect the public from bioterrorism incidents.

Wisconsin Premises Identification

To improve tracking and containment of animal diseases, Wisconsin law requires anyone who keeps livestock to register their location. In order to efficiently administer this law, the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) works with the Wisconsin Livestock Identification Consortium to maintain a database of livestock premises. Although the law uses the term "livestock," it applies to all locations keeping bovine animals, swine, poultry, sheep, horses and equines, goats, cervids and deer, game birds, pigeons, and exotic captive animals, as well as llamas, camelids, emus, ostriches, and fish.

All locations where the above animals are held or congregated must be registered. The requirement to register applies to all locations where farm animals are kept, from large farm operations and small hobby farms to urban households who keep laying hens. Registration is specific to the place where the livestock are kept, rather than to the owner or caretaker. Either of the individuals who own the premises, own the animals, or manage the animals may register the location, although the application for registration must identify a person familiar with animal movements to and from the location.

Registration of the facility is mandatory, free, and effective for three years. To facilitate registrations, the law also holds those who receive animals for exhibition, sale, or slaughter responsible to confirm that the origin premises are registered with the state. Registration is done online through the Wisconsin Livestock Identification Consortium, and a certificate of registration, along with a premises identification number is issued immediately after registration. Registrants will receive a notice when registration is about to expire. The application process requires that registrants list the types of animals hosted at the premises, and the registration must be changed if the types of animals changes. Individuals with a sincerely held religious belief against the registration of a livestock premises may apply for an exemption.

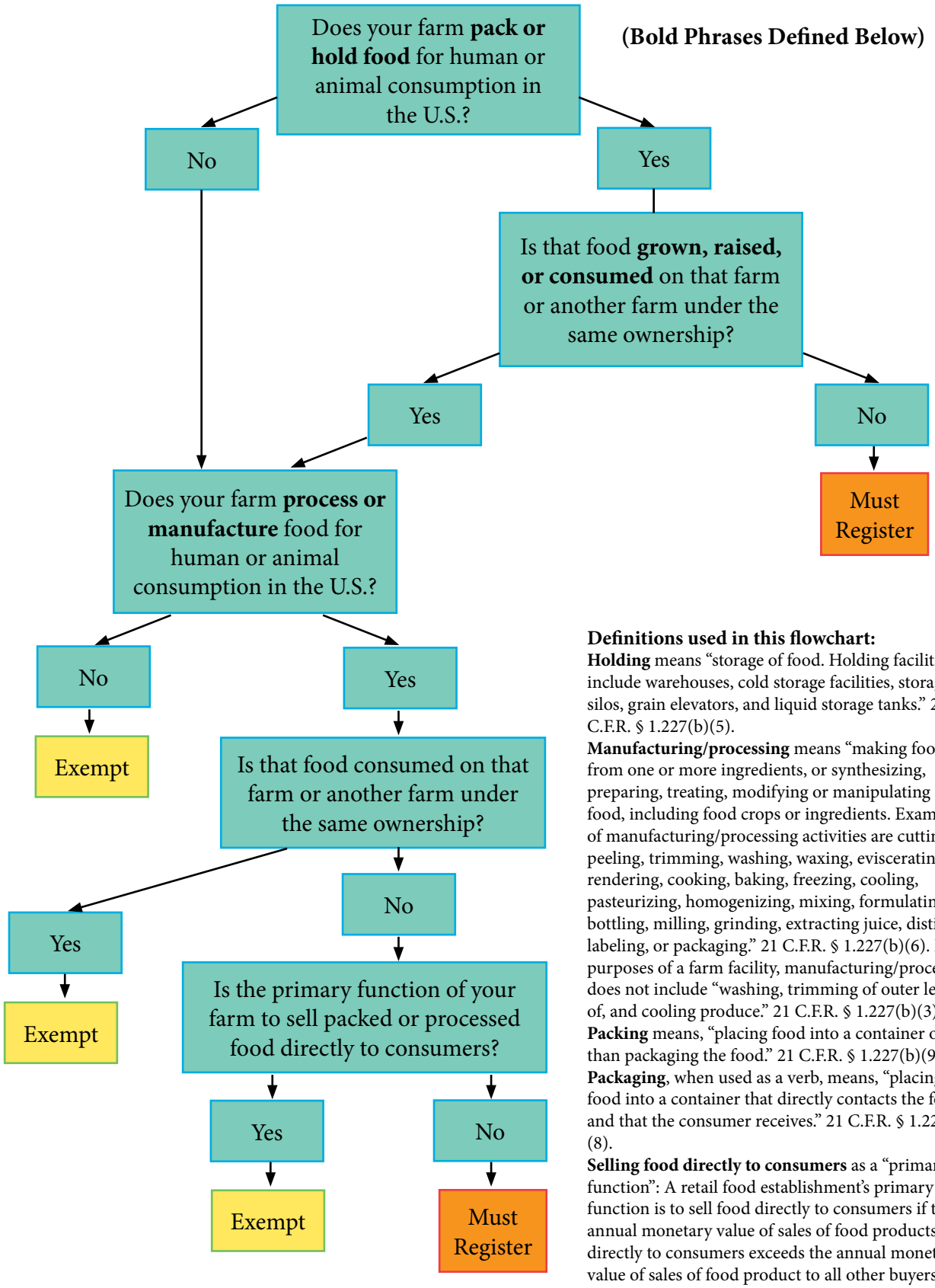
FDA Food Facility Registration

The Federal Food, Drug, and Cosmetic Act (FDCA) requires all facilities that hold, pack, manufacture, or produce food for animal or human consumption in the U.S. to register with the U.S. Food and Drug Administration (FDA) prior to beginning manufacturing, processing, packing, or holding food. This law was passed in the Bioterrorism Act of 2002, and is intended to minimize the impact of a bioterrorism event. Facilities that fail to register face potential civil or criminal prosecution. Farms, retail facilities, restaurants, nonprofit food facilities, fishing vessels, and operations regulated exclusively by USDA throughout the entire facility (e.g., meat, poultry, or egg facilities) are exempt from the registration requirement.

Many types of direct marketing farms are exempt from registration requirements. Whether a direct marketing farm qualifies for an exemption to the registration requirement hinges on the definition of "farm" set forth in FDA regulations. In particular, if a farm packs or holds product grown on another farm, it is no longer exempt and must register with the USDA. The law also details specific requirements for farms that process product and sell it to customers. A flowchart is included on the following page that illustrates when a farm is required to register. Users should make careful note of the definition of all bold terms in the flowchart as definitions are not necessarily intuitive.

The registration requirement is complex and can raise more questions than answers. To add to it, the regulatory framework is in flux. The Food Safety Modernization Act, which became federal law in 2011, may affect registration requirements in the near future. Regulations may be synthesized into a more streamlined procedure. For the time being, farmers should consult the flowchart, and do additional research as necessary to determine their obligations. The FDA has published a resource titled "Questions and Answers Regarding Food Facility Registration" that contains a long list of questions and answers regarding whether an

DO I NEED TO REGISTER MY FARM WITH THE FDA?



Definitions used in this flowchart:

Holding means "storage of food. Holding facilities include warehouses, cold storage facilities, storage silos, grain elevators, and liquid storage tanks." 21 C.F.R. § 1.227(b)(5).

Manufacturing/processing means "making food from one or more ingredients, or synthesizing, preparing, treating, modifying or manipulating food, including food crops or ingredients. Examples of manufacturing/processing activities are cutting, peeling, trimming, washing, waxing, eviscerating, rendering, cooking, baking, freezing, cooling, pasteurizing, homogenizing, mixing, formulating, bottling, milling, grinding, extracting juice, distilling, labeling, or packaging." 21 C.F.R. § 1.227(b)(6). For purposes of a farm facility, manufacturing/processing does not include "washing, trimming of outer leaves of, and cooling produce." 21 C.F.R. § 1.227(b)(3).

Packing means, "placing food into a container other than packaging the food." 21 C.F.R. § 1.227(b)(9).

Packaging, when used as a verb, means, "placing food into a container that directly contacts the food and that the consumer receives." 21 C.F.R. § 1.227(b)(8).

Selling food directly to consumers as a "primary function": A retail food establishment's primary function is to sell food directly to consumers if the annual monetary value of sales of food products directly to consumers exceeds the annual monetary value of sales of food product to all other buyers. 21 C.F.R. § 1.227(b)(11).

exception to registration applies. Businesses that are uncertain whether they must register should contact an attorney or the FDA help line at 1-800-216-7331.


Photo: Wisconsin DNR

FDA maintains a webpage titled "Registration of Food Facilities" that contains step-by-step instructions and tutorials for registering online or by mail. Facilities are required to register only once. If information about the facility changes, the facility must update the registration within 60 days of the change. If a facility relocates, it must cancel the existing registration and submit a new registration. If the facility goes out of business or changes ownership, the facility must submit a registration cancellation within 60 days. Information on how to update or cancel a registration is available through the same FDA webpage for registering online.

ENVIRONMENTAL ISSUES

Farming affects water, soil, and air; as such, the farm business may have to comply with environmental regulations. Multiple agencies may have regulatory authority depending on the environment and pollutants involved, so environmental permitting can be complex. This section provides a brief overview of some of the most common environmental issues farmers may encounter as they set up a farm operation; however, it is not comprehensive.

Stormwater Runoff

Farmers constructing a facility or system (such as a barn, manure pit, or runoff control system, for example) that involves clearing, grading, or excavating one acre or more must file an application titled a Water Resource Application for Project Permit before undertaking construction activities. This rule is not exclusive to agriculture. All construction projects disturbing one acre or more must apply for the permit, which often goes by the name Construction Site Stormwater Runoff General Permit or a WPDES permit. This permit program is intended to control sediment runoff into waterways. Applicants must present a plan for silt fences and other control devices as necessary to ensure that soil is not running into waterways. The Wisconsin Department of Natural Resources (WI DNR) handles this permit and has resources available to help applicants navigate the process. Although the activities may disturb one acre or more of soil, farmers do not need a permit to cultivate crops or yard livestock.

Wetlands

If the farm operation will modify any existing bodies of water or wetland areas, the farmer should investigate if permits are required. For example, farmers may consider filling or leveling wet fields, installing drain tile or modifying stream courses, all of which may require a permit. Both state and federal agencies potentially have jurisdiction over such activities, and understanding the relevant regulations can be confusing. This section outlines the basics, but farmers considering these activities should seek detailed information before taking action.

The state of Wisconsin has jurisdiction over the wetlands within the state and the law prohibits significant adverse impacts to wetlands. Farmers should be aware that the definition of "wetland" includes more than just areas with standing water throughout the year. Wet fields may be wetlands, depending on soil type and vegetation. The WI DNR enforces state wetlands regulations. The agency may permit

some negative effect on a specific wetland if the impact is not significant and cannot be avoided or reduced. The agency issues general permits for many types of wetland activities and the permits contain specifications and requirements.

The federal Clean Water Act also requires landowners to obtain permits from the Army Corps of Engineers (the Corps) to discharge dredge or fill materials into waterways or wetlands adjacent to waterways. These permits, known as Section 404 permits, are required for new farms – the law has an exception for normal farming, silviculture and ranching activities that are part of an established operation. If a farm is resuming operations on land that has been unused for so long that modifications to the hydrological regime are necessary to commence operations, the farm may need a permit. The Corps defines wetlands as "areas that are inundated or saturated by surface or ground water at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas."

If a farm is considering modifying or moving a culvert, or any other activity that affects a waterway, a permit may be required. These are separate from permits required to fill wetlands or discharge soil into a waterway. The WI DNR handles permits for culverts, and a checklist with plan specifications and requirements is at the agency's website.

Pesticide Regulation

Wisconsin regulates pesticides in terms of storage, usage, and worker safety. These regulations apply to any substance for controlling, preventing, repelling, or mitigating pests and to herbicides. These regulations apply to pesticides approved for use on organically certified land.

Products for use in controlling pests and herbicides must be stored and transported according to the directions on the label. Farmers are required to secure the products against access by children, animals, and the public. Pesticides must be separated from food products and residues from transportation or application must be cleaned, if the implement

is used for anything other than the pesticide. Pesticide containers must be intact, sealable, and fully labeled.

Regulations also apply to the use of pesticides (including organically approved products designed to prevent, destroy, repel or mitigate pests). Farmers must use the product according to the label directions and for the purposes stated on the label. Overspray and drift are prohibited. If the product has a restricted entry interval, farmers must post signs stating as such within 300 feet of places where people are likely to be present.

Wisconsin law also requires compliance with federal employee pesticide protection laws, which apply to any farm that employs one worker or more. The farm must display information about the treatment location, product, date and time, as well as reentry interval (if applicable) for all pesticides and herbicides, including organically approved products. The farm must display the location of medical facilities and a pesticide safety poster. Famers must train workers in how to prevent pesticide poisoning and in the fact that pesticides may be present.

Employees who apply or use pesticides and employees who enter treated areas before the reentry period must be trained by a certified pesticide applicator. Farmers must keep records of the training provided for at least one year beyond the employee's term of employment. Commercial pesticide applicators must have a license, as must farmers who apply pesticides for others.

Environmental Incentive Programs

Numerous state and federal programs provide financial and technical assistance to farmers who practice environmentally conscientious agriculture. In exchange for implementing certain practices (or sometimes building structures), the farmer receives annual payments or technical assistance from the various agencies. A farmer's lands will probably need to be approved as eligible for the program (i.e., capable of furthering the program's purpose or priority goals) and will be subject to inspection to ensure ongoing compliance with the program. These programs generally require the farmer to enroll their lands or sign a contract for a certain number of years. For more information on the federal programs, visit the USDA's Natural Resource Conservation Service's webpage. For more information on Wisconsin-specific programs, visit USDA's Natural Resource Conservation Service's page for Wisconsin.

Direct marketing farms may also wish to participate in the National Organics Program. Under this program, once a farm has been certified as organic, it may place the official USDA Organic label on its products. More information is in the Licensing and Labeling section.

Farmers may also consider exploring emerging markets that pay farmers in exchange for providing ecosystems services such as preserving clean air and water. These markets, known as ecosystems services markets or environmental markets, quantify activities, such as reducing emissions or setting aside land as nature preserves, and enable the owner to sell the service or benefit to interested parties. Conservation easements and land trusts - in which landowners agree to set aside parcels of land for conservation or wildlife protection - are examples of ecosystem services markets already in operation. The Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP), provides information on several farmland preservation programs on it's website.

Developing markets include greenhouse gas carbon markets or those under consideration for federal cap and trade legislation. The USDA established the Office of Environmental

Markets (OEM) in order to help facilitate the creation of market-based approaches to agriculture, rangeland, and forest conservation. The Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill) took steps to facilitate landowner participation in emerging markets for ecosystem services and retained the same language as the 2002 Farm Bill. More information on ecosystems services markets is available through the USDA's Environmental Markets website.

Additional Resources

Wisconsin State Law Library has many books, resources, and guides to Wisconsin laws and regulations.
www.wilawlibrary.gov

Wisconsin Legislative Council Legal Memorandum: Wisconsin's Right-to-Farm Law
http://libcd.law.wisc.edu/~wilc/lm/lm_2000_12.pdf

UW Extension Fact Sheet: Fences in Agricultural Areas
http://richland.uwex.edu/files/2010/11/WIfenceLaw.pdf

Wisconsin DATCP Livestock Premises Identification
http://datcp.wi.gov/animals/premises_registration/

FDA Registration of Food Facilities
http://www.fda.gov/food/guidanceregulation/foodfacilityregistration/default.htm

WI DNR Stormwater Runoff Permits
http://dnr.wi.gov/topic/stormwater/

US EPA Current Agricultural Worker Protection Standards (Pesticides)
http://www.epa.gov/pesticides/health/worker.htm

SETTING PRICES FOR VARIOUS MARKETS

Setting Prices

In local food system markets, you take responsibility for obtaining pricing information, deciding on a pricing strategy, and setting the prices for your products. When you are selling directly to the consumer, you also are doing the marketing work. It takes time and effort to market a product, prepare it for sale, package it, promote it, and get it into the hands of your customers. You need to charge enough to pay yourself for all that effort. You may encounter customers who complain about your price. Don't be too quick to lower your price in response to complaints. Recognize the value in your own product and charge a price that reflects that value, but realize not everyone will agree with your pricing decisions.

If you choose to market your products to an intermediate buyer—someone who is not the end consumer of the product—you need pricing information to help negotiate the terms of sale. In some cases, you might be offered a "take it or leave it" price for a raw product. Should you take it? Knowing the wholesale prices for your product on the open market can help you decide. For information on wholesale prices, go to the resources on page 26.

What if you have a product of exceptional quality or a specialty product that costs more to produce than the typical commodity? You'll need to do your own research on prices for similar products. Be ready to explain why you deserve the price you are asking. Provide buyers with information about your production methods or special product features to help them capture a good price from the end consumer.

Sometimes you need more than a high quality food product to obtain the price you want. Well-designed packaging, a label that supports a brand identity, or third-party certification can add value to a product in your customer's eyes. However, packaging, labeling, branding, or certifications all have a cost in money and time and you must earn enough extra to cover these costs.

Pricing Strategies

You must decide on a pricing strategy—or strategies—that work for you. Pricing is based on market demand and the supply available; the greater the demand with a limited supply, the higher the price. In some cases, where large quantities are available, products may still command a high price depending on demand. Combining pricing strategies can help you find a variety of ways to market your products.

Variety in your marketing keeps you from being dependent on just one buyer and lets you market different grades of product in different ways. Your pricing may also depend on the buyer. Supplying a consistent, quality product may offset price dips occurring in other markets.

Price Based on Costs—"Cost Plus"

"Cost plus" should be the basis of your pricing program. If you lose money on what you grow, other pricing strategies will not matter. With "cost plus," you use financial records to determine the cost of producing the product, packaging and marketing it, and delivering it to your customer. You then decide what profit you need to make and add that amount to the other costs to arrive at the price you will charge a customer.

Enterprise budgeting is important for this pricing strategy because it helps you track your costs of production. In addition to costs of growing, be sure to include the time, labor, and other expenses you put into processing, packaging, labeling, advertising, and selling your product. Some enterprises involve holding a product in storage. You need to account for the cost of holding that inventory. Delayed payments are another hidden cost.

If you sell to an intermediate buyer such as a distributor or a restaurant, you may wait at least 14 days and perhaps up to 60 days between delivery of the product and payment. For more information on calculating your cost of production, go to page 12 and refer to the resource for enterprise budgets.

Price Based on Perceived Value

This pricing approach allows you to take into account the intangible things valued by many customers—humane handling of livestock, for instance, or the knowledge that you practice good environmental stewardship on your farm, or the special "taste of place" no other farm can match. Customers may attach more value to your products and reward you for using farming practices they like. In turn, you can charge more than the average price for similar products. Pricing information, however, can be difficult to find, since so much of a product's value depends on the customer's tastes and preferences.

You may need to persuade customers that your farming practices merit the higher price. Achieving a value-based premium price may require investing time in marketing activities and educating customers.

Price Based on Retail Price

Consumers pay retail prices for food at the grocery store, yet setting retail prices can be difficult. The Economic Research Service of the U. S. Department of Agriculture (USDA) reports average retail prices for crops and livestock. Prices change monthly, depending on the season and which products are in short or abundant supply. Retail grocery prices in your area can differ greatly from the national average. If your area is far from shipping terminals, for example, transportation costs will probably be reflected in higher retail food prices.

While USDA numbers can help you monitor retail prices and their seasonal fluctuations, checking grocery store prices in your area will provide the most helpful information. Look at prices on products similar to yours. If you have a specialty product—such as grass-fed or Food Alliance labeled or exceptional quality—compare prices in stores that carry similar products to see what you might charge. Remember grocery store retail prices reflect a


Photo: freeimages.com

percentage mark-up from what the producer was paid. Some grocery stores routinely offer certain products at a loss to bring customers into the store. This is a sales strategy that most farmers can't match.

Price Based on Commodity or Wholesale Market Prices

The commodity market price rewards the effort that goes into producing a raw product and getting it to a point of sale. For products such as raw fruits and vegetables, the commodity market price pays the farmer for production as well as first steps in processing and packaging. For example, a farmer might wash vegetables, cut tops off of root vegetables, and pack them into crates prior to selling them to a distributor at the commodity price. Basing your price on the commodity market could be appropriate if you are selling a raw product right from your farm without any special branding, labeling, or marketing efforts.

Wholesale price can mean different things depending on the buyer. It may include some processing, packaging, shipping, and handling costs. Most online resources show wholesale prices on the east and west coasts and perhaps the Chicago terminal price. Shipping costs result in higher wholesale prices in areas far from terminals. Prices paid locally by distributors or other intermediate buyers can provide useful information if you plan to sell to this type of buyer or to other local markets. Determining wholesale prices may take extra

work on your part to contact distributors or grocery store buyers in your area to ask about the prices they are paying for their products.

Pricing Based on Relationship with Buyer

One of the important elements of selling local food products is the opportunity to build relationships with your customers and buyers. The strength of this relationship can have a great effect on pricing. For example, if you share cost of production information, your buyer may offer suggestions on how to best price your product. Sometimes a buyer will tell a farmer that their price is too low. When both you and your buyer mutually decide on a price that is fair, it supports and strengthens the whole local food system.

Understanding the price-setting structure for different markets will help you set prices for your products that are fair, yet still provide a profit for your efforts.

Pricing Based on Costs—"Cost Plus"

Advantage

- Helps verify you are making a profit on your product

Challenge

- Keep detailed financial records to be sure you are correctly figuring your total costs– if you are mistaken, you risk losing profits

Pricing Based on Perceived Value

Advantage

- Achieve profits well beyond what you might expect with other pricing strategies

Challenge

- Finding the right customers who highly value what you have to offer

Pricing Based on Retail

Advantage

- Retail price rewards you for the effort you put into processing, packaging, marketing, and distributing your product

Challenge

- Customers might be accustomed to buying their groceries at stores that offer discounts, so the prices they pay for items might differ from your estimates of average retail prices

Pricing Based on Commodity or Wholesale Markets

Advantage

- Much information is available on market prices for a wide variety of commodities

Challenges

- Prices don't reflect the labor you put into packaging and marketing your product
- Market fluctuations that have nothing to do with the quality of your product can affect your profits

Pricing Based on Buyer Relationship

Advantage

- Mutual decision making on pricing builds strong relationships with your buyer

Challenge

- Buyers can change frequently and another new relationship must be built

Resources for Pricing

Crop Budgets for Direct Marketers
UW Cooperative Extension
Specialty crops as profit centers and as a comparison to other crops.
www.uwex.edu/ces/agmarkets/publications/documents/A3811-9.pdf

Market News Service
U.S. Department of Agriculture, Agricultural Marketing Service
Conventional wholesale prices from terminal markets.
http://www.ams.usda.gov/AMSv1.0/fv
Click on Market News Service

Organic Price Report
Rodale Institute
Organic wholesale market prices (market produce).
www.newfarm.org/opx/

Today's Market Prices
Conventional wholesale prices from terminal markets.
www.todaymarket.com

BUSINESS DEVELOPMENT

You've done the research on your target market, compiled your business plan and prices are set. You are now ready to take your product to the next level. Product promotion and market development are instrumental in gaining sales; however, it is equally as important to maintain a sound business management routine.

Bookkeeping Practices

Most time wasted in agribusiness is at year-end, compiling tax information in time for filing. Like balancing a checkbook, this task can be made similar and less daunting when kept up on. Accounting classes and tutorials are one of the most sought-after from the farming community, and most resources offer the same program through QuickBooks.

QuickBooks is an accounting program geared towards small business owners with little to no formal accounting education. It covers basic bookkeeping where you are able to track income and expenses, create invoices for customers and organize you financial data in one place. There are multiple options out there for bookkeeping software, yet QuickBooks has long been recognized in the accounting world as a reputable and easy to use program. Most farm financial advisors will direct you to QuickBooks.

The invoicing components consist of creating, tracking and sending invoices online. In the digital age, e-mailing invoices saves time and money and often see a faster received payment. By using QuickBooks, you can know exactly which payments have been received and which are overdue, making it easier follow up on unpaid invoices with emailing statement reminders.

Bookkeeping is often overlooked, but a leading attribute to time management. Taking 15 minutes a day, or a couple hours a week to update your records, send statement reminds and rectify your billing, will save hours and headaches come tax season.

Resources

QuickBooks homepage
http://quickbooks.intuit.com/

QuickBooks
Tutorials on how to use QuickBooks to manage your business.
http://quickbooks-tutorial.net/

WI Department of Agriculture, Trade and Consumer Protection- Buy Local, Buy Wisconsin
Links to a beginning and intermediate QuickBooks archived webinars.
http://datcp.wi.gov/Business/Buy_Local_Buy_Wisconsin/BLBW_Workshops/Webinar_Archives/index.aspx

Marketing and Market Development

Branding

Part of marketing is connecting your name to your product (through branding) to enhance customer recognition but the key step is providing a consistent positive customer experience with your products and brand. It is important to make sure your customers always experience a quality product when they buy your brand. If you direct market and have face-to-face contact with your customers, your face and name are your brand. People recognize you and know the products you are selling.

If your marketing path takes you two or three steps away from face-to-face contact with your customer, then it becomes important to find other ways to help your customers recognize your products and your story. Developing a brand identity and a label to support your brand is one way to gain recognition. It can be as simple as applying preprinted stick-on labels with your company name and logo. It could involve developing your own website or promotional materials like glossy brochures with photos of you and your farm, information about your farming practices, and your mission statement.

Consistency is important when developing a brand. If you have multiple products to sell, make sure that all of the product labels have a brand look that connects them. A good example of this is Hidden Springs Creamery's different styles of cheese.

Product Promotion

Promoting your farm products involves making your farm or market name recognizable to the public. In direct marketing, you have an advantage of talking directly to your customers. This creates special relationships with those who buy your products. With intermediate marketing, you need to develop an awareness of your farm and the products you have available. You start by deciding on a farm name—and often product names—and perhaps develop a farm logo and informational materials.

Promotional tools can include advertising, sales, promotional programs, public relations, Internet websites, and online specials, to name a few. For more information on how to promote your farm, see the resources listed at the end of this section.

Online Marketing & Social Media

The Internet is a powerful tool for reaching a large, diverse audience in your local and regional market. A website allows you to convey a lot of information about your farm, your production practices, and your values without overwhelming potential customers. While there is a cost in both time and money to set up an Internet-based system, it is available at any time of day or night. For example, Pick Your Own farms can alert customers to peak picking times. Or, agritourism enterprises can advertise their hours, location, and special events. Listing your farm with an online directory—or several directories—can help local customers find you. Developing your own website can be a great publicity and sales tool as an increasing number of people turn to the Internet to find information and do their shopping. The Internet is one possible approach for managing the ordering and billing for retail or institutional sales; however, be sure to back up electronic records.

What is Social Media?

Social media is a form of electronic communication through which people create, share and exchange live information to their networks, or followers. Social media platforms change as fast as programmers are able to write them, thus giving the ongoing newness and energy about online marketing. With the increase use in Smartphones, social media is everywhere and businesses are doing what they can to get in their audiences hands.

"Like" Facebook

- Facebook may be one of the older platforms, yet offers the versatility and web presence small business owners may be looking for without the time and money for a website. Not as time sensitive as other platforms, Facebook is a good way to promote upcoming events as well as capture images and archive past events through photos and videos.

"Follow" on Twitter

- Twitter sums up a thought or promotion in 140 characters, but is time sensitive, meaning your message will be "old news" in 5 minutes. Anyone can follow you on Twitter thus creating a larger marketing audience. To make a lasting impression with your tweet, post relevant information for your target audience. A way to create more brand awareness is to instill hashtags (#) in your message, which are easily searchable.

Blog about it

- Want to document your story? People love reading about behind the scene happenings. What is the drought/flood really doing to your crop? Post pictures and write about it. What farmers markets are you going to be at during the summer? Have a sidebar calendar complete with upcoming events. Trying a new recipe? Post it. Blogs are a great place to post many of the applications listed below without having multiple places to update. Commonly used blogging sites are WordPress and Blogger, but there are numerous options on where to post.

Broadcast to YouTube

- YouTube is your online video store with videos ranging from old commercials and TV episodes, tutorials and webcasts, breakout artists and just plain nonsense. YouTube is great if you want to post different videos/clips to other social platforms, such as your Facebook, Twitter, or even e-mail. By posting it to YouTube, you archive your video and are given a link that you can share.

"Click it" with Instagram

- Instagram is a photo-based application meant to beautify your product using different filters but without the professional photographer. Like YouTube, Instagram allows cross-platform postings, such as Facebook and Twitter. The filters give the photos more of an artistic flair, so use sparingly in promotional pieces and leave that up to a professional "clean" photo.
  Similar to YouTube, Instagram now has a video application, in comparison to Twitter's video application Vine. Both capture short videos; Vine at 7 seconds and Instagram at 14, thus creating an option for quick tutorials and to-the-point marketing materials.

"Check-in" with foursquare

- foursquare and other location-based software allow visitors to "check-in" at your site. Friends of friends see the check-in thus creating a viral effect of your business. Platforms like foursquare work great for the retail/agribusiness entities as promotions are often associated with check-ins.

"Pin" on Pinterest

- Pinterest is a do-it-yourselfers dream: an online bulletin board of ideas shared between businesses and end-users. Have recipe cards made up for your weekly CSA? [Virtually] pin the ideas to a board on Pinterest for others to find! Once pinned, other users can repin to their own board thus creating the viral life of your recipe. Not all pins need to be your own; repin other ideas and topics you like, thus creating a broader network.

More time and creative energy can be spent writing blogs about products and business ventures which gives the buyer a sense of supporting a friend. Visuals are also a good way to educate the public on your product, or give them ideas on how to use the ingredients in the CSA of the week/month. Video and picture platforms such as YouTube, Pinterest, Vine and Instagram can assist in building brand identity. Check-in sites like Yelp or foursquare can offer discounts to customers as they provide customer service feedback while also placing your business on the map; making it easier to search with smart phones and for people traveling. By posting photos, anecdotes, and videos online for customer viewing, you can foster a stronger connection between consumers and their food. Consult the resources list at the end of this section for an excellent guide to creating and maintaining social media sites. If you don't see what you are looking for below, take to the internet and utilize a search "social media for farmers," or derivative of your choice. The opportunities are endless.

Not sure how to use social media to market your product? Join what you can at your own pace. Start with one or two platforms and follow/friend companies with a similar interest. Evaluate how they're using different platforms as a model and adjust to fit your product and markets. Keep in touch with your posting and your followers as this is the first voice of customer service for your brand. Stick with positive, heartfelt or goofy posts. Once there is a post, it is now viral and easily obtainable. There are plenty of bad social media outbreaks; try not to make your company a bad one.

Resources for Marketing

Discover Your Social Web: An Ohio Farm Bureau Guide to Social Media
Ohio Farm Bureau
This guide provides step-by-step instructions on how to create social media pages for your business, as well as general background information about social media.
http://ofbf.org/uploads/Social-Media-Guide-V2_single-pages-PRESS.pdf

Farm Marketing Solutions
A directory of video tutorials discussing different social media platforms and how to use them.
http://www.farmmarketingsolutions.com/category/farm-with-social-media/

RhodyAg
Rhode Island Agriculture Partnership
http://rhodyag.com/beginning-farmer-marketing-guide/98-social-media-for-farmers

United States Department of Agriculture
A complete listing of social media platforms and guidelines used by the USDA.
http://www.usda.gov/wps/portal/usda/usdahome?navid=USDA_STR

UW Cooperative Extension

#A3811-13 "Developing Your Farm's Marketing Plan"
#A3602 "Direct Marketing of Farm Produce and Home Goods"
#A3811-18 "Market Research: Surveying Customers to Determine Their Needs"
#A3811-1 "Strategies to Attract and Keep Customers"
#A3811-6 "To Your Customer's Door: Direct Delivery"
http://learningstore.uwex.edu/Direct-Marketing-C12.aspx

E-Commerce

Ready to take your hard work in product marketing and knowledge of computer programs to the next step? E-Commerce is a growing source of additional revenue for many small business owners. Sites like eBay and Etsy are places for people to post and sell goods. Mostly used for craft and non-food items, these sites facilitate the auction of items and money collection (for a small fee or percentage). What you will need to research is the terms and conditions of the site (so you know what percent of your profit the site is taking as this may impact your pricing structure here), the simplicity of uploading pictures, naming a price, and following through with shipping to the buyer or customer. Don't forget to follow up with your buyer to ensure their purchase was received to their expectations and in a timely matter. Positive feedback is sought after to gain more sales as potential buyers want to know the advertised product and quality is what they actually are receiving.

If you have the ability to set up your webpage for e-commerce, there are reputable and secure ways to transfer money without having to take all the responsibility. PayPal has been a mainstay in funds exchange since 1997. By clicking through to the PayPal system, you are able to set-up an account to send and receive funds immediately.

Google has also established a money exchange program in which you are use different credit cards, loyalty and reward cards, even redeem promotional material. For those of the new age, Google Wallet also has the capacity to transfer funds via Near Field Communication – the act of waving a smartphone (with applicable app downloaded) at a smart poster. These could prove very effective in a few years at Farmers Markets and swap meets. There are other applications (widgets) available for e-commerce. By searching "e-commerce widget", you'll be presented with a selection to choose and research. For best feedback, ask fellow companies that are already using this feature. They'll provide you with the pros and cons and assist in your decision making.

There are numerous options for selling your goods online, but there are also many ways to stay protected. Two important things to look for are:

1. The web address starts with: HTTPS. The "s" indicates a secure site. The site will protect the transfer of sensitive data on websites, intranets and extranets. The website solution is the most recognized trust mark on the Internet and malware scanning.
2. Look for the lock icon. This could be located in different areas depending what browser you are using. Some notable places are in the address bar and in the lower portion of the screen.
3. **THE LOCK ICON IS NOT JUST A PICTURE!** Click (or double-click) on it to see details of the site's security. This is important to know because some fraudulent web sites are built with a bar at the bottom of the web page to imitate the lock icon of your browser! Therefore it is necessary to test the functionality built into this lock icon. Furthermore, it is very important to know your browser! Check your browser's help file or contact the makers of your browser software if you are unsure how to use this functionality.
4. Consumers purchasing from your site will look for these signs to ensure the privacy of their payment information. Check with your webpage consultant/company to ensure your e-commerce site is secure. This protects not only your customer, but also you and your company.

Resources for E-Commerce

Small Business Association

http://www.sba.gov/content/ecommerce-resources

Agricultural Marketing Resource Center

http://www.agmrc.org/business_development/

Intellectual Property

Marketing a business often involves developing and protecting intellectual property (IP). Intellectual property are non-tangible items created by a person such as business names, symbols, images, and designs used in commerce. Intellectual property may be protected with several means including trademarks, patents, and copyrights. Each may be important to the direct farm business because IP protection gives the farm business the right to *prevent others* from doing certain things without permission. These rights are important because they protect the investment the owner has made in developing the IP. Understanding the basics of IP protection will also help the direct farm business avoid violating others' IP rights.

Trademarks and Trade Names

Trademarks may be the most useful form of IP for the direct farm business. A trademark is used to distinguish goods and services from those manufactured or sold by others – it is the symbol that customers use to identify a product. A trademark can be a name, symbol, sound, or color. It is also possible to register the design, packaging, or other element of appearance so long as the element is both nonfunctional and distinctive. By contrast to trademarks, trade names are used to identify a person's business or vocation. While there may be some overlap between trade names and trademarks, if a name is used only as a trade name it may not be registered with the United States Patent and Trademark Office (USPTO). Courts have held, however, that a trade name may have trademark protection if the business

Examples of Promotional Programs

Surveys indicate that more than 70 percent of Wisconsin consumers are more likely to purchase a product made or grown in Wisconsin than one from outside the state. By associating your product with an existing Wisconsin branding program or by listing it on a web directory, you can easily reach customers who are looking for locally-made products.

Something Special *from* Wisconsin™

Something Special *from* Wisconsin™ (SS*f*W™) is a trademarked program administered since 1983 by the Division of Agricultural Development at the Wisconsin Department of Agriculture, Trade and Consumer Protection. The SS*f*W™ logo provides a quick, reliable way for shoppers to identify Wisconsin products at grocery stores, retail outlets, farmers markets, and restaurants throughout the state. The program offers an online searchable directory, a website highlighting the program, and a wholesale catalog for grocers and retailers. Something Special *from* Wisconsin™ is a membership based program requiring at least 50 percent of the value of the product or service to be attributable to Wisconsin ingredients, production or processing activities.

www.SomethingSpecialfromWisconsin.com

Buy Fresh Buy Local

This branding label is used in Wisconsin and other states to identify programs supporting local food production. The Buy Fresh Buy Local label also connects consumers to the many and varied sources for local foods, from grocery stores to restaurants and farmers markets. Buy Fresh Buy Local partners—restaurants, markets, and farmers—are encouraged to use the branding broadly.

www.foodroutes.org/

Local Dirt

This national website connects food producers with food buyers. Producers pay a yearly subscription fee to list their products and locations on the database. Individuals, businesses, buying clubs and distributors can search the website for local products and place orders to be delivered or picked up in person.

www.LocalDirt.com

adopts a stylized font and other design features that would set the name apart from regular text. Trade names and trademarks may be registered at the state level, as described below.

Registration of Trademarks and Trade Names

Using a particular mark makes it a trademark – the mark does not need to be registered in order to establish rights. However, rights may be limited to the geographic region where the unregistered mark has been used if another business subsequently registers a very similar mark. The older, unregistered mark owner will have superior rights in the region where the mark was being used, and the newly registered mark owner will have superior rights in the rest of the state or country. Registration is beneficial because it gives notice of the claim of ownership throughout the state or nation, so that the owner can challenge someone else's subsequent use of the mark anywhere even if he or she is not currently marketing any products in the region. The symbol for trademark, "TM," may be used whenever rights are asserted, but the use of the federal registration symbol, ®, may only be used after a mark is registered with the USPTO (not while the application is pending).

Trademark registration is available at both the state and federal level. Federal registration of a trademark is done through the USPTO. Federal registration can be costly: $275-$325 per mark per class of product. For instance, a sheep farmer wishing to trademark both her wool yarn and artisan cheese would have to file two applications because yarns and cheeses are in different classes. The USPTO also recommends hiring an attorney who is familiar with trademark law because applicants are expected to comply with all procedural and substantive rules. The cost and complexity may be worth it as federal registration protects the trademark throughout the country. For

more searchable trademark database, visit the USPTO's trademark website.

In order to be registered and enforceable, trademarks may not be generic or primarily geographically descriptive, and cannot infringe on an existing trademark. For example, an attempt to register the phrase "the best beer in America" as a trademark for Sam Adams Beer was rejected by the USPTO as too descriptive. Similarly, a court rejected the trademark "Beef Stick" because the term merely described the kind of good and did not distinguish the manufacturer. The USPTO will use the "likelihood of confusion test" to determine whether an applicant's mark infringes on an already registered mark. The examiner looks at the similarity of the two marks and the commercial relationship of the products to assess whether consumers are likely to be confused about the source of the product. If the USPTO finds likelihood of confusion, an application will be rejected. This is the same test that courts use when a trademark owner brings a suit asserting infringement of a trademark.

State registration is less expensive and cumbersome than the federal system, but it only offers protection in Wisconsin. To register a Wisconsin trademark, fill out the Registration of Tradename/Trademark/DBA, and submit it to the Department of Financial Institutions with the $15 filing fee. The application must be notarized and the registration is effective for 10 years. For registration of logos, letterhead, a business card or some example of the mark must be included with the application.

As a reminder, a business does not establish exclusive right to use the mark simply because it is registered. The business must also use the mark in commerce. Then, the business with the registration will only have rights above others who were not using the mark beforehand. A business should first thoroughly search whether anyone else is already using or has registered the proposed mark. That being said, registering a trademark has two primary advantages. First, it gives protection against subsequent use by others. Registering a trademark also gives notice to everyone else that a mark is in use. This may help the business avoid having to enforce superior rights to a mark.

Patents

A patent grants the inventor the right to exclude others from making, using, or selling a particular invention in the United States or 'importing' the invention into the United States for a limited period, generally 20 years. In the United States, a patent is issued by the USPTO. To obtain a patent, an invention must be new - meaning that it was not known or used by others in the United States or "patented or described in a printed publication in a foreign country" - and it cannot be obvious. There are different kinds of patents, but the most common farm-related ones are plant patents and patents on genetically modified plants. Plant patents are also available to someone who has invented or discovered and asexually reproduced a distinct and new variety of plant, other than a tuber-propagated plant or a plant found in an uncultivated state. A plant patent precludes others from asexually reproducing or selling or using the patented plant for 20 years from the filing of the patent application. Plant protection certificates, which are not patents but provide patent-like protection for sexually reproduced seeds and tubers, are available for newly developed plant cultivars. The Plant Variety Protection Office of the USDA's Agricultural Marketing Service issues plant protection certificates. If a direct farm business is licensed to use a patented product, such as genetically modified seed, it should rigorously comply with the licensing agreement. Some companies are very aggressive about enforcing their contracts.

Farmers who believe they have a new and non-obvious process or device should contact a patent attorney for assistance in obtaining a patent. The inventor should keep in mind that obtaining a patent can be very costly and time consuming, and that the potential profitability of the device may not justify pursuing a patent. General information on patents and resources for finding a patent attorney are available on the USPTO's website.

Copyrights

A copyright protects "original works of authorship fixed in any tangible medium of expression." Although literary works come to mind as examples of copyrighted material, copyright protection in the direct farm business context could extend to categories such as pictures and graphics, sound

recordings, movies, and other information related to the direct farm business operation. A copyright does not protect actual ideas or methods, but instead gives the owner certain exclusive rights to the way the copyrighted work is *used*. For example, in many circumstances a copyright owner has the exclusive right to reproduce the work, to make derivative works, and to display the work publicly. The owner also has the exclusive right to authorize others to do the same. Pictures of growing crops or a farmers market used on the direct farm business website or on promotional material would qualify for copyright protection. On the other hand, unpermitted use of another's pictures (perhaps copied from the Internet) could constitute infringement upon the copyrights of another.

A work does not have to be published or even registered with the Copyright Office to gain protection. Copyrights attach once a work is "created" - that is, once it has been fixed in a tangible medium of expression such as a copy or recording. Even so, registration is important for providing a public record of the copyright claim. Registration also provides significant advantages regarding the enforcement of rights in courts and with Customs and Border Protection. Other information on copyrights, including a searchable database of registrations and up-to-date fee information can be found at the United States Copyright Office's website. The site includes a link to step-by-step instructions on obtaining a copyright.

Labeling and Third-Party Certification

Labels and certifications can help you present a larger image of your products to customers. Your brand might be just you or your farm, but you can add to your image by using labels or certifications that make a statement about your farming practices.

A label may indicate that the farmer follows certain production practices, but labels do not always represent a structured set of standards. Furthermore, an outside party does not need to verify that the label is being accurately used. For instance, producers do not need to become certified to label their eggs as free-range or cage-free.

A certification program is more structured. To use the certification label, your farm must be enrolled in the certification program and must meet program criteria. You must set up a recordkeeping system to track your farm operations to verify that you continually meet those criteria. An inspector visits your farm to check your records and confirm that you are meeting the program criteria. For most of these programs, there is an annual inspection/certification fee. For example, to become certified as organic by the U.S. Department of Agriculture, an accredited third party must inspect and approve your farm. Organic farms must pay an annual fee and submit to an annual review in order to keep their certification status.

Be aware that the use of multiple labels can actually be a turn-off for customers who can become confused and annoyed trying to sort everything your product stands for.

Resources for Labels and Certifications Based on Production Practices

Guidebook for Organic Certification
Midwest Organic and Sustainable Education Service (MOSES)
Provides answers to common certification questions.
http://mosesorganic.org/whyorganic/for-farmers/

Ecolabel Index
An independent guide to eco-labels.
http://www.ecolabelindex.com/

Ecolabel Value Assessment
Iowa State University
http://www.leopold.iastate.edu/sites/default/files/pubs-and-papers/2003-11-ecolabel-value-assessment-consumer-and-food-business-perceptions-local-foods.pdf

Labels and Certificates

Label/Certification	Significance	Standards	Approval	Website
Animal Welfare Approved	A farm meets certain standards of animal treatment.	Animal Welfare Institute sets standards.	Animal Welfare Institute certifies farms.	www.animalwelfareapproved.org/
Certified Humane Raised & Handled	Eggs, dairy, meat or poultry products come from animals that are treated according to certain standards.	Certified Humane sets standards.	Certified Humane certifies products.	www.certifiedhumane.org/
Food Alliance Midwest	A farm meets certain sustainability standards.	Food Alliance sets standards.	Food Alliance certifies farms.	www.localfoods.umn.edu/foodalliance
Free-Range / Cage-Free	Poultry products or eggs come from birds not raised in cages and which have space to roam.	The USDA does have requirements for eggs but does not define free-range or free-roaming claims for any meat or poultry products.	Neither label requires third party or USDA approval.	
Grass-Fed	Meat products coming from animals fed on grasses and forages, never grains.	The USDA sets standards.	Most third party agencies certify according to USDA standards. Farmers may use the label without certification but may be inspected at random. Those found to be wrongly using the label are subject to fines.	www.ams.usda.gov *Search "Grass Fed"*
Healthy Grown™ Potatoes	Potatoes are grown according to reduced-pesticide, sustainable agriculture standards.	Protected Harvest sets standards.	Protected Harvest certifies products.	www.healthygrown.com
Naturally Raised	Livestock used for the production of meat and meat products have been raised entirely without growth promotants, antibiotics (except for ionophores used as coccidiostats for parasite control), and have never been fed animal by-products.	The USDA sets standards. See the resources on page 82 for more information on meat labeling.	The USDA certifies products.	www.ams.usda.gov *Search "Naturally Raised"*
USDA Inspected and Meat Grade Labels	USDA inspection stamps assure consumers a meat product is accurately labeled. The USDA also evaluates meat for class, grade, or other quality characteristics.	The USDA sets standards. See the resources on page 82 for more information on meat labeling.	The USDA certifies products.	http://www.fsis.usda.gov *Search for " Inspection & Grading"*
USDA Organic	Organic crops are raised without using most conventional pesticides, petroleum-based fertilizers, or sewage sludge-based fertilizers. Animals raised on an organic operation must be fed organic feed and given access to the outdoors. They are given no antibiotics or growth hormones.	USDA standards have been set through the National Organic Program.	Third party agencies certify on behalf of the USDA.	www.ams.usda.gov Click on National Organic Program

ADDING VALUE TO YOUR PRODUCTS

In the broad sense, "value-added" is a term used to identify farm products that are worth more than the commodity market price because of an added feature. This added feature can be a physical change, such as processing, or a characteristic of the product that has value to consumers. For example, the product is raised according to a special standard. Or, the product may be part of an agritourism enterprise in which its value is tied to the entertainment or educational experience provided. In the narrow sense, value-added refers only to processing a raw product into something of higher value.

Season Extension Techniques

Meat, dairy, and processed products may be supplied year round; however, the length of

Wisconsin's growing season may be a challenge for fruit and vegetable growers. A common barrier farmers in northern climates encounter when they try to sell fruits and vegetables locally is their ability to supply some produce only during a few months of the year. Many buyers, especially grocery stores and restaurants, prefer a year-round supply.

Another challenge associated with growing produce in Wisconsin is the need to carefully plan and budget to make the seasonal income cover expenses and provide capital for the next growing season. Produce farmers can use a number of season extension techniques, alone or in combination, to help with cash flow from season to season:

- **High tunnels.** Plants are planted directly into the ground within a greenhouse-like structure. These structures are adaptable for year-round production in Wisconsin. Similar to and often referred to as hoop houses.
- **Greenhouses.** Plants are typically grown in containers, trays, or shelving units. Year-round production is possible with a heat source.
- **Row covers and low tunnels.** "Floating" row covers are made of a lightweight fabric that sits directly on the plants. "Low tunnels" are covers of plastic sheeting or fabric that are held away from the plants by hoop-shaped frames. These techniques help protect plants from late frosts in the spring

or early frosts in the fall and can extend the growing season by a couple weeks.

- **Storage facilities.** Winter storage of vegetables, such as root crops, cabbage, onions, garlic, and squash, allows some farmers to supply food services, grocery stores, and individual customers throughout the winter. With this technique, be sure to pay attention to proper storage requirements. For more information on post-harvest storage and handling, see resources on page 50.

Farmers who produce meat, dairy, or poultry products can use season extension techniques, as well. The most common is storage of the product for later sale. Locate cold storage warehouses near you by contacting an intermediate market representative, such as a grocer or distributor, and ask them for contacts. Meat lockers may be able to provide short-term cold storage for products they process for you. Consider matching your marketing efforts to the location of cold storage warehouses. If the nearest warehouse is in a town 30 miles away, for instance, look for opportunities to sell your stored product in that town or nearby markets.

Resources for Season Extension Techniques

Characterizing Wisconsin's Food Systems from Production to Consumption: A Reference Document
Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)
This report provides an initial documentation of Wisconsin's food system, including directories of the state's largest producers, processors, and warehouses.
http://datcp.wi.gov/uploads/About/pdf/CharacWIFoodDistribSystem.pdf

Seasonal High Tunnel Financial Assistance
National Resource Conservation Service – Environmental Quality Incentives Program
Contact your county's USDA Service Center for more information.
http://www.nrcs.usda.gov/wps/portal/nrcs/main/wi/programs/financial/eqip/

Food Processing and Artisan Food Products

Many farmers who market locally are interested in value-added products as a way to earn a greater portion of the consumer's food dollar. For some consumers, just knowing that an item was grown locally has added value. Processing raw commodities into ready-to-eat foods can also broaden your market to include customers who are not interested in making their own jam, salsa, bread, sausage, and other products, and thus add value in the form of convenience.

Food processing requires inspected and approved kitchen facilities. The categories of allowed and restricted types of processing should be reviewed prior to starting. For more information about food licensing and labeling for various markets, go to page 79.

Ways to Access Inspected, Approved Processing Facilities

There are several ways to access facilities for approved processing.

- Hire a co-packer to produce your product. With this option, you supply the raw materials and perhaps the recipe for your product. You hire an existing food processing business to do the food processing, packaging, and labeling for you. The co-packer will be responsible for securing proper licenses and bear the burden of liability, although you will likely need to carry additional insurance for your business.
- Rent existing facilities to do your own processing. This can be a good transition option if you want to test your market idea. You will be the primary processor and will need to obtain your own processing license and liability insurance.
- Invest in facilities and equipment to do your own processing. With this option, you need to consult early with local and state regulators about licenses, permits, and requirements for the facilities. Used equipment is generally acceptable to regulators if properly maintained, and is usually less expensive than new equipment.

Season Extension

Advantages

- Increase farm income throughout the year
- Provide products not normally in season
- Secure new markets
- Higher prices can often be captured when selling items outside their traditional or peak season

Challenges

- Initial investment costs to build hoophouses or storage structures
- Higher production costs (increased energy costs for heating)
- Additional costs of storage facilities
- Limited amount of products can be grown using these techniques
- Quality of life: Extending a season means extending an already hectic and exhausting production season

Resources for Value-Added Food Processing

A Checklist for Starting a Value-Added Ag Enterprise
UW Cooperative Extension
www.uwex.edu/ces/agmarkets/publications/documents/AValueAddedChecklist.pdf

Food Business Incubator Network
UW-Extension Agricultural Innovation Center
"The Food Business Innovation Network (Food BIN) is an informal collaboration of public and private organizations working together to provide access to facilities and technical assistance for aspiring food processors."
http://fyi.uwex.edu/foodbin/

Starting a Value Added Food Business
Tufts University
This guide provides information on "processing raw fruits and vegetiables into a finsihed product you can sell and packaging your value added products."
http://nesfp.nutrition.tufts.edu/sites/default/files/uploads/pl_value_added.pdf

Value-Added Food Products Development
Oregon State University
This website offers information about value-added production and processing technologies.
http://oregonstate.edu/dept/foodsci/foodweb/

Artisan Dairy Products and Farmstead Dairy Information and Resources

Dairy production makes a significant impact on Wisconsin's economy. During the past decade, the production and marketing of artisan dairy products made from milk of cows, goats, or sheep has boomed. Artisan products are handmade, or made using relatively small-scale specialty techniques. Many capture the uniqueness and special identity of each product, as well as the artisan making it. Small-scale producers can become licensed as cheesemakers with the appropriate training and offer products for public sale.

Starting a farmstead dairy requires a lengthy process of researching options, obtaining licenses, and developing a business plan followed by labeling and market development. The investment for developing a milk production and milk processing business is typically high.

There are many resources available to help you navigate these regulations if you decide to market milk products from your farm. See page 93 for more information on licensing, food safety considerations, and other rules and regulations for dairy products.

Farmstead Dairy Information

If you are interested in establishing an on-farm dairy plant to process fluid milk products, butter, or cheese, you will need to obtain the required coursework, licensure, and forms for starting your own farmstead or artisan dairy, be sure to contact DATCP's area food and dairy specialist early in the planning process. You should continue to work closely with the local food safety inspector when your business is up and running.

Resources for Artisan Dairy Products and Farmstead Dairy

Case Studies of Wisconsin Dairy Artisans
UW Extension and Center for Integrated Agricultural Systems
This report profiles several dairy artisans, including information on how they got started, what they've invested in, and more.
www.uwex.edu/ces/agmarkets/publications/documents/CaseStudiesofWisconsinDairyArtisans.pdf

Starting a Dairy Goat Business: A Guide for Farmers
Department of Agriculture, Trade and Consumer Protection (DATCP)
http://datcp.wi.gov/uploads/business/pdf/goatstartupguide.pdf

Producer Profile:

Rapid Performance Products

Wisconsin really says it all, at least when it comes to Red Whey, a new recovery drink that is made in Wisconsin, with Wisconsin products, for Wisconsinites, namely UW-Madison student-athletes.

Red Whey (tart cherry juice and whey protein beverage) was developed thanks to a collaboration between the UW–Madison Athletic Department, the Wisconsin Center for Dairy Research, a Wisconsin whey processor and Wisconsin's own Country Ovens-Cherry De-Lite.

"We are always looking for ways we can all work together, especially as a dairy state," said John Dettmann, Director of Strength and Conditioning for the Badgers and one of the masterminds behind Red Whey. "We knew that we wanted to develop a natural, nutritious recovery drink for our student-athletes and with CDR, one of the world's best dairy research institutions less than five minutes away, we were happy to have an opportunity to collaborate with someone on the UW campus as we assign value to those partnerships."

Dettmann contacted CDR Dairy Ingredient Applications Coordinator K.J. Burrington to assist in formulating a natural recovery drink that would provide UW student-athletes with a delicious whey protein option that also meets the NCAA nutritional requirements. Dettmann also contacted Mike Johnson, President of Country Ovens, LTD, in Forestville, Wis., to see if he would be willing to provide the cherry juice for the drink as well as manufacture the end product.

"We were so pleased to be approached by the UW Athletic Department," said Johnson. "As a Wisconsin sports fan, farmer and manufacturer, I am happy to work with our partners at UW-Madison to develop a product for UW student-athletes, using Wisconsin ingredients."

The end product, Red Whey, contains 100 percent tart cherry juice from Country Ovens and 12 grams of whey protein, making it an ideal recovery drink for athletes but also a locally made, natural, nutritious sports drink for the general public.

"There are very few products out there that contain 100 percent juice as well as a significant amount of protein," said Burrington. "We've formulated a simple product with a clean label that contains a unique balance of amino acids that aid in muscle recovery."

Amino acids are the building blocks of the human body aiding in everything from protein synthesis to energy production. Of the standard 22 amino acids present in the body, nine are essential amino acids, which means that they cannot be made by the body and must therefore be obtained through diet. Whey protein is unique in that it contains the highest amount of essential amino acids, known as branch chain amino acids (isoleucine, valine, and leucine) found in food. Leucine is directly linked to muscle protein synthesis, which is an important part of recovery for all athletes. In fact, a 2007 study showed that as little as 10 grams of whey protein in a recovery drink will stimulate muscle protein synthesis (Tang et al., Appl Physiol Nutr Metab. 32:1132-1138, 2007).

Red Whey also provides athletes with carbohydrates for energy, potassium for electrolyte replacement and nutrients available in the cherry juice. Johnson stated that cherry juice is being called the new 'Super Fruit', as it is high in anthocyanins (anti-oxidants) that may mitigate tissue inflammation and help reduce post-exercise muscle and joint pain.

"In the end, we have a great product that has been a big win for the UW Athletic Department as well as the state of Wisconsin," said Dettman. "The product is outstanding. I think our biggest challenge will be keeping enough in stock."

Artisan Meats

Wisconsin has long been home to a large meat industry, and is home to more state-inspected meat processing facilities than any other state. In 2013, the industry contributed $12.3 billion to the state economy. Beyond large-scale production, though, more and more Wisconsin producers are reviving the small-scale practices of past sausage and cured meat makers. Taking inspiration from the state's artisan cheese and beer industries, they are producing traditional old-world varieties of meat while also creating new specialty meat products unlike products anywhere else.

Starting an artisan meat company is an in-depth process. Fortunately, the Wisconsin Department of Agriculture, Trade and Consumer Protection now runs the Specialty Meat Development Center. The Meat Enterprise Assistance Team offers consulting services in several areas, including business development, product development, labeling and packaging, market development, and food safety and quality. Producers can also enroll in the center's Master Meat Crafter Program, an in-depth course that teaches process verification, food safety, product development, curing and processing skills. After the course, producers earn the right to place the Master Cured Meat Crafter seal on their products.

Contact: Jeff Swenson at Jeffrey.Swenson@wi.gov or visit the website at
http://specialtymeatswi.blogspot.com/

For more information on meat business licensing and labeling, see pages 81-82.

Resources for Artisan Meats

Direct Marketing Meat
UW Cooperative Extension and Wisconsin DATCP
A comprehensive guide for Wisconsin meat producers, focusing on food safety and regulations, meat processing, and marketing information.
www.uwex.edu/ces/agmarkets/publications/documents/A3809.pdf

Wisconsin Association of Meat Processors
http://www.wi-amp.com/

Wisconsin Beef Council
http://www.beeftips.com/


Photo: National Pork Board

Wisconsin Bison Producers Association
http://www.wibison.com/

Wisconsin Commercial Deer & Elk Farmer's Association
http://www.wcdefa.org/

Wisconsin Pork Producers Association
http://www.wppa.org/

Wisconsin Sheep Breeders Co-op
http://www.wisbc.com/

Wine and Beer Production

Beer is a Wisconsin tradition, but new microbreweries and wineries are changing the face of state alcohol production. With over 100 wineries and breweries to choose from, Wisconsin is one of the top alcohol-producing states in the country. The exceptional expertise of local wine- and beer- makers has garnered numerous awards and draws visitors from across the nation. To create a truly local product, consider growing your own hops, barley or grapes. These burgeoning industries have their own professional associations and resources, making it easier than ever to start production.

Vineyards and breweries realize that in addition to increasing demand for their product, there is genuine interest in experiencing a "sense of place." Thus, wineries and breweries themselves have become popular tourist destinations. Wisconsin wineries and breweries typically host product tastings, but many now offer regular tours of their operations. Special events and festivals are also big draws.

Resources for Wine and Beer Production

Getting Started in a TTB-Regulated Industry
Alcohol and Tobacco Tax and Trade Bureau
This website provides step-by-step instructions for how to complete the federal permitting process for a winery or brewery.
http://www.ttb.gov/industry-startup/industry-startup.shtml

Wine

Growing Grapes in Wisconsin
University of Wisconsin Extension
This publication offers state-specific information on grape production.
http://learningstore.uwex.edu/assets/pdfs/A1656.pdf

Starting Your Own Wine Business
University of Tennessee Extension
Production and regulatory information for new wineries.
https://utextension.tennessee.edu/publications/Documents/PB1688.pdf

Wisconsin Grape Growers Association
The association's website has helpful presentations and resources on growing grapes and starting wineries.
http://wigrapes.org

Winery and Vineyard Feasibility Workbooks
Agricultural Marketing Resource Center
Workbooks, videos, and information to help set up a financial plan for a winery.
http://www.agmrc.org/
Search "Feasibility Workbooks"

Wisconsin Winery Association
This website profiles the wineries across Wisconsin and provides travel information to tourists.
http://wiswine.com

Beer

Beer Making and Packaging Classes
Master Brewers of the Americas Association (MBAA)
The MBAA offers beer making and packaging classes at the University of Wisconsin-Madison.
http://www.mbaa.com/education/courses/Pages/default.aspx

Pro Brewer
This website provides many resources in many areas, including business planning and production science. It also offers several calculation tools related to beer production.
http://www.probrewer.com

Wisconsin Brewer's Guild
This association focuses on promoting its members' brews.
http://www.wibrewersguild.com/

Chapter 2



CHAPTER 2:
Direct Marketing: Producer to Consumer

FARMERS MARKETS

Farmers markets provide a good point of entry to try direct marketing. You set your own price and sell what you have available. A mutual education process takes place at the market. Customers connect your face and your farm to the food they are buying. In turn, you learn about customer preferences and build a good reputation.

Farmers markets are a valuable part of the local food system and are growing as more communities embrace them. Most communities have open-air markets, but sometimes the markets are inside a building. Farmers who are successful at markets have several things in common: they bring high-quality products, and they emphasize the freshness and quality of the food to their customers. They also set a price that allows them to make a profit, yet is low enough to appeal to consumers.

Farmers markets and market management vary from place to place. Farmers market participants usually do their organizational work over the winter. If you want to join a Farmers market, you should contact the market organization or the market manager well in advance of the growing season. Each market may have requirements for its vendors that you must meet before you can join, or at least before you can sell, at the market. The following features of farmers markets may help you evaluate whether your local markets are a good match for you.

Features of Farmers Markets

Location

Location is extremely important for the success of any farmers market. When you are deciding whether to join a farmers market, consider these points about its location:

- Market highly visible from streets and walkways
- Vendor access to telephones, electrical outlets, water, bathrooms
- Adequate parking for customers or good public transportation
- Other businesses nearby that sell products similar to what might be sold at the farmers market
- Cleanliness of market area
- The distance of market from your farm

Farmers Markets

Advantages

- Good entry point for farmers who want to try direct marketing
- Set your own prices
- Help customers connect you and your farm to the food they buy
- Learn customer preferences and build reputation
- Allows introduction of new products and a way to gauge customer reaction

Challenges

- Product might not sell out completely
- Need to be present at market regardless of weather
- Customers' loyalty may be to market, not to you as an individual vendor

Market Characteristics

Every market across the state and the nation has characteristics which can impact your product sales. Helpful information to consider when selecting a farmers market:

- Amount of foot traffic during the market and estimated number of consumers
- Estimated sales for an average vendor
- Time and day of the market
- How your products will complement those of other vendors

Market Rules and Regulations

Specific rules of operation for farmers markets vary. It is important to keep in mind that markets have rules, whether they are written down or not.

- Topics covered by typical farmers market rules:
- A membership fee, stall fee, or other way that vendors help support the market
- Restrictions regarding farm's distance from the market, production practices, and/or farm size
- Types of products allowed: produce, meats and dairy products, arts and crafts
- Vendors required to arrive, set up, pack up, and to leave at certain times
- Vendors required to display certain information such as farm name, licensing, and prices
- Restrictions on individual vendor's displays and advertising
- Requirements that vendors be present a certain percentage of market days and restrictions on arriving late or leaving early
- Policy for vendors who cannot attend a farmers market day; how far in advance must they notify the manager, and penalties for non-attendance
- Space limitations for each vendor; everyone may get the same size space or there may be an extra fee for a larger space
- How spaces are allotted for the season; on a first-come first-serve basis, a lottery system, or a seniority system
- Market participation in nutrition programs or food recovery programs

Small-Town Market

Advantages

- Often more personal
- More one-on-one contact
- Can build reputation quickly
- Less likely to have waiting list

Challenges

- Fewer potential customers
- Potential smaller return on investment

Large-City Market

Advantages

- Potential for selling larger volumes of product
- Contact with numerous grocery and restaurant owners/managers
- Larger audience for your farm name, products, reputation

Challenges

- More travel and time involved
- Consistent attendance to develop/maintain customer recognition
- May be a waiting list to get in

Check with the market manager about farmers market rules and state or local regulations that apply to what you want to sell. Some markets also provide access to rules and regulations online.

Weights and Measures

All vendors must follow state rules on selling produce or other foods. The Weights and Measures division of the Department of Agriculture, Trade and Consumer Protection is responsible for certifying vendors' scales. Some products can only be sold by weight, while others can be sold be weight or count. Read more in the Weights and Measures section on page 82.

Food Sampling

Unless a local ordinance prohibits it, vendors may offer free product samples provided that they follow safe food handling procedures. These procedures include, but are not limited to:

- Washing hands thoroughly and frequently
- Using time and/or temperature control when serving potentially hazardous food
- Using clean and sanitized food contact surfaces
- Protecting food from consumer and environmental contamination
- Preventing bare hand contact with ready-to-eat foods

Be sure to check with the local government for additional restrictions on free product samples.

Insurance Coverage

Farmers markets sometimes carry liability insurance that covers accidents that may happen during the market. Some farmers markets might offer broad liability coverage to vendors and charge higher fees to pay for it. Farmers might be required to carry their own product or general liability insurance, or they might choose to do that even if the market doesn't require it. Check with your market manager on which types of insurance your market requires. For more detailed information on liability insurance see page 102.

Sales Tax

Farmers markets require that individual vendors collect and report the sales tax for their taxable goods. Some farmers must obtain a seller's permit from the Wisconsin Department of Revenue. Vendors that only sell non-taxable items, such as fruits and vegetables for home consumption, do not need a permit. If you sell taxable items like flowers, sandwiches, or heated foods or beverages, you must obtain a seller's permit. Fortunately, reporting and submitting sales tax has never been easier. The Department of Revenue website has several programs set up to help vendors manage their sales tax submissions. See the resources section for more information on the sales tax.

Starting a Farmers Market

Like any business enterprise, starting a farmers market requires planning and lots of work to succeed. If there is no farmers market close to you, consider starting one. Farmers markets have been established by local governments, farmer groups, civic organizations, community service agencies, university extension educational programs, and private citizens. Coordinating special events around market day may be helpful in drawing customers. Farmers markets can succeed if those involved are dedicated to making it work. For more detailed information on starting a farmers market, see the following resources.

Resources for Farmers Markets

Getting Started as a Vendor
Getting Started with Farmers Markets
Wallace Center
This guide covers issues like finding your own niche, understanding competition, and deciding how much to charge.
http://www.wallacecenter.org/resourcelibrary/getting-started-with-farmers-markets

Plain Language Guide to Selling at a Farmers Market
Tufts University
This booklet guides you through choosing a market, designing your market stand, setting prices, and making sales.
http://nesfp.nutrition.tufts.edu/sites/default/files/resources/farmersmarket_-_small.pdf

Questions Farmers Should Consider when Joining a Farmers Market
Northeast Iowa Buy Fresh Buy Local
Twenty questions to think about before joining a farmers market; Excerpted from "Farmers Markets Rules, Regulations and Opportunities" by Neil D. Hamilton, Agricultural Law Professor at Drake University.
http://www.iowafreshfood.com/uploads/PDF_File_1676546.pdf

Marketing Strategies
Marketing the Market
Kansas Rural Center
A brief guide to marketing principles for farmers markets.
http://asapconnections.org/downloads/marketing-the-market.pdf

Selling Strategies for Local Food Producers
University of Missouri Cooperative Extension
Advice for how to sell your products at farmers markets.

Steps to Starting a Farmers Market

- Determine market characteristics such as variety of vendors, community involvement, ease of access for customers
- Create a sponsoring organization by assembling stakeholders to discuss governing body, mission, goals, rules, regulations
- Identify location with ready access for vendors and customers
- Create simple, easy-to-read market signage to provide key information
- Designate market manager to oversee operations and attend the market
- Identify and recruit farmers and participants
- Establish bylaws; define responsibilities and membership
- Adopt and enforce rules and regulations that benefit all vendors
- Establish food safety guidelines for prepared foods
- Create vendor stall arrangements, establish vendor mix
- Develop a budget including expenses for insurance, permits, advertising, salaries
- Determine fee structure for vendors (fees are primary source of income for a market)

Source: How to Start a Farmers Market, Velma Lakins
Agricultural Marketing Service, USDA

http://extension.missouri.edu/publications/DisplayPub.aspx?P=G6222

Some Thoughts on Selling at Farmers Markets
Rodale Institute

Twenty-two lessons from a life-long farmers market vendor.
http://rodaleinstitute.org/some-thoughts-on-selling-at-farmers-markets/

The Art and Science of Farmers Market Displays
University of Vermont Extension

A short guide on how to create effective displays for your stand.
http://www.uvm.edu/extension/community/farmersmktdisplayfactsheet.pdf

Sales Tax Information

Temporary Events
Wisconsin Department of Revenue

This publication more specifically covers seller's permits and tax filing as they relate to farmers markets, which are categorized as a temporary event by the Department.
http://www.revenue.wi.gov/pubs/pb228.pdf

Wisconsin County Sales Tax Rates
Wisconsin Department of Revenue

This page provides a chart of the sales tax rate in every county in Wisconsin.
http://www.revenue.wi.gov/faqs/pcs/taxrates.html

Wisconsin Sales and Use Tax Information
Wisconsin Department of Revenue

This publication covers important sales tax information, including what items are tax-exempt.
http://www.revenue.wi.gov/pubs/pb201.pdf

Starting a Farmers Market

Farmers Market Promotion Program
U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS)

This program is available "to expand or promote local farmers markets, roadside stands, and similar agricultural ventures."
www.ams.usda.gov

Click on "Grant Programs"

How to Start a Farmers Market
U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS)

Step-by-step general guidelines for developing marketing and operational strategies prior to initiating a farmers market.
www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELDEV3022129&acct=wdmgeninfo

Understanding Farmers Market Rules

Farmers Legal Action Group

Article for farmers to understand their responsibilities and rights as vendors at the farmers market.
http://www.flaginc.org/wp-content/uploads/2013/03/FarmersMarket.pdf

Developing a Sense of Community

Project for Public Spaces (PPS)

This nonprofit organization hosts training sessions for market managers, offers grants, and hosts a listserv for farmers market managers.
www.pps.org

Membership Organization

Farmers Market Coalition

A nonprofit membership organization serving as an information center for farmers markets.
www.FarmersMarketCoalition.org

Locating Farmers Markets

Wisconsin Farm Fresh Atlases

These guides include a list of farmers markets, farms, restaurants, stores, and other businesses that sell local food and use sustainable production and business practices.
www.FarmFreshAtlas.org

Farmers Market and Local Food Marketing
USDA-AMS

This website provides information about starting markets, funding, and resource publications.
www.ams.usda.gov/farmersmarkets

Local Harvest

This website allows consumers to search for farmers markets, family farms, and other food sources.
http://www.localharvest.org/

Nutrition and Food Recovery Program

Farmers markets across the United States can participate in federal programs created to provide fresh, nutritious, unprocessed foods (such as fruits, vegetables, and herbs) to people who are nutritionally at risk. The main programs are the Women, Infants, and Children Farmers Market Nutrition Program (WIC-FMNP), the Senior Farmers Market Nutrition Program (SFMNP), and the Federal Supplemental Nutrition Assistance Program (SNAP), known in Wisconsin as FoodShare. The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) is the federal agency in charge of these programs. In Wisconsin, the Department of Health Services administers these programs.

People eligible for these programs receive checks (coupons/vouchers) they can use to buy fresh, raw fruits, vegetables, and herbs from farmers who have been authorized (directly or through their participation in an authorized farmers market) by the state to accept these checks. Some farmers markets have installed Electronic Benefits Transfer (EBT) technology to serve customers who participate in the FoodShare. People who use the program also receive nutrition education, often through an arrangement with the local WIC agency. The education is designed to encourage program participants to improve and expand their diets by adding fresh fruits and vegetables and to advise them in preparing the foods they buy through the Farmers Market Nutrition Program.

Some farmers markets have arrangements with local food pantries that take unsold produce at the end of the market day. Vendor participation in these food recovery programs is usually voluntary. Many food pantries are affiliated with America's Second Harvest, a nationwide food recovery and distribution network.

Resources for Nutrition and Food Recovery Programs

A Guide to Accepting Electronic Benefits Transfer (EBT) Payments at Farmers Markets in Wisconsin

Provides detailed information about the process for farmers markets to become authorized to accept EBT payments.
http://learningstore.uwex.edu/Assets/pdfs/A4013.pdf

Feeding America Eastern Wisconsin

The state's largest food bank, serves eastern Wisconsin.
http://www.feedingamericawi.org/

Hunger Task Force

This organization runs several programs that distribute food to families in need.
http://www.hungertaskforce.org/

Senior Farmers Market Nutrition Program (SFMNP)
Wisconsin Department of Health Services

This state-run program provides checks to low-income seniors to be redeemed at farmers markets.
http://www.dhs.wisconsin.gov/wic/Fmnp/senior.htm

Wisconsin Food Security Program
UW–Extension, Wisconsin Food Security Consortium

Provides up-to-date county- and state-level information about food security, economic well-being, and the availability and use of public and private programs.
www.uwex.edu/ces/flp/cfs

Women, Infants, and Children–Farmers Market Nutrition Program (WIC-FMNP)
Wisconsin Department of Health Services

This state-run program provides checks to families to be redeemed at farmers markets.
http://www.dhs.wisconsin.gov/wic/Fmnp/fmnphome.htm

COMMUNITY SUPPORTED AGRICULTURE

Community Supported Agriculture (CSA) offers producers a system of supplying consumers with fresh, wholesome, nutritious products weekly at a predetermined site. Next to farmers markets, CSA farms have become one of the fastest growing marketing systems today because of the benefits derived by both farmers and members.

What Is CSA?

Through CSAs, local households and farmers work together to share the responsibility of producing and delivering fresh food. Households support the farm by paying an annual fee in the winter or spring that entitles them to a "share" of the season's harvest. Once harvesting begins, members pick up a weekly or bi-weekly box of fresh foods which may include produce, fruits, cheeses, eggs, meats, poultry, flowers, herbs, or preserves. Pick-up sites are often located at a member's house, a business, or at the farm. Most farms create a newsletter that accompanies each delivery, with notes about farm activities, descriptions of what's in the delivery, cooking tips, and recipes. Many farms also create opportunities for their members and families to visit the farm and participate in farm events. The typical CSA season in Wisconsin runs from the end of May through mid-October, although more and more CSAs are offering products year-round. Farms offer a diversity of share options, including extended season shares, multiple share types and sizes, and special funds and payment plans to accommodate households on a tight budget.[1]

What Is Involved?

There are four key ingredients in a successful CSA:

1. **Expertise in growing or raising products or animals**
2. **Customer service**
3. **Planning for crop succession and product availability**
4. **Recordkeeping**

[1] FairShare CSA Coalition (formerly MACSAC)

Community Supported Agriculture

Advantages

- Creates added value to products
- Allows available funds for purchase of seeds and planting
- Enables production of a wide variety of vegetables, fruits, meat, dairy, etc.
- Assists families in healthful eating

Challenges

- Labor and time intensive
- Sound planning needed for entire production season
- Expertise in using equipment and/or managing workers
- Requires ongoing communication with membership via newsletters/ website/etc

Expertise

Knowing how to grow or raise your food products successfully for ongoing delivery is the first step in developing a CSA. If you are a novice at farming, learning how to manage a CSA while learning production practices may be difficult. Experience can be gained by working with other established farmers or CSAs that will allow you to step into a more responsible role as your knowledge increases. Refer to the Beginning Farming section of Chapter 1 for useful resources. Production knowledge is critical to satisfy the expectations and trust of your members. Gaining experience in production by selling as a vendor at a farmers market or other market venues allows you to develop your production knowledge and develop a customer base for the future.

Customer Service

The sense of community the farmer establishes with the subscriber is at the heart of a successful CSA program. Customers join CSAs because they want fresh food and because they want a real connection to the farm that grows their food. Part of the value you add to your products is communication with your CSA

customers. This can be accomplished with weekly or monthly newsletters or by including recipes with weekly shares. Encouraging communication and feedback from your members will help keep you informed about their concerns.

Planning

A successful CSA farmer must be able to plan an entire season's production before one seed is planted or one animal is purchased. For vegetable production, having an extensive knowledge of vegetables, varieties, and their rates of maturity will help you develop a system of timing and succession plantings to ensure a consistent harvest throughout the season. A well-organized approach will help you manage plantings for steady, season-long production so that customers receive the diverse, weekly box of produce they were told to expect when they joined the CSA.

For meat production, a successful CSA livestock farmer must be able to calculate from three to 18 months' worth of animal production. Depending upon the species raised, year-round CSAs require animal production to be staggered throughout the year to provide a constant supply of product. This can mean changing to nontraditional production practices when animals are born.

Planning for and achieving a successful supply of product will allow you an opportunity to expand your program in the future if you choose. Satisfied members are the best advertising a CSA can get. See additional information at the end of this section for resources on timing. Also see the first chapter for information on classes, workshops, and working on other farms.

Recordkeeping

Keeping detailed production and financial records is absolutely necessary to be successful. A CSA is a business and members are investing in your program because of the expected return on their money in the form of farm products. You are looking for a profit for your time and effort invested. Before setting a share price, you need to estimate all costs for the growing year, including your salary or profit margin. If your financial estimates are wrong, you may risk not recovering your costs or the ability to pay yourself for your time and effort. If your production estimates are wrong, you risk shortchanging your customers and losing their business. Consulting with other successful CSAs about their initial estimates may help you develop your original projections. Careful recordkeeping during your startup years is extremely valuable in helping you make estimates in future years. Refer to the budget projection resources at the end of this section for detailed information on determining your cost of production.

Considerations for Starting and Operating a CSA

Members

Once you've decided to build a CSA, you'll need to decide how many members you want and then recruit them. If you already sell at a farmers market you can talk to customers to learn if they would be interested in being a CSA member. At this stage, you will need to have membership share costs established and a preliminary list of the types of products you plan to provide, as these will probably be some of their first questions. Established CSA farmers suggest starting small, developing a solid member base, and learning as you grow.

Generally, vegetable CSA farms serve about 20 to 30 households (harvest shares) per acre in production. For example, a 200-member farm would likely cultivate at least eight acres a year (more when considering land in cover crops/fallow). These acres would be planted with at least 40 to 50 types of crops, including vegetables, berries, and herbs. At least five full-time seasonal workers would likely be required.

Depending upon the animal species offered in a meat CSA, one animal per month can serve one to 30 or 40 households. Offering multiple species in the CSA requires a great deal of time and coordination. You must ensure that all products are ready on the delivery date and that enough is produced to meet the volume needed for the entire CSA season.

Size and Price of a Share

The size of a share and the price for each can vary from one region to another. For vegetable CSAs, regular memberships for the Madison area ranged from $550 to $675 per season in 2013.[2] A Wisconsin season typically runs for

[2] FairShare CSA Coalition.

20 to 22 weeks, starting the end of May. Each customer box is typically 5/9 of a bushel, and is estimated to feed a family of four. Pricing options may vary and half-shares are popular among small families or single people.

Meat CSAs have more flexibility with share size and season length due to the fact that the products are typically frozen. Some Meat CSAs run concurrently with vegetable CSAs. Others are offered year round. Pricing options for the Madison area ranged from $500 to $1,700 per season in 2013. Share sizes ranged from small to large, feeding one person or a full household.

Some CSAs offer a work share program for customers who commit to working a specified time at the farm and then receive a discount in return for their work. Others offer a discount if members pick up their share at the farm.

Vegetable Harvesting and Post-Harvest Handling

Most CSA deliveries are weekly. You need a system to harvest, wash, store, and pack your produce and a clean place for storing and packing. Cold storage is necessary for vegetables that are harvested a few days before delivery. Post-harvest handling has a large impact on the quality and value of the products being sold. Developing specific standard operating procedures for postharvest handling can ensure your customers receive a consistent product. For more information on post-harvest handling see the resources section on the following page.

CSA farms use varied packaging methods for deliveries. Some use heavy-duty, waxed cardboard boxes or plastic crates that are collected and re-used. Others use light-weight cardboard boxes that are replaced as they wear out or are lost. Members may even be encouraged to use tote bags for pick-up at the drop site.

Meat Processing and Delivery

Meats that will be sold through a CSA must be processed at a State or USDA inspected facility. The products are typically taken from the processor to a licensed storage facility for packing and delivery to CSA members. Meat CSA delivery options vary from producer to producer, although most producers deliver one or two times per month. Meat CSA products are typically frozen and are not in need of immediate consumption.

Meat CSA farms use varied packaging methods for deliveries. The most common is paper or plastic bags. Depending upon the variety of meat products offered in the CSA, bags can provide more flexibility than boxes when packing and transporting to the CSA pick-up location. Members may be encouraged to bring coolers to place their product in to ensure they are kept frozen during transpiration home.

Delivery Locations and Schedules

Deliveries can be made to locations convenient for CSA members. Some CSAs allow pick-up of shares at the farm. Others collaborate with local food co-ops, churches, and offices to act as their drop-site host; some members may even be willing to open their home as a drop site for others in their area. Drop-site hosts may receive produce or discounts for their time and effort. The time frame for pick-up is important to maintain freshness. A discussion with prospective members about their preferences helps establish an orderly and timely delivery schedule.

Product Mix

CSA farmers often consult their members about what kinds of products they would like to receive in their boxes. Starting with a basic product mix is wise. As you gain experience, you can try more novel ideas. One of the valuable aspects of CSA membership is the varied mix of uncommon food products that may be offered as well as information and recipes for using these foods.

CSA Supports Sustainability

CSA is a unique and sustainable movement of food production and consumerism that:

- Fosters mutual respect and support between those who eat the food (CSA members) and those who grow it (local farmers)
- Introduces new and exciting varieties of food products that may not be available or members might not otherwise buy at a grocery store

- Gives members an active and ecologically-friendly role in the production and distribution of quality food
- Allows members the opportunity to visit and work on the farm, to become familiar with and connected to where and how their food is grown
- Gives members the enjoyment of locally available foods while learning about eating seasonally—this means having the freshest food possible, while sharing in the natural cycle of the seasons as a community[1]

Resources for Community Supported Agriculture

General CSA Resources

Community Supported Agriculture
Appropriate Transfer of Technology for Rural Areas
This publication reports on the history of Community Supported Agriculture in the United States and discusses various models that have emerged.
www.attra.org/attra-pub/csa.html

FairShare CSA Coalition (formerly MACSAC)
Promoting and supporting Community Supported Agriculture farms, and coordinating community and farmer education programs about the benefits of sustainably grown local foods.
http://www.csacoalition.org/

Local Harvest
This website provides a list of CSA farms in Wisconsin.
www.LocalHarvest.org/csa/

CSA Production Resources

CSA Farms: Management-Income
Center for Integrated Agricultural Systems
www.cias.wisc.edu/economics/community-supported-agriculture-farms-management-and-income/

CSA: More for your money than fresh vegetables
Center for Integrated Agricultural Systems
www.cias.wisc.edu/crops-and-livestock/csa-more-for-your-money-than-fresh-vegetables/

FairShare Grower to Grower online resources
FairShare CSA Coalition
http://www.csacoalition.org/resources/growers/

Health Insurance Rebates

Eating healthy has caught the attention of insurance companies that view this approach as a means to lessen health problems and lower associated costs. A partnership between several health insurance companies and FairShare CSA Coalition includes a health insurance rebate program. Through FairShare and participating insurance providers, CSA members may receive a $100 to $200 rebate on their health insurance by subscribing to one of FairShare's CSA farms.

Managing a CSA Farm: Community-Economics-Marketing-Training
Center for Integrated Agricultural Systems
www.cias.wisc.edu/farm-to-fork/managing-a-csa-farm-2-community-economics-marketing-and-training/

Managing a CSA Farm: Production-Labor-Land
Center for Integrated Agricultural Systems
www.cias.wisc.edu/economics/managing-a-csa-farm-1production-labor-and-land/

Post-Harvest Handling: Processing, Storage, & Distribution
Iowa State University, University Extension
Recommendations for maintaining post-harvest quality, and storage requirements of fruits and vegetables.
https://www.extension.iastate.edu/NR/rdonlyres/B0D64A49-9FA9-410E849A31865FECE91/146402/GAPSpostharvest.pdf

Recommendations for Maintaining Postharvest Quality
University of California-Davis
http://postharvest.ucdavis.edu/producefacts/

Wholesale Success
Book produced by FamilyFarmed.org, this manual addresses selling, post-harvest handling, and packing produce.
http://www.familyfarmed.org/wholesalesuccess/

[1] Courtesy: Tricia Bross, Luna Circle Farm

Producer Profile:

Orange Cat Community Farm

The drive to start your own CSA farm can come from a number of places - Laura Mortimore wanted to bring the CSA model back to her hometown in Reedsburg, WI. She had been working on other farms and growing vegetables for so long that she was naturally starting to think "isn't that just what you do when you get up in the morning – plant carrots?" She is currently entering her fifth growing season with her farm, Orange Cat Community Farm, and offers the perspective of a beginning CSA farmer.

Did you create a business plan?

I think I have a lot more of business plan then I give myself credit for. It's pretty easy to calculate how many CSA shares you are going to sell (income) and then estimate expenses. A lot of business planning has been what investments do I want to make in these 5 years? It's hard to know your exact expenses when you are so new, so every year I redo my numbers, assess my goals and think about what I want personally—how much money do I want to make and what quality of life do I want?

How do you handle pricing and promotion?

When I was deciding on the price of my CSA shares I compared it to 15 different farms in the area. I had also worked on 2 farms where we sold at farmers markets so I had a base knowledge of what the price was for direct-marketed vegetables. I combined this with some base calculations on how much labor it took (to weed those carrots and harvest them) and got to a general estimate of price per vegetable that allowed me to see if I was making money on my produce. I kept track of the value of my CSA box each week based on this per-item pricing to see how close I was coming to what members paid. This helped me fine tune my CSA share price over the first few years. I started at $500 and settled on $575 by my third year.

What about promotion and marketing?

One of the positives to being back where I grew up was I was going back to a community who already knew me. I leveraged this and also promoted through brochures and a website. I talked a lot– to the Master Gardeners of Sauk County, the Lions Club (to specific groups that might be interested). I also had the farmers market stand in Baraboo and put a lot of effort into making it be a very beautiful market stand with high quality produce. The first year was the year I had to hit the pavement. Now I print off brochures and keep my website up to date. I also create newsletters and have partnered with an area chef to include recipes in them and host on-farm events like a garlic harvest, salsa party and pumpkin pick.

Any advice you have to new growers?

Work for other people- it is a great way to learn. And if you begin a vegetable farm on your own, without a partner, make sure you have family (or friends) support safety net – my parents contribution has been priceless. Also, be very observant. You don't have to know everything right out of the gate, but you do need to have curiosity about how plants grow.

I feel like part of the reason (OCCF) has been a success is that growing vegetables is what brings me joy and the farm is the vehicle I use to share that with people. Once you know what you want to do- focus on what really impassions you about it and share that (whether it is through your newsletter, pictures or talking to people). As you express yourself and what you love about what you do you end up organically creating the persona of your farm (or brand) and that will help lead you to success.

On the next page is a snapshot of Laura's first 5-years establishing Orange Cat Community Farm.

	Year 1 (2010)	Year 2 (2011)	Year 3 (2012)	Year 4 (2013)	Year 5 (2014)
CSA Shares	25 shares	50 shares	75 shares	87 shares	100 shares
Acres Farmed	1 acre	2 acres	2 acres	2.25 acres	2.25 acres
Investments	Built cooler in garage Walk behind rototiller Pick-up truck Built small, lean-to greenhouse	Tractor Rototiller Brush mower Drip irrigation	30x72 Hoophouse Plastic mulch layer	Delivery van 2nd cooler Hydrant and new pump for irrigation	30x40 Greenhouse
Farmers Market	1 regular market	1 regular market (more produce)	1 market (Spring and Fall only - cut out Summer)	1 market (Spring and Fall only) plus winter sales	1 market (Spring and Fall only) plus winter sales
Storage Share	No	30 shares	40 shares	50 shares	50 shares
Spring Share	No	No	16 shares	24 shares	35 shares
Worker Equivalent	1 full time + farmer	2 full time + farmer (added an intern)	2.5 full time + farmer (slight increase in worker shares)	3.0 full time + farmer	3.0 full time + farmer
Insights Gleaned	I can produce twice as much without changing my current system.	I don't need to make drastic changes in acreage of produce - grew a bit more and converted some market sales to CSA shares.	After growing for a few years I can fine tune what/how I grow and bring in 12 more members (with minimal expense).	Each year she is able to create something that added a bit more value to the farm.	I am really comfortable to be where I am at. The farm is now providing for me and I don't have to work off the farm.

AGRITOURISM

Tourism-based farming enterprises have become successful marketing programs because they appeal to many emotions involved with past connections to farming. Many people remember visiting a relative's farm as a child, and they want their own children or grandchildren to have the same experience. Encouraging this reconnection and offering a venue that fosters a sense of connection to food and those who produce it also provides an excellent educational opportunity. As more people are concerned about where their food comes from, agritourism is a way to bring the customer to your products. An agritourism farm can become a destination and also offer a variety of activities to entertain, educate, and enlighten their customers.

Choosing the Right Enterprise

Agritourism involves a huge responsibility on your part because you will be hosting people from many walks of life. Before deciding to enter this market, consider your reasons for doing so. Is it to boost the income of your farm? Connect with consumers? Provide a community service? Once committed to your decision, you should do everything possible to provide a positive experience for your visitors. One way to determine what may be involved or find out what will work in your particular situation is to talk with other farmers who have developed a successful agritourism business. If your area has notable historical elements, maybe this would be of interest to others. Perhaps you are close to urban areas to allow hosting of specific festivals throughout the year. Hayrides, pumpkin patches, corn mazes, sleigh rides, barn dances, or other entertainments can all be viable options for your farm.

Getting Started

Once you decide what you want to do, contact your local or state authorities to determine what regulations you must comply with, such as local zoning ordinances, building requirements, permits, and customer needs. These can be discussed with the town chair or the county supervisor for your area. You will also have to physically prepare your farm for visitors. A safe, clean, well-kept, photogenic farmstead is inviting and will make the best impression on new customers and enhance their experience. The public will be entering your personal and professional space, so you will need to set up some ground rules to help manage your customers and yourself. Determining what hours to be open, how many days each week, whether you will accept appointments outside regular hours, and how many workers to hire are just some of the decisions you will need to make. Another option is to be open by appointment only and post a sign with contact person and phone number. Some businesses find it convenient to do a mix of both open hours and by appointment only. Stay open for your busiest days and post "By Appointment Only" on days you see or project a business decline.

Besides assessing rules and regulations for your business, you will need to determine the risk involved with your enterprise. Some activities carry a high degree of risk, such as horseback riding, while others may not. The presence of visitors on your farm is a risk for you. Be sure to discuss your plans with your insurance provider to determine what coverage will be needed to protect your farm and family. See page 100-105 for more information on liability and farm insurances.

Agritourism

Advantages

- Earn extra income for your farm
- Provide educational experience/ valuable community service
- Revive pleasant memories for visitors
- Deepen consumer's understanding of where their food originates

Challenges

- Requires safe, fun activities enjoyed by all ages
- Farm location may determine traffic rates
- Requires good relationship skills and high level of customer contact
- Requires a basic understanding of marketing and promotion

Marketing

Once you have established your enterprise, you need to attract people to your farm. Getting your name out to the public and attaching a good reputation and image to your name are great, effective marketing tools. There are a wide range of marketing options available and choosing the most effective is important. Repeat visitors are an excellent word-of-mouth advertisement, but you need to rely on more strategies to increase your business. Working with the media can provide exposure to your business that reaches a wide audience.

Good stories attract the attention of local radio, television, and newspaper reporters and can be an excellent way to let the public know of your business.

Another good resource is your community or county tourism marketing organization. This may be the local Chamber of Commerce or economic development organization. They have a vested interest in growing the area's economy through tourism and helping your agritourism business succeed. In addition to destination marketing organizations, you can network with other tourism businesses nearby. Is there a bed and breakfast in the vicinity that could promote your agritourism opportunity to its guests? Cross marketing with other area businesses, for example by exchanging brochures, can be mutually beneficial. Invite owners of stores, restaurants and lodging properties to visit and experience your farm so they can better sell it to their customers.

An agritourism destination is only as good as the directions to get there. Your customers need to know how to find you. Some advertising techniques include: providing brochures with directions to your farm; designing a logo specific to your enterprise; creating business cards that can be distributed in as many locations as possible; and developing online resources like a website and social media pages.

Offering people a variety of ways to spend their money while on your farm is key to a successful business. Seasonal offerings such as strawberry desserts, fruit pies, apple cider, or other produce you may grow can provide ways to increase your profits. Holding demonstrations on wool spinning, quilting, pumpkin carving, or other activities in which visitors can

participate will connect them to your farm in ways they may not have thought about before arriving.

Ready for Business

You can test your readiness to host visitors by holding a trial event or weekend for family and friends. Allowing them to investigate all the activities you offer will help determine what adjustments are necessary to make things flow smoothly for your customers. You should also check for easy flow and accessibility from the parking areas to where activities take place. Providing well-marked signs for bathroom facilities will reduce questions. Also, create a plan of action in the case of a serious health emergency involving a visitor.

Partnering

Working with tourism organizations can help your program. Tour operators use local attractions to provide short day trips for a variety of customers. Explaining your program and what you have to offer may provide another source of visitors. Offering a package tour where the visitors can receive a discount or redeem a coupon for an item to purchase may be an attractive offering for the tour company. Tourism organizations can also help with the media by getting information about your farm out to the public.

Agritourism Trails

Interested in working with other agritourism destinations in your area? Consider developing an agritourism trail. Wisconsin is already home to several trails in a variety of areas:

- Farmers in southern and central Wisconsin formed the Autumn Harvest Trail. The trail combines orchards, vegetable farms, quilt shops and more.
  http://www.travelwisconsin.com/article/things-to-do/tour-the-autumn-harvest-trail
- Northern Wisconsin has its own trail for the fall: the Bayfield Shores Harvest Trail. Customers order goods online throughout the summer. Then in October they visit the trail sites and pick up their purchases in-person.
  https://www.facebook.com/HarvestTrail
- The Cranberry Highway runs through Central Wisconsin during the fall. Visitors can request a highway or bike guide map, or they can take a guided tour through a third-party group in the area.
  http://visitwisrapids.com/things-to-do/the-cranberry-experience/cranberry-highway/
- Wineries of Wisconsin offers visitors information about Wisconsin's 50+ wineries. Tourists can meet the winemakers, tour the vineyards and the wineries, and sample wines. The group's website offers trip itineraries, video profiles of the wineries, and other useful tools.
  www.WisWine.org

Any combination of agritourism sites can form a trail. Explore the resources list at the end of the section for potential partner organizations.

Ideas for Agritourism Enterprises

- Agriculture food and craft shows
- Animal feeding, animal birthing, petting zoo
- Barn dances
- Bed & Breakfast (rural and historical)
- Corporate picnics
- Family reunions
- Farm or ranch work experience
- Farm Tours
- Floral arranging, wreath making
- Food festivals
- Guided crop tours
- Harvest festivals
- Hay rides/sleigh rides
- Historical tours
- Historical displays (ag history, machinery)
- School and educational tours and activities
- U-Pick operations

Photo: Wisconsin Department Of Tourism

Source: Compiled from "A to Z: Potential Enterprises for Agricultural and Nature Tourism," The University of California

Small Farm Center and "Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide," NRCS Alternative Enterprises and Agritourism.

Details That Make a Difference

- Clean, neat, and photogenic surroundings
- Restroom facilities that are convenient and clean with a place to change diapers
- Safe and fun play areas for children
- Seasonal decorations
- Accessibility for people with varying physical abilities
- A well-stocked first aid kit for minor mishaps

Tourism in Wisconsin

Here in Wisconsin, we nurture originality and creativity in all its forms. And to a great degree, that means celebrating the bounty of the land and the down-home hospitality of the people. Visitors and residents alike need not look much farther than the farmstead down the road or the local town square to see what we mean. There are artisan cheesemakers and microbreweries, working-farm B&Bs, tours of cranberry bogs, weekend farmers markets that spring up in every corner of the state, and classic supper clubs with cherry cobbler on the menu.

Tourism is growing. In fact, the culinary traveler movement, persons who plan their vacations around authentic food and beverage offerings, is blossoming into a 27-million strong interest group across the country. The connection that tourism and agriculture feature in Wisconsin, as two of the top three industries in the state, is staggering, as tourism tallies some $12.8 billion in traveler expenditures each year and agriculture generates $59 billion to the state's economy.

Wisconsin is geared to reach tourists far and near, and continues to reach out to culinary travelers with a Fall Sampler brochure; year-round publicity efforts featuring destinations, experiences, chefs, and culinary delights; and even the Travel Green Wisconsin business certification program, which furthers efforts to protect the beauty and vitality of the land. Finding a niche in the agritourism arena is a great opportunity to educate consumers while helping them make their own Wisconsin food connections.

Resources for Agritourism

Joint Effort Marketing Program
Wisconsin Department of Tourism
The Joint Effort Marketing (JEM) program is one of many programs available to get started. Funds are available for destination marketing projects, sales promotions, and one-time, new, or existing one-of-a-kind events.
http://industry.travelwisconsin.com/grants/joint-effort-marketing-jem-grant-program

Tourism Industry Partners
Wisconsin Department of Tourism
A list of local and statewide tourism organizations that could help set up agritourism sites or trails.
http://industry.travelwisconsin.com/partners

Travel Green Wisconsin
This voluntary certification process, the first of its kind in the country, recognizes tourism businesses that have made a commitment to continuously improve their operations in order to reduce their environmental impact.
www.TravelGreenWisconsin.com

A Traveler's Guide to America's Dairyland
The Wisconsin Milk Marketing Board provides a colorful map listing Wisconsin cheese plant tours and cheese retail locations.
http://www.eatwisconsincheese.com/assets/pdfs/WisconsinCheeseMap.pdf

Wisconsin Agricultural Tourism Association
This website lists travel destination farms, an events calendar, and an agricultural adventure map.
www.VisitDairyland.com

Wisconsin Department of Tourism Field Specialists
These specialists spend one-on-one time with owners, organizations and local officials to help map out plans for growing local tourism economies through collaborative efforts.
http://industry.travelwisconsin.com/Services/Regional+Tourism+Specialists.aspx

Producer Profile:

Lakefront Brewery

There is no shortage of activities to plan your weekends within Wisconsin. Driving the scenic back roads to capture the fall colors; planning your weeks around the surrounding areas farmers markets; secluding yourself in nature while snowshoeing. Weekends in the summer are bustling, from travel to the lake front cabin, or Lakefront Brewery.

Lakefront is situated in a quaint brick building, formerly the home of Milwaukee Electric Railway and Light Company's coal-fired power plant, and pleasantly on the Milwaukee riverfront. The building is everything you would want to see out of a brewery: old world with ample stories lurking in between the bricks. The wooden-double doors greet you with a waft of fermenting hops as you walk in. On tour days, you're quick to meet friends patiently waiting for their chance at an inside look. Lakefront has been raved as one of the best brewery tours in Wisconsin and as 4th in America by TripAdvisor. What is their secret to success? That would be a quality product, educational and interactive sessions, and product tasting.

Lakefront has established their business as the agritourism spot to hit in Milwaukee. Reachable by land or by water, charter boats have created boat tours that travel between breweries throughout the summer. The boat tours are highly sought after for both full boat reservations or public cruising and require reservations and thoughtful planning for the day. The Lakefront tour itself pays homage to the history of Milwaukee brewing. Bernie Brewer's Chalet is housed within the brewery and is a focal point of the tour. The unique lights hanging in the Palm Garden are those of the Plankinton Hotel's beer hall dating back to 1916. Unfortunately, the beer hall never came to fruition due to prohibition starting short after the ground breaking of the hotel. Laverne and Shirley make an appearance as well on the tour, "waving" to the tour goers as they finish up the tour and their tasty treats.

The brewery tour itself is very in depth, but having enthusiastic guides, memorable and relatable stories really give the guests a good taste of what it takes to create their product. Lakefront isn't afraid to change things up with their popular seasonal beers and following the local food trends: they have created the country's first organic beer, a line of beer made with Wisconsin-only products (malted barley, wheat, hops, and a unique, never-brewed-before, indigenous Wisconsin yeast-strain), and even the country's first approved gluten-free beer.

Agritourism comes in many different varieties in Wisconsin, apple orchards, wineries, fish farms, breweries. With the rise in craft beers throughout the state, it's no wonder why Lakefront has been garnering so much hopped-up attention.

ON-FARM STORES AND PICK YOUR OWN

On-Farm Stores and Pick Your Own differ from other methods of direct marketing because customers travel to you to make their selection and purchase. These businesses can be individually owned, family-run, or a cooperative effort between farms.

On-Farm Stores

Wisconsin farmers have developed on-farm stores for fruits, vegetables, popcorn, milk, and meat products, to name a few. Many also include value-added items such as honey, maple syrup, baked goods, wine, preserves, or clothing and crafts made from wool or other animal products. These creative marketers frequently leverage location with tourism routes and offer both recreational and educational experiences.

Several business details are important when considering an on-farm store. Your store needs to be attractively arranged and allow easy access to your products. On-farm stores are generally in a building separate from your home, but some may be attached to it. Depending on your location, local ordinances, and market objectives, you may need to rezone a part of your farm as commercial, which may impact your tax base. Check with your local zoning and planning commission to get approval before starting any building project to make sure you comply with regulations, such as structure size and placement.

Consider using local or regional media to publicize your on-farm store. This can be an effective method for alerting potential customers to your business and thereby encourage them to visit your farm. Establish hours of business that are convenient for your customers' schedules. These hours may vary according to your schedule. Your daily routine may be altered based on store needs for staffing. Having someone present at all times is the biggest challenge for on-farm stores. For detailed information on establishing on-farm stores and roadside stands, see the resources listed at the end of this section.

On-Farm Store

Advantages

- Convenient location on site, no travel needed
- Customers can see for themselves how products are made

Challenges

- Need to be present during open hours
- Need to display product, could require shelving and coolers
- Need to organize and manage labor

Pick Your Own

Pick Your Own (PYO), sometimes called U-Pick, is a direct marketing business where customers come to your farm to pick the produce being offered. This arrangement can provide mutual benefits for both customer and farm owner. The customer gets the freshest produce possible at a price generally lower than retail outlets. Large quantities can be picked at a reasonable price for home canning or freezing.

The farmer benefits by having customers provide most of the labor to harvest, although many PYO farms also offer pre-picked quantities at a higher price for customers who prefer the fresh produce or berries or the pleasure of coming to your farm, but don't want to do the picking.

Getting Started

Before starting your business, assess the time you need to invest to be successful and have satisfied customers. During the picking season, many PYO farms are open seven days a week to keep their fruits and vegetables from maturing too quickly and spoiling. However, you still have the flexibility to determine your hours of business.

You or your employees must be available during picking hours. Having responsible and well-trained workers helps you handle pay lines, customer questions and/or complaints, parking, and other issues.

A PYO business provides a lot of customer contact with many people walking around your farm. You need to adapt your field operations to picking times. Weeding and irrigation must be done when customers aren't present. This often means doing the work during late evenings or early mornings. To be successful you need to have picking hours that are convenient for customers, usually during the day and through weekends.

Pick Your Own Crops

Your crop choices will be influenced by location, soil type, and whether there are similar businesses in your area. Most people think of vegetables and berries when they think of PYO crops. Asparagus, rhubarb, strawberries, raspberries, apples, grapes, pumpkins, and many other fruits and vegetables are suitable choices for this type of business.

Other Considerations

If you're a grower with established berry beds, you'll need an efficient system for marking rows and areas that have been recently picked. This directs your customers to good picking while making sure the whole crop is harvested as it ripens. To eliminate waste, you or your employees may need to do a follow-up picking in places that have not been thoroughly covered. If you sell your products by weight, you'll need a trade-legal scale. (Refer to the Weights and Measures section on page 82.) Some PYO farms use boxes or containers as the sale measure. This requires telling your customers what constitutes a full container or box and what extra charges are for overloaded containers. With people present in various areas of your property, you'll need to manage liability risk carefully. See page 102 for more information on premises liability insurance and other types of farm insurances.

Providing a pleasant experience for your customers and a quality product at a price they perceive as a good value will help establish your business.

Pick Your Own

Advantages

- Customers come to your farm for your products
- Customers harvest the crops

Challenges

- Must direct customers to picking areas, may need to re-harvest if incomplete
- Must have good customer relation skills

Resources for On-Farm Stores, Stands

Idea Plan: Roadside Markets, Stands, and Equipment
Penn State Cooperative Extension
Provides blueprint-type plans for building roadside stands.
http://centraloregonfoodpolicy.files.wordpress.com/2012/01/road-side-stand-blueprint.pdf

Marketing Strategies for Farmers and Ranchers
Sustainable Agriculture Research and Education
"This 20-page bulletin offers snapshots of the many alternatives to marketing commodities through conventional channels."
www.sare.org/publications/marketing.htm

Pick-Your-Own and Farm Stands: Options for Your Business
UW Cooperative Extension
This publication lists the various considerations to be made when establishing a Pick-Your-Own business.
www.uwex.edu/ces/agmarkets/publications/documents/A3811-14.pdf

Roadside Stand Marketing of Fruits and Vegetables
University of Georgia
Contains specific information about roadside stands, such as estimating customer sales from traffic volume. Also contains a wealth of information about marketing, promotion, and customer relations applicable to any direct marketing operation.
http://www.hobbyfarms.com/farm-marketing-and-management/selling-on-roadside-15047.aspx

Roadside Stands

Roadside stands are a traditional market that is enjoying a comeback. Letting the customer come to you is another direct way to market your products. A roadside stand should be attractive to capture the attention of people driving by. You should have enough products for sale that you are offering a reason for potential customers to stop. Choosing a site may present challenges if you do not live on a well-traveled road. Cooperating with another business in a prime location may help establish your stand.

These markets can range from tailgate sales along village streets to artistically-enhanced portable stands with extensive displays and product offerings. They can be placed in high-traffic areas and employ staffing or have honesty pay tables, where customers choose from the selection presented and place their money in a secure container.

Check with your insurer about liability issues related to setting up your stand. Contact local officials to learn about township or county ordinances that may pertain to roadside stands. County public health ordinances may apply. Finally, talk to others who have successful roadside stands already in place and learn from their experiences.

Chapter 3



CHAPTER 3: Intermediate Marketing: Producer to Buyer to Consumer

SELLING TO INTERMEDIATE BUYERS

Intermediate marketing offers producers a way of selling farm products to a specific buyer for resale. The range of venues available to you is increasing. Sales to these markets can be attractive because they offer a way to diversify production and market outlets. Buyers include restaurants, grocery stores, institutions, schools, and hospitals. You may also sell your products to wholesalers and distributors who, in turn, sell them to retail or institutional outlets.

Opportunities for product promotion through intermediate buyers vary by market. Much depends on your buyer. Providing your buyer with point of sale materials and other promotional items about your product could strengthen your relationship and be beneficial for both of you.


Photo: Coolwater Farms

Key Steps for Selling to Intermediate Markets

1. Meet with the Buyer, Build a Relationship

One of the most important aspects of the local food movement is creating relationships with your buyers. Find out the name of the chef, grocery store owner, department buyer, institutional buyer, or distributor, and schedule a meeting. Begin your conversation by determining buyer interest in purchasing local food products and ask questions to find out how you could best work together.

2. Be Prepared to Answer Questions

Be prepared to talk about your farm and specific details about your product/s. In addition to your product availability sheet be prepared to answer or discuss:

- Can you deliver? What day and time?
- Is your delivery refrigerated?
- If not refrigerated, how soon after it is harvested can you guarantee delivery?
- What time of day and day of week can you deliver?
- Will someone from your farm unload the truck, or does their staff unload the truck?
- Will your delivery driver complete a background check?
- Do you have liability insurance?
- Do you have training in post-harvest handling?
- Do you have any food safety training or certificates?
- Do you have signage for your products?

Questions to ask a potential buyer:

- What types of produce do you prefer?
- What is your billing process like?
- Do you have a goal for sourcing a certain percentage of your food locally?
- What do you need from me?

Building Buyer Relationships

Pay attention to the details that may help you build a strong, long-term relationship.

Invite the grocery store owner, the chef or the buyer to the farm for a tour and dinner.

Gauge Interest in Local Food Products

- Does the buyer currently purchase local foods? Have they had success with other local growers? If so, they may be interested in purchasing more local food products.
- If they have not purchased local food before, find out what has sparked their interest to consider it. Are they responding to customer demand, looking for less expensive products, or wanting to support the local economy?
- What products are they looking for? What quantities do they require? What price are they willing to pay?

Outline Benefits of Purchasing Local Food

- Local food can enhance restaurant or store promotional efforts and generate customer interest and loyalty. Consumers are becoming more aware of the wealth of food choices available and the benefits of eating fresh, flavorful, locally sourced food.
- Schools and institutions can help meet their goals for providing healthy food choices by sourcing foods locally.
- Local farmers can produce specialty crops not available from the usual distributors which supply restaurants, grocery stores, or institutions. Particularly in rural areas, access to foods other than mainstream products is limited.
- Local food can be competitive, if not in price, then in quality.

Share What Products You Have to Offer

- Provide product samples when possible. In the initial meeting before the growing season, bring samples of your packaging, labels, farm information, or in-store or restaurant materials.
- Have your price goals established before approaching the buyer. To learn more about setting prices, read the farmer profiles in this chapter. Refer to pages 23-24 for details on pricing strategies.
- Provide descriptions of products you currently produce. Ask what other products may interest the buyer.
- Prepare a product availability sheet for the buyer to keep as reference.

3. Product Availability Sheets

It's a good idea to bring a product availability sheet, like the example below, to quickly illustrate your product offerings.

Quantity of product per week

- Price
- Size and packaging
- Number of weeks product will be available
- Quality standards
- Ordering and delivery schedule

4. Follow Up with an Agreement

A written agreement between a buyer and seller is the best insurance that both parties understand and meet each other's expectations. These agreements need not be extensive or formal. In many cases, an agreement with a buyer may be verbal. Many transactions proceed on mutual trust alone. Determine you and your buyers' comfort level regarding the use of contracts.

5. Communication Throughout the Year

After securing a sale and an agreement with a buyer, it is a good business practice to maintain timely contact by the buyer's preferred communications method(s). Touch base with your buyer throughout the year and as you begin to plan and develop your next production cycle. Ongoing communication will create an atmosphere where you can ask for feedback about the quality of your products and gain insight into future needs.

Understand your buyer's schedule. Many chefs plan their menus several weeks ahead and need a notice about what products will be available. Department buyers also need to know several weeks in advance when your product will be available in order to discontinue their current product source and allow room for yours. Talk with the buyer about scheduling deliveries. Livestock producers should plan their production schedules around holidays and seasonal events that may require greater quantities or a specialized product.

Sample Product Availability Sheets

Produce	Box Size	Price/Box	Season Available	Quantity/ Availability Week	Comments
Spring Crops					
Broccoli	1 Bushel	$0.00	Mid June –Mid July	100 Boxes/Week	Gypsy- Tight, firm heads, great color
Snap Peas	10lb Box	$0.00	Mid June –Mid July	20 Boxes/Week	Small and sweet for salads
Summer Crops					
Green Curly Kale	24 Bunch Box	$0.00	Mid June –Mid Oct	100 Boxes/Week	New variety
Fall Crops					
Butternut Winter Squash	35lb Box	$0.00	Mid Sept –Mid Oct	200 Boxes/Week	Try our soup recipe
Yukon Gold Pototoes	10-5lb Bags	$0.00	Mid Aug –Dec	10 Boxes/Week	Popular variety, excellent baked

MEATS	PRICE/POUND	SPECS	DESCRIPTION	COMMENTS
Beef				
Package Orders				
Side	$0.00	180-200lbs	Delivered wrapped, labeled, frozen	Can be custom cut
Mixed quarter	$0.00	90-100lbs	Steaks, roasts, ground beef, ribs, soupbones, other cuts	Can be custom cut
15-Pound variety pack	$0.00/pack	15lbs	Mixed steaks, roasts, ground beef, processed meats	Ideal for food samplings
Beef				
Individual Cuts				
Steaks-Rib Eye	$0.00	4 12-14oz. steaks/pack	3/4inch thick	Can be custom cut
Sausage	$0.00	1lb sticks	Garlic and other flavors	Available year round
Chicken				
Whole	$0.00	5-8lbs	Delivered wrapped, labeled, frozen	Can be custom cut
Lamb				
Whole	$0.00	50lb carcass weight	Delivered wrapped, labeled, frozen	Place holiday order now

Buyers typically like a two-week notice when a purchased product is going to be harvested and delivered. Keeping your buyers informed of the current status of your products allows them to anticipate delivery times. This can also provide them time to seek alternative sources for similar products in the event of unanticipated production changes. Most buyers object to the surprise of orders that can't be filled or delivered on time. They have set schedules and disruptions in product availability or delivery can create situations where they may not want to continue you to buy from a farmer who can't consistently meet their commitments.

6. Billing Methods

Intermediate buyers prefer ordering and billing procedures that are as simple and streamlined as possible. You should develop an accounting system that meets your needs and is easy for the buyer to understand and make payment. Whether you get paid on a weekly, biweekly, or monthly basis needs to be determined at the start. There are different ways to develop a process that works for both the buyers and the suppliers. Some ordering and billing suggestions include:

- Use two paper receipt books: one to record deliveries to a central packing location and another one to record customer orders.
- Take orders by phone, email, or fax, and deliver an invoice with the order.
- Find out payment procedures. Institutions generally use a net 30 day billing cycle and pay with a purchasing credit card.
- Provide an invoice to be signed by the person taking your delivery.

Once again, the crucial marketing task for farmers is on-going communication with buyers.

What You Need to Know for Intermediate Markets

1. Food Safety Regulations

There has been an increasing focus on food safety assurance in the marketplace for fresh fruits and vegetables. Legally, farmers selling raw fresh fruits and vegetables are an "approved source" for all markets. However, many intermediate markets are looking for a level of assurance that the farm they are purchasing from has some kind of food safety plan. Be sure to have an understanding of general on-farm food safety principles and consider preparing a Standard Operating Procedures manual for your farm (see page 97). In addition, some intermediate markets require growers to have their farm audited by a third-party, most commonly GAP/GHP. Please refer to page 96 for additional information. DATCP is working to address food safety concerns for growers and buyers alike with the Food Safety Project for the Wisconsin Fresh Fruit and Vegetable Industry. Find out more

Types of Intermediate Markets

Collaborative Marketing Groups: A group of farmers that organizes, formally or informally, to work together on marketing, distribution, and sales.
Distributor: A distributor is a business that buys food products from farms or food businesses and sells those products to grocers, restaurants, food services, institutions, or other retail food businesses.
Food Hubs: A food hub is a facility that provides resources to local producers to allow them opportunities to scale up, work together and reach previously unavailable markets. Resources include: aggregation, storage, processing, distribution, and marketing.
Food Retailer: Any food business that buys food products for resale to the end consumer. Food retailers include restaurants, grocery stores, and specialty stores.
Food Service Management Company: This for-profit business contracts with catering and restaurant service to schools, colleges, and other institutions.
Institutional Food Service: Any organization that buys food products for use in their food service. Institutional-type sales include those to nursing homes, private corporations, group homes, prisons, schools (including colleges), and hospitals.
Wholesaler: A wholesaler is a business that may buy food products from farms or food businesses and sells those products to distributors and/or to restaurants, food services, institutions, grocers, or other retail food business.

about the project at http://datcp.state.wi.us and search "Wisconsin Food Safety Assessment for Fruits and Vegetables." For rules and regulations for all food products by market, please refer to Chapter 4.

2. Post-Harvest Handling, Storage, and Distribution

It is extremely important to wash, cool, and store your fruits and vegetables properly while maintaining the appropriate temperature to prevent spoilage. There can be a considerable amount of time between when you harvest and when your product is used by the buyer. It is extremely important to cool fruits and vegetables to the proper temperature quickly after harvest and to maintain proper temperature throughout the entire chain of transport from field to storage, storage to truck, and truck to buyer. Hydro-cooling, icing, and forced air cooling are quick methods of removing field heat. You may also need to consider investing in a cooling facility and/or refrigerated truck.

If you use storage facilities on your farm to extend your season for supplying products to a food retailer, you need to pay close attention to good post-harvest handling and storage conditions. Good post-harvest practices increase the shelf life and maintain the quality of fruits and vegetables. For an excellent resource on post-harvest handling for fruits and vegetables, including storage conditions, go to page 50.

Meat, eggs, and dairy products require different handling and storage methods. Refrigeration or deep cold storage is necessary at all times for dairy products and perishable meats to ensure safe storage and delivery. During transport, meat and dairy products must be handled according to safe handling requirements for perishable foods and kept refrigerated at 41°F or below or kept frozen if labeled as such.

Rinse water for cleaning eggs must be at least 20°F warmer than the eggs and not colder than 90°F. Prior to processing and packing, eggs must be kept at an average temperature of 60°F or lower. Once processed, packed eggs must be refrigerated at 45°F or lower at all times, including while in transport.

See the resources that follow this section for more information on post-harvest handling and storage. For a summary of applicable state rules and regulations for all these products, go to page 84-95.

3. Packaging and Labeling

Packaging is important when selling your farm products and plays an important role in intermediate marketing. Standards of packaging and sizing are generally consistent throughout the food industry. Most distributors do not want to repackage products and they expect your shipments to arrive in standard package sizes. If this is your market, you should study these standards and familiarize yourself with sizing requirements. Talking with your buyer to learn their product packaging and labeling needs is essential to fulfill expectations. This will help create a strong relationship as you strive to fulfill the needs of your customer, the buyer.

In Wisconsin, meat sold to the public must be processed at a licensed state or federal facility, inspected, packaged, and appropriately labeled. Milk and dairy products must be produced and processed in licensed facilities that are inspected and approved by the state. Dairy processing operations are also subject to federal inspections. Packaging and labeling standards apply to milk and dairy products. Eggs are subject to grading, sizing, and labeling requirements. Products such as honey and maple syrup also have standards and regulations regarding grading, packaging, and labeling.

The product you deliver should be clean and of good quality. Consistency between what the buyer ordered and what they receive is important. If you can't fill the order exactly as specified or desired, communicate that before making a delivery.

4. Consistent Supply

While meat, dairy, and processed products can be supplied year-round, a consistent supply of fresh, locally grown vegetables is difficult in northern climates. Seasonal sales, however, are acceptable to some food services. Some farmers who market to institutions provide a seasonal supply of fresh vegetables, but manage their plantings to have a consistent supply throughout the growing season.

Another way to have a consistent supply is through careful storage of crops. This can be accomplished by taking produce directly from the field to cold storage following good post-harvest handling guidelines and storage requirements. You then continue weekly deliveries throughout the fall, winter, and following spring. Yet another method of providing a consistent supply is to process and preserve produce during the growing season. See page 35 for more information on season extension techniques and practices.

5. Liability Insurance

Farmers or farmer groups who want to market to intermediate markets often need product liability insurance. Some farm insurance policies include coverage for products sold from the farm, but this is not adequate for sales to intermediate markets. The amount of insurance you need depends on what products you are selling and whether you're selling to a public or private market. Fresh, raw fruits and vegetables are considered low risk, and insurance for those might be less than higher-risk products, such as meat. Finding an insurance agent with experience in farm marketing can be difficult. Ask if your insurance agent is willing to work with you on a policy that will meet your needs. If not, it is worthwhile to shop around for an agent with experience insuring market farms. See page 102 for more information on product liability insurance.

Resources for Intermediate Marketing

Post-Harvest Handling and Storage Requirements

Post-Harvest Handling for Best Crop Quality
Wisconsin School for Beginning Market Gardeners
Tip sheets for post-harvest handling of fruits and vegetables and a list of resources.
www.bse.wisc.edu/hfhp/tipsheets_html/postharvest.htm

Produce Facts
University of California–Davis
Recommendations on maintaining post-harvest quality and storage requirements of fruits and vegetables.
http://postharvest.ucdavis.edu/producefacts/

Wholesale Success
This book addresses selling, post-harvest handling, and packing produce.
FamilyFarmed.org

Quality and Packaging Standards

PLU Codes
The International Federation for Produce Standards
This site provides free Web access for all Price Look Up (PLU) codes for fresh fruits and vegetables.
www.plucodes.com

USDA Quality Control
U.S. Department of Agriculture
For more information on USDA grading standards for quality control, click on Grading, Certification and Verification, then on Standards.
http://www.ams.usda.gov/AMSv1.0/

RESTAURANTS AND GROCERY STORES

Restaurant Trends

Restaurant trends have a significant impact on the food industry and touch the entire chain of production through consumption. Trends affect producers, distributors, chefs, and anyone who is part of the food service industry.

One of the most important trends affecting producers is the increased reliance of restaurants, grocery stores, hospitals, and universities on using locally grown food sources rather than accessing sources halfway across the country or around the world.

Among those products expected to experience the highest increase in per capita expenditures through 2020 are fruits and vegetables, with most consumers preferring locally grown foods as they become increasingly concerned about nutrition, safety, variety, and convenience.

American consumers are more sophisticated and adventurous than ever, seeking out new and exotic flavors on menus. Seven out of 10 people say restaurants provide flavor and taste sensations that can't be easily duplicated at home. Chefs surveyed identify alternative-sourced ingredients—locally grown produce, organics, sustainable seafood, grass-fed and free-range items—as being among the "hottest" menu trends.

On average, an American adult buys a meal or a snack from a restaurant 5.8 times per week and spends 48 percent of their food budget on food away from home. Chefs are meeting this demand: 89 percent of dining operators served locally sourced items in 2008, and 90 percent believed the trend would become more popular over time.[1] This should provide an increasingly strong market for farmers entering this market for many years to come.

Grocery Trends

The Wisconsin Grocers Association and the Wisconsin Department of Agriculture, Trade and Consumer Protection surveyed Wisconsin grocers to assess their local food purchases. The aim of the August 2007 survey was to garner information that would help Wisconsin farmers better link with grocery store buyers, creating new market opportunities for both parties. Surveys were sent to 33 grocery stores in the three targeted cities of Eau Claire, Green Bay, and Milwaukee. Thirteen of those surveyed responded and the results provided a window into reasons they did or didn't purchase local foods.

For the purposes of this study, the term *local product* was defined as those produced within an hour or two drive of the store surveyed, or perhaps up to 120 miles.

The study concluded that most grocers responding did not carry local products because it was not convenient or they were not part of the local food "cause." However, these same grocers would stock local items to keep customer loyalty and if customers demanded them. Grocers appeared to realize they would have to carry local products to contribute to their customers' desires of supporting their local community and local economy. Studies show that consumers are willing to pay more for local foods because they perceive them to be fresher and better-tasting. Knowledge that these purchases are seen as supporting the regional economy is another force driving local food sales.

The study showed that one key to accessing local food stems more from a personal philosophy where consumers seek out products they believe are good for them. Increasing education to the community was deemed one way to boost demand for local food products.

Selling to Restaurants

Benefits

- Ability to experiment with unique varieties and new products
- Increased brand exposure by listing the farm name in menu and/or in restaurant promotions
- Consumers receive direct satisfaction from product use by creative chefs

Challenges

- Restaurants generally do not have much storage space; they require smaller quantities and frequent deliveries
- Requires good communication skills with managers/chefs

[1] National Restaurant Association www.restaurant.org

The study also revealed significant opportunities to educate grocers. Many grocers in urban areas didn't realize that it was legal to purchase products from local growers, particularly meats that are state inspected and producer licensed. It was also found that independent grocers, particularly those identified as being in Milwaukee and Eau Claire, went to farmers markets to find local producers because they did not know how or where to find them. A 1999 study of 38 Wisconsin grocers found that over half of their locally purchased food came directly from the farmers.[2]

Sellers may want to access data from

www.grocersbuylocal.com

which identifies grocers by county who are interested in purchasing local products.

Consumers are requesting more local food and grocers are looking to enhance shopper loyalty. The results from this survey should alert local producers that there is a ready market to tap; they just need to make an effort to reach it.

One of the best ways to do this is through maximizing the story behind the local food on display at their stores; both online and in-person. Whole Foods Markets displays an interactive map on their website, from which customers can get the origin story of different products; arugula or asparagus for example. Madison, WI based Metcalfe's Markets includes Food Miles on their local products: illustrating the distance between producer and consumer. Retail giant Wal-Mart, the nation's largest seller of fruits and vegetables, has committed to doubling its local produce by 2015. There are numerous other examples of grocery stores promoting their local products through messaging, prompts and social media.

Selling to Restaurants and Grocery Stores

Typically, chefs and department buyers work with distributors due to the convenience of accessing food products delivered in standardized quantities and sizes. More chefs and department buyers now seek to work with local farmers for their product needs because of the excellent food quality they can access. This may provide you with an opportunity to step in and become a reliable supplier for locally grown food products.

Consider offering samples of your product at grocery stores. More information on food sampling laws can be found on page 44.

Selling to Grocery Stores

Benefits

- Can sell large quantity of product
- Increased brand exposure
- Consumers have access to your product seven days a week

Challenges

- May need to develop competitive pricing
- May require extra labeling including Price Look Up (PLU) labels or Universal Purchasing Code (UPC)
- May require nutritional labeling

Resources for Selling to Restaurants and Grocery Stores

Selling Directly to Restaurants
UW Extension
A short guide for how to start selling to restaurants.
http://learningstore.uwex.edu/Assets/pdfs/A3811-05.pdf

Selling Directly to Restaurants and Retailers
University of California–Davis
Answers to critical questions when selling to restaurants and retailers.
http://www.sarep.ucdavis.edu/sfs/files/selldirect.pdf

Selling to Restaurants
Appropriate Transfer of Technology for Rural Areas
Guide to selling to restaurants.
www.attra.ncat.org/attra-pub/sellingtorestaurants.html

Wisconsin Farmer Chef Connection
This educational website is designed to facilitate effective working relationships between farmers, chefs, and professional food buyers.
www.wibuylocal.org

[2] Lawless, G., et al. 1999. *The Farmer-Food Buyer Dialogue Project*, UWCC Occasional Paper No. 13, University of Wisconsin-Madison Center for Cooperatives, Madison, WI.

Producer Profile:

Pierce's Market

Buying local is not a new movement. Consumers are purchasing more local product because they know it's benefitting their neighbors, and money is staying in the community, region and state. Buying local is no longer a trend in Wisconsin; it's merely a way of life. But what happens when the big-box store follows suit and bring the competitive edge yet again? If you're Pierce's Market in Baraboo, you meet the challenge, face to face.

Pierce's Market has been the main grocer of Baraboo since 1924, and expanding to West Baraboo, Portage, Madison and Muscoda throughout the years. Dave and Angie, current owners, are descendants of the original founders William and Anna Pierce, exemplifying the family-owned business model. Their commitment to the community remains as strong now as it did when they opened years back.

Remaining steadfast as the community market takes a lot of persistence, networking, and listening. Wal-Mart opened up in Baraboo in 2010 as a super-store, complete with groceries, and known for rolling-back prices, many thought Wal-Mart would phase out its "smaller" competition. But Pierce's wasn't about to give in. They reached out to the Something Special ***from*** Wisconsin™ program; a program that guarantees members are selling products that have at least 50% Wisconsin ingredients, production, or processing activities from Wisconsin. Pierce's Market is based in Baraboo, and they wanted to enhance, promote and sell their Wisconsin product lines as well.

Pierce's annual celebration of Wisconsin products is the Something Special ***from*** Wisconsin™ Open House. Open to the public, and draw for door prizes, have a meet-and-greet with Alice in Dairyland, and best yet, sample all of the Something Special ***from*** Wisconsin™ products they offer at their markets. There is no better way of exposing products into potential consumers, than by trying them. Pierce's has really adopted the marketing program and created their own campaign from it. Keeping with their 90 years of service of bringing their patrons the best; Pierce's continues to do so.

INSTITUTIONAL FOOD SERVICE

Marketing to schools and colleges, health care facilities, nursing homes, prisons, and other public institutions can be a way to diversify your business. Some food service companies have committed a percentage of their food budgets to source local food, and this may be a way for you to develop a new market.

Some institutions serve 1,500 meals a week, while some serve 15,000 to 30,000. Some institutional buyers have committed to source local food when they can. Some actively seek out farmers to supply them. Entry to institutional markets may be easier by identifying which intermediate buyers are open to accessing local food and then approaching those companies. Before making your approach to buyers, you should consider the amount you can supply with the needs of the institution. Larger institutions, however, may be able to purchase smaller quantities if they have special dinners, a separate catering business, or a gift shop. Often institutions purchase at wholesale, so you will need to establish wholesale prices for your products. See page 26 for more information on wholesale pricing.

There are complex layers of management for institutional food services. Be aware that the buyer of your products is not the same as the end consumer. Depending on the type of the institution, the end consumers might have some influence over the food service choices. Schools, for example, may be sourcing local food because of student and/or parent interest. While each institution is different, some may be more interested in having a direct relationship with farmers than others. Hosting field days or "meet the farmer" events are good ways to ensure the continued support from the end consumers who may be the driving force behind the interest in sourcing local foods.

Successful sellers to institutional food markets have an understanding of their markets' expectations, supply requirements, standardization of product packaging and delivery, liability issues that may be involved, and ordering and billing methods used or preferred.

Selling to Institutional Food Service

Benefits

- May contract for entire season
- Diversify and expand customer base
- Provides local food and farm connections for large, diverse audiences
- Able to sell large quantities of product to one site
- Can provide market for surplus product

Challenges

- May need to develop standard operating procedures for food safety
- Dealing with the complex layers of buyers may be frustrating
- Food budgets may vary greatly between different types of institutions

Resources for Institutional Markets

Selling to Institutional Markets

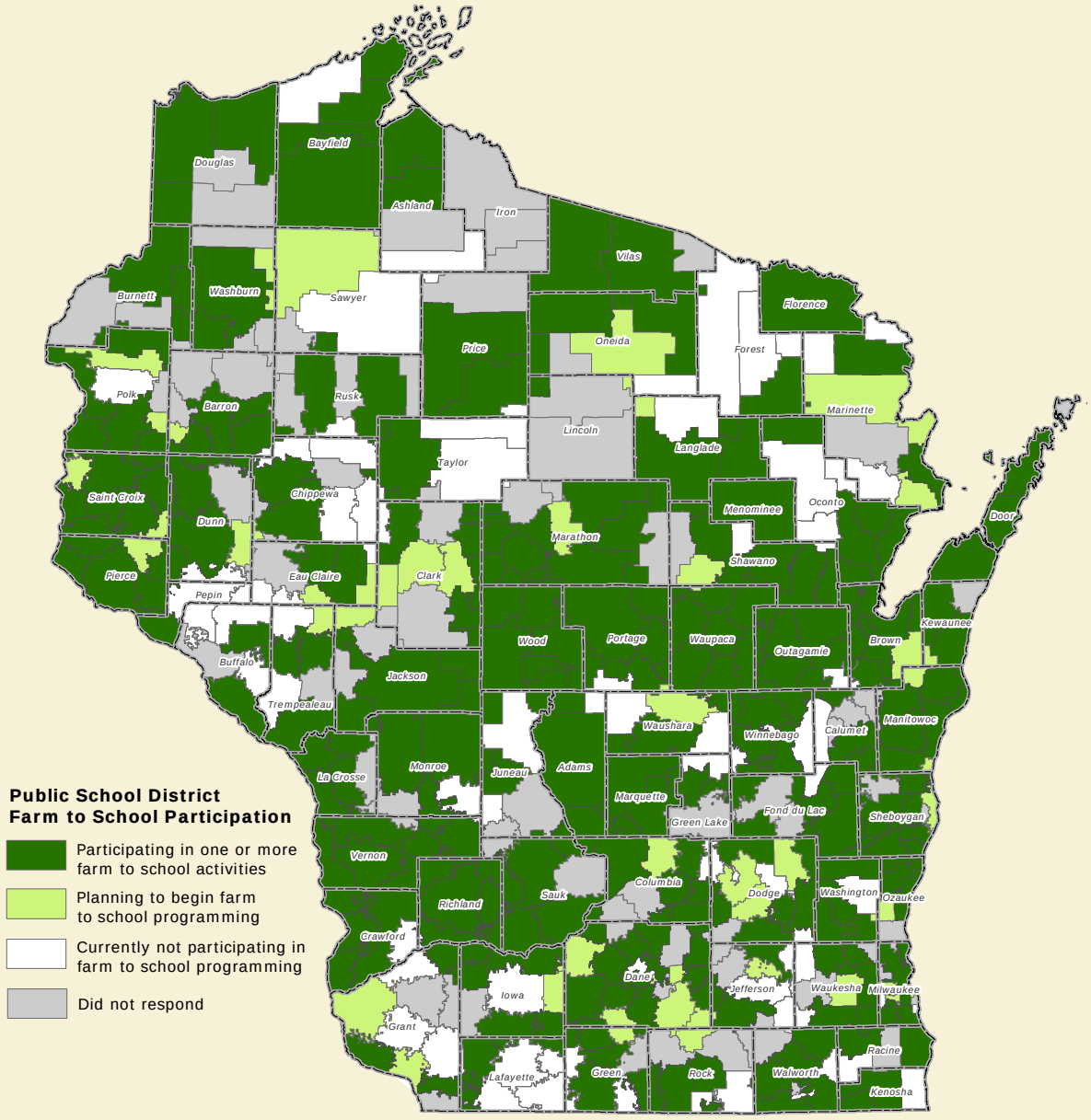
Bringing Local Food to Local Institutions
National Center for Appropriate Technology
A resource guide for bringing food from farm to schools and other institutional programs.
https://attra.ncat.org/attra-pub/summaries/summary.php?pub=261

Institutional Buyers 101 Fact Sheet
Institutional Food Market Coalition
http://www.ifmwi.org/growers.aspx

Selling to Institutions
UW Cooperative Extension
A short guide on how to begin selling to local institutions.
www.uwex.edu/ces/agmarkets/publications/documents/A3811-19.pdf

What Producers Should Know About Selling to Local Foodservice Markets
Iowa State University
www.leopold.iastate.edu/pubs/other/files/PM2045.pdf

Wisconsin Farm to School Participation, By Public School District



Data Sources: 1. USDA Farm to School Census (2011-2012 school year), 2. Wisconsin Farm to School Survey (2011-2012 school year), and 3. AmeriCorps Farm to School Program (2013 school year)

Goals of Wisconsin Farm to School

1. Strengthen local economies by expanding markets for Wisconsin agricultural producers and food entrepreneurs.
2. Promote children's health by providing fresh and minimally processed foods in schools and supporting the development of healthy eating habits.
3. Increase children's and communities' knowledge about agriculture, food, nutrition and the environment.

Schools

More and more schools are purchasing locally for social, economic and health reasons. Confronted with a rising childhood obesity rate, school officials are looking to local farmers to provide healthy food for their cafeterias. Both public and private organizations offer resources, materials and initiatives to help schools integrate locally purchased food into nutrition curricula.

Resources for Farm to School Programs

Center for Integrated Agricultural Systems

This website provides many resources for Wisconsin producers interested in farm to school, including a producers' toolkit.
http://www.cias.wisc.edu/toolkits/

Wisconsin Department of Public Instruction (DPI)

For a wealth of resources from DPI visit:
http://fns.dpi.wi.gov/fns_f2s

National Farm to School Network

This website offers lists of programs in every state as well as many resources, including case studies, funding opportunities, policies and legislation, and groups and organizations interested in farm to school.
www.farmtoschool.org

USDA Farm to School

The USDA's website has information on the history of farm to school, grant programs for farm to school initiatives, and webinars on how to start or improve program and results from the first ever farm to school census released in 2013.
http://www.fns.usda.gov/cnd/F2S/Default.htm

Wisconsin Fruit and Vegetable Nutrition Program

Wisconsin Department of Health Services

A program to increase fresh fruit and vegetable consumption in elementary and secondary schools.
http://fns.dpi.wi.gov/fns_ffvp

Health Care Facilities

The connection of food to disease prevention and promoting good health continues to be featured in the news media, and consumers are seeking food choices based on health benefits. While this awareness may not translate into sales to health care facilities, it does provide talking points to open the door for further

Photo: Americorps Farm to School, Hillsboro School District

discussion and education on food systems and the merits of buying local.

Health Care Without Harm is a national campaign to raise awareness among health care workers on a variety of topics that impact the health of patients. One of the topics is the food served at health care facilities. Health care administrators who embrace the goals of Health Care Without Harm may provide you with an opening to talk about fresh, local food.

Resources for Health Care Facilities

Healthy Food in Health Care

Health Care Without Harm

Click on "Healthy Food in Health Care: A Menu of Options" for steps hospitals can take to improve their food and how growers can approach institutions.
www.HealthyFoodInHealthCare.org

Producer Profile:

Northland College

Northland College in Ashland, WI has been practicing sustainable agriculture since the early 1990's when the student-run campus garden was created and local foods were being purchased. What makes Northland College a little different is they are looking at not only their campus, but the surrounding community as well. Nathan Engstrom, Regional Sustainability Coordinator for Northland College, is excited to be advancing the visions the students and community had 20+ years ago.

Northland College set a goal for the 2012-2013 school year to purchase 20% of local food by dollar value. They exceeded that goal by purchasing 25.4% locally, in which nearly $78,000 was spent within 100 miles.

"Practically speaking, local food can be thought of as concentric circles that start with growing food at home and expand out to progressively greater distances," said Northland's Engstrom. "The closer to the center it is produced, the more local the food is. Our priority is to focus on purchasing within 100 miles of Ashland."

In the fall of 2012, Northland partnered with UW-Extension, the Chequamegon Food Co-op, Bayfield Regional Food Producers Cooperative and several area farms and businesses to supply students and campus-goers with local food. To aid in the farm-to-table promotion, poster-sized photos of the farmers on their farms line the walls of the cafeteria.

"Northland and its partners are helping to create a vibrant local food system, creating a larger market for locally-produced food products, making these products more accessible to schools and other institutions, and promoting community self-sufficiency, resiliency and prosperity," said Nathan Engstrom, Regional Sustainability Coordinator at Northland College.

Chequamegon Food Co-op is the hub for farmers and institutions in the area. Farmers deliver their food to the Co-op, which coordinates food storage and transportation to Northland College as well as Ashland High School. This collaboration benefits both growers and buyers by growing a network to support the local food system. "What really

resonates with me about this project is how it's tangible and real," said Alan Filipczak, Local Foods Project Coordinator with the Chequamegon Food Co-op. "This is exciting because this is really where the rubber meets the road. We have thousands of pounds of food and thousands of dollars going to local farmers. This initiative is really the fiscal realization of about five to 10 years of the local foods movement gaining momentum in the Chequamegon Bay region."

"I think it's pretty exciting that we're able to build this relationship with Northland," said John Adams, manager of Bayfield Apple Company. "I think it's a great relationship to have any institution steering away from regional food providers that bring in foods from across the country. If we can replace that with locally-produced foods, then that's going to eliminate a lot of waste, fuel costs, and keep jobs in the area."

The process happening on the south shore of Lake Chequamegon Bay, Lake Superior is years ahead of many other institutional buying practices. The efforts put forth by Northland College and Ashland School District to buy locally matched with demands met by the local growers are a feat to overcome. Having the central processes happen in Chequamegon Food Co-op makes it possible.

In addition to their food buying efforts, Northland College is planning to pilot a compost collection program with the Ashland Public Schools. Since student volunteers first launched a composting program in 1993, Northland College has kept tens of thousands of pounds of food waste out of landfill. Efforts include compost bins in the cafeteria, dorm kitchens and other campus buildings with finished compost materials used in campus garden and native landscaping efforts. By making the college more sustainable now, students develop the skills they need to change the world.

DISTRIBUTORS

Food distributors are a key component of the food system in the United States. Restaurants, caterers, convention centers, school and college food services, and other types of food services all rely on distributors to supply the food and food-related products they need to serve their customers. Often, all needed food and food-related products can be ordered from one or two distributors.

Opportunities for farmers to sell their food products to local or regional food services are limited by time, staffing, and money constraints for farmers and food services, alike. Distributors meet the needs of food services for specific quantities of specific products at a specific time. Distributors can also meet the needs of farmers by handling marketing, ordering, billing, and delivery tasks, thus allowing the farmers to concentrate on their production. If you would like to tap into the food service market, consider working with a distributor.

If farmers choose to sell to both distributors and their potential retail customers, they may be asked to sign a non-compete agreement that the farmers will charge their retail outlets the same base price the distributor does.

Collaborative Marketing Groups

Working together to accomplish marketing goals is often referred to as *collaborative marketing*. This may include farmers and consumers or nonprofit groups working together to benefit the farmer and/or buyers. A present shift in public perception is that local farmers need the support of their communities to stay viable. By working together, groups can provide a market for small farmers who can then afford to stay on the land. It is a circular system in which all participants can benefit and customers gain access to farm products in abundance. Examples of collaborative marketing groups include multi-stakeholder cooperatives, aggregation partnerships, produce auctions, and more.

Selling to Distributors

Benefits

- Sell large quantities of product to one location
- Can concentrate on production skills rather than marketing
- Fewer contacts needed to sell products
- The distributor can smooth out the problem of seasonal availability by buying from local farmers in season and sourcing products elsewhere when the local products are unavailable

Challenges

- Less farmer-to-consumer connection
- Less brand identification
- Price for product will be competitive

Collaborative Marketing Groups

Benefits

- Can accomplish goals together not achievable alone
- Allows producers to focus on growing
- Can pool products and gain access to large-volume markets

Challenges

- Group decisions may override individual ones
- Group meetings may be needed to determine direction
- Efforts may be disrupted by staff or budgeting changes

Resources for Collaborative Marketing Groups

Collaborative Marketing - A Roadmap and Resource Guide for Farmers
Minnesota Institute for Sustainable Agriculture

Outlines steps needed to organize a farmer-owned marketing cooperative.
http://www.extension.umn.edu/agriculture/business/commodity-marketing-risk-management/collaborative-marketing/

Collaborative Marketing Resource Guide
University of Minnesota Extension

A resource guide for identifying agencies, organizations, and businesses that may be able to provide technical and financial assistance, as well as other services.
http://www.extension.umn.edu/agriculture/business/commodity-marketing-risk-management/collaborative-marketing/resource-guide/

Cooperatives: Their role for farm producers
UW Cooperative Extension

A resource that explains the different types of cooperatives and how to start them.
www.uwex.edu/ces/agmarkets/publications/documents/A3811-3.pdf

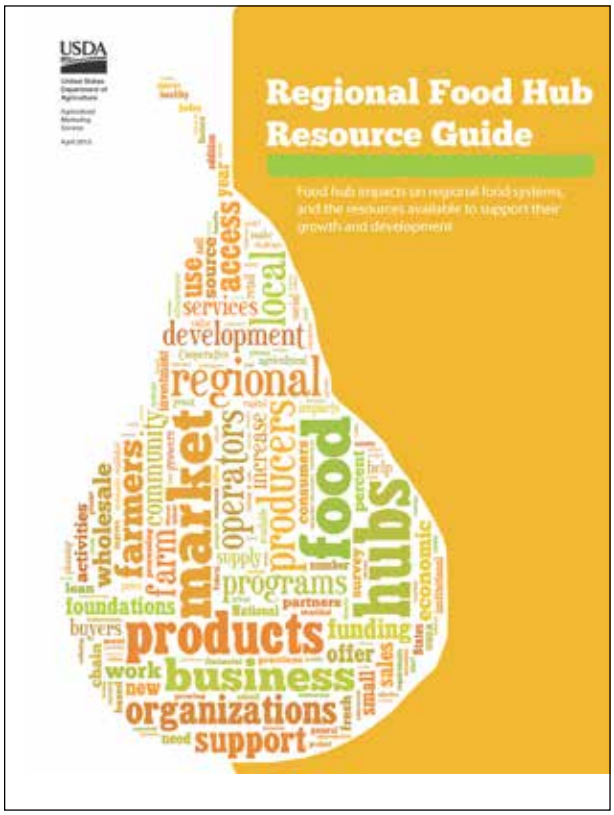
University of Wisconsin Center for Cooperatives

Provides information and outreach programs on cooperatives.
www.uwcc.wisc.edu/

Food Hubs

Food Hubs create a central location (or "hub") for food aggregation, distribution, and marketing of local and regional foods. This business model allows individual growers,

http://www.ngfn.org/resources/food-hubs



producers, cooperatives, to work together to increase supply, tackle transportation issues, co-market products, and address other issues that can be become a burden to an individual on their own. Collaborative marketing is one potential component of a food hub but food hubs seek to address other issues that face the local and regional producer.

Resources for Food Hubs

Regional Food Hub Resource Guide
United States Department of Agriculture

Food hub impacts on regional food systems, and the resources available to support their growth and development
http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5097957

Food Hubs: Building Stronger Infrastructure for Small and Mid-size Producers

United States Department of Agriculture

Resource guides, research and working lists of existing food hubs from the USDA.
http://www.ams.usda.gov/AMSv1.0/foodhubs

Food Hub Center
National Good Food Network

Offers food hub development grants, connects to resource guides and hosts the national food hub conference.
http://www.ngfn.org/resources/food-hubs

Chapter 4



CHAPTER 4: Rules, Regulations, and Other Considerations

REGULATIONS

Local Regulations

Counties, townships, and cities are local government units that may have regulations that apply to your business. Some typical kinds of regulations include:

- Limits on size or location of advertising signs
- Permits required for excavating or new building construction
- Local health codes regarding food preparation and sale
- Zoning regulations on types of enterprises that can be conducted in certain areas
- Requirements for size and placement of parking areas
- Requirements for bathroom and hand washing facilities (especially for agritourism enterprises)

Local government officials and farmers who have started new enterprises agree that it is far better to work together early to avoid problems, rather than trying to fix things that were not properly done or permitted. County and city governments divide up their responsibilities among departments, and the department names can vary from place to place. Rural townships may have their own planning and zoning guidelines. It is best to check with both county and township officials before proceeding on any farm business expansion.

To find out the name(s) of local officials:

- Check your county's website.
- Call the county courthouse administrative office.
- Check the Wisconsin Towns Association website: http://www.wisctowns.com/town-web-sites

State Regulations

The State of Wisconsin has developed food regulations for farmers wishing to market to consumers and to grocery stores, restaurants, and institutions. Contact DATCP's Division of Food Safety at 608-224-4923 or email datcpdfslicensing@wisconsin.gov for more information. Read the following pages for a summary of state requirements by product and market.

Less Regulation	More Regulation
Raw, unprocessed foods	Processed foods
Single-ingredient foods	Multiple ingredients
Shelf-stable foods	Perishable foods
Sold to the end consumer	Sold to a retailer for sale to consumer
Small sales volume	Large sales volume

Overview of Food Marketing Regulations

DATCP's Division of Food Safety has regulatory authority over food sold in Wisconsin. Generally, the more food products are processed, the more they are regulated.

LICENSING, LABELING, AND REGULATION REQUIREMENTS

State requirements that affect local food marketers may include licensing, test inspection of processing facilities, review of labels on packaged food products, inspection of scales, and collection of food samples to be analyzed for contaminants or composition requirements. Department of Agriculture, Trade and Consumer Protection (DATCP) sanitarians typically inspect licensed facilities on a regular basis and visit local food marketing operations if warranted by consumer complaints.

Processed Food Business Licensing

Starting a processed food business will require state licensing and, possibly, federal registration depending on the products involved. If you plan to primarily sell your food products directly to consumers, you will generally need a retail food establishment license. Internet sales to the end consumer are considered retail sales. If you plan to sell non-meat or non-poultry food products primarily through wholesale distribution, you will need a food processing plant license.

Key requirements to obtain either license include:

- The facility must meet minimum facility requirements for licensing as a (commercial grade) kitchen. Using your personal home kitchen is not allowed. If you plan to start the business in your home, you must construct a separate kitchen room dedicated to this food business. The dedicated kitchen must have cleanable floors, walls, and ceilings, and its own exterior entrance door.The lighting must be adequate for commercial purposes, and the room must be properly ventilated. A three-compartment sink or approved dishwasher will be needed for washing your equipment and utensils. A separate hand sink is also required. Some starting operators rent time in an area restaurant, school, or church kitchen to satisfy the separate commercial kitchen requirement without having to invest in a new, separate kitchen of their own. Each food business using a common facility must have its own license.
- Equipment such as stoves, sinks, and mixers must be of approved design, be easily cleaned, and in good repair. If the equipment bears the NSF certification and has been properly maintained, you can feel certain that it will meet these design requirements.
- Utensils like pans, bowls, and spoons must be durable and have smooth, easily cleanable surfaces. Almost all utensils currently manufactured meet this requirement. For more information about NSF go to:
  www.nsf.org/regulatory/
- The Food Safety Division at DATCP is available to answer licensing questions you might have at:
  datcpdfslicensing@wisconsin.gov
- For exact legal requirements for commercially processing food for wholesale in Wisconsin go to:
  www.legis.state.wi.us/rsb/code/atcp/atcp070.pdf

Processed Food Safety

Fruits, vegetables, and other food products can be processed on a small scale if safe and sanitary methods of processing and handling are followed. These processed foods include jams and jellies, pickled or acidified fruits and vegetables, herbal or flavored vinegars, and even baked goods.

Farm-based processing is generally not feasible for meat or poultry or low-acid canned foods such as beans, corn, and peas. Inadequate processing during the canning of low-acid foods may cause these foods to be very unsafe. Small scale processing of these foods is generally impractical because the equipment needed to produce consistently safe food is highly technical and expensive.

Foods of plant origin that are potentially hazardous include plant foods that are heat-treated, raw sprouted seeds (such as alfalfa or bean sprouts), cut melons, cut leafy greens, sliced tomatoes, and garlic-in-oil mixtures.

If you start a small-scale licensed business processing canned foods such as pickled products, salsas, chutneys, or any acidified food that is sold in air-tight containers, state and federal regulations require you to use an approved scheduled process or recipe.

You must submit your scheduled process (recipe) to a "competent process authority" for evaluation before licensing. A process authority would either provide you with a written statement that your process is safe, or may recommend you do further testing before the process can be approved.

If you intend to sell your product outside of Wisconsin, or use ingredients originating from outside Wisconsin, you must file your process with the U.S. Food and Drug Administration (FDA). Since almost all processes use an ingredient from an out-of-state source, you will invariably have to file your process with the FDA if you thermally process acidified food products. Filing your process with the FDA is not necessary for naturally acidic (pH less than 4.6) foods.

For more information on obtaining an approved written process prior to licensing, call the Division of Food Safety at 608-224-4923 or email datcpdfslicensing@wisconsin.gov.

Inspection

Call 608-224-4923 and ask for the Licensing Specialists. A Licensing Specialist will be able to answer your questions more specifically and will assist you through the licensing and inspection process. Once you have been inspected and licensed, you will then be able to make food and sell to the general public.

Processed Food Labeling

Accurate information on processed food labels helps consumers make informed choices about food. Labels provide weight and content information to help consumers choose the best value for their money. The ingredient list identifies products consumers may need to avoid due to potential allergic reactions or other health concerns. Your packaged products must be properly labeled with:

- the name of the product
- a listing of the ingredients in decreasing order of predominance by weight
- a list of major allergens in the product, identified in plain language
- a net weight or volume statement
- the name and address of the manufacturer, packer, or distributor
- nutrition information, unless exempt

- Contact state or local food sanitarians for specific questions regarding labeling. DATCP does not require label approval prior to a food product's manufacture or distribution. DATCP's Division of Food Safety does not "approve" labels but its staff will answer questions and provide assistance.

The responsibility to comply with current food labeling requirements rests solely on the manufacturer or distributor of the food products. For specific information about processed food labeling go to

http://datcp.wi.gov/Food/Labeling/index.aspx

or contact the Division of Food Safety at 608-224-5036 or email datcpfoodscientists@wi.gov.

Resources for Food Labeling

Frequent Food Label Questions
Wisconsin Department of Agriculture, Trade and Consumer Protection

DATCP's Division of Food Safety website provides general information. However, go to the FDA website for the most up-to-date and comprehensive information available.
www.datcp.state.wi.us/ Search "Food Labeling"

A Food Labeling Guide
U.S. Food and Drug Administration

132 pages that includes information on basic food labeling as well as information on nutrition facts, trans fat, and allergen labeling.
http://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/LabelingNutrition/ucm2006828.htm

DATCP Division of Food Safety Labeling Information

www.datcp.state.wi.us/ Search "Food Labeling"

Meat Business Licensing and Labeling

New processors must meet several standards to operate a meat business. State of Wisconsin meat plants must meet the same standards as USDA-inspected meat plants and must implement a food safety system called Hazard Analysis Critical Control Point (HACCP). A state-licensed or federal meat establishment is required to implement HACCP plans and have a Sanitation Standard Operating Procedure (SSOP) in place. The HACCP system is a risk-based approach to manufacturing food products that identifies the critical step(s) in the manufacturing process and performs a monitored, quantifiable function in those places where there is a danger of causing or promoting microbiological, physical, or chemical contamination.

The SSOP is a written plan that outlines the monitored procedures followed to maintain overall plant sanitation, including daily cleaning, regularly scheduled maintenance, food handling practices, and employee hygiene.

Labeling meat products differs from lsbeling of other processed foods due to the greater risks and requirements that meat processing involves. The State of Wisconsin meat inspection program and meat establishments work together to ensure that meat products produced and sold comply with required standards for safety, identity, and wholesomeness set by the state and federal governments.

For references to specific aspects of meat labeling, see Chapter 55 of the Wisconsin Administrative Code:

www.legis.state.wi.us/rsb/code/atcp/atcp055.pdf

It explains labeling requirements, including weight, inspection, safe handling instructions, and other pertinent information.

See the last resource on page 82 for a summary of the Bureau of Meat Safety & Inspection's labeling guidelines.

Feeding Food Scraps to Swine

It is illegal to feed garbage or food scraps containing animal parts or meat juices to swine, unless it is from your own home. Swine producers cannot buy or accept garbage or food scraps from restaurants, even if meat is removed from it, because meat juices are likely present. Stale bakery items, waste from apple cider presses, and other food waste that has no animal parts or meat juices may be fed to swine. The devastating outbreak of foot-and-mouth disease in the United Kingdom in 2001 was traced to garbage feeding. Other diseases may also be transmitted in food waste, including trichinosis, which also can infect humans.

Resources for Meat Business Licensing and Labeling

Direct Marketing Meat Guide Book
UW Cooperative Extension and Wisconsin DATCP

A comprehensive guide for Wisconsin meat producers.
www.uwex.edu/ces/agmarkets/publications/documents/A3809.pdf

Meat Product Formulation and Labeling in Wisconsin
Wisconsin Department of Agriculture, Trade and Consumer Protection

Before a meat or custom/not-for-sale product can be marketed in Wisconsin, its formula must be approved by the Division of Food Safety. Formulations, or formulas, are intended to be a guide to the manufacture of an item of more than one ingredient. In addition to meat, this could include water, spices, cures, flavoring, binders, or extenders.
http://datcp.state.wi.us/
Search "Meat Labeling"

Starting a Meat Business in Wisconsin
Wisconsin Department of Agriculture, Trade and Consumer Protection

A short brochure that explains the basics of starting a meat business.
http://datcp.state.wi.us/
Search "Meat Labeling"

Wisconsin's State Meat Inspection Program
Wisconsin Department of Agriculture, Trade and Consumer Protection

Standards of safety and purity.
http://datcp.state.wi.us/
Search "Meat Labeling"

Weights and Measures

The same weights and measures laws apply to direct marketers of farm produce as to all other retailers. Scales must meet standards for commercial scales set by the National Institute of Standards and Technology (NIST). They must be "legal for trade", National Type Evaluation Program (NTEP) approved (if put into service after January 1, 1997), and be able to be calibrated. Scale registration is not required, but is subject to inspection by a state or local representative of weights and measures.

If a commodity is weighed at the time of sale, the scale's indicator must be visible to the consumer. By law, liquid commodities shall be sold by liquid measure and non-liquid commodities shall be sold by weight. The law permits other methods of sale only where the method is in general use and does not deceive the consumer. One exception is eggs. They are sold by both count and size. Closed containers of apples must comply with the USDA grade standards, which must be stated on the container.

Chapter 91 of the Wisconsin Administrative Code provides rules for selling fresh fruits and vegetables. Some, like apples, corn and cantaloupe can be sold by weight or count, while others, like asparagus, beans and potatoes must be sold only by weight.

If an item is packaged before sale, it must be labeled according to the requirements of Chapter 90 of the Wisconsin Administrative Code. The label must list the name of the food, any ingredients other than the raw product, net weight, liquid measure or count as required—metric translations are optional but may be helpful in targeting certain ethnic markets— name and address of the processor, packer or distributor, a declaration of quantity and any other information required by law, such as grade and sizes for eggs. No quantity declaration is required for packages weighed at the time of sale and for clear packages of six or fewer fruits or vegetables, if the fruit or vegetable is sold by count. If all packages are of uniform weight or measure, an accompanying placard can furnish the required label information.

When a local food producer advertises any prepackaged food product and includes the retail price in the advertisement, the ad must list the package contents by weight or volume or state the price per whole measurement unit. (For example, $1.25 per pound.)

Resources for On-Farm Food Safety

Wisconsin Department of Agriculture, Trade and Consumer Protection
http://datcp.wi.gov/OnFarmFoodSafety/index.aspx

Good Agricultural and Handling Practices
U.S. Department of Agriculture Checklist
http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5091326

Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables

U.S. Food and Drug Administration This comprehensive, 49-page guide offers tips and procedures for keeping produce safe.
http://www.fda.gov/downloads/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/ProduceandPlanProducts/UCM169112.pdf

Food Code Fact Sheet
Wisconsin Department of Agriculture, Trade and Consumer Protection

A comprehensive list of guides to Wisconsin Food Code.
http://datcp.state.wi.us/
Search "Food Safety Publications for Businesses"

AQUACULTURE—Farmed Fish and Seafood	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment or food processing plant license required
	Packaged fish must be fully labeled
Fee Fishing	Fish eviscerated and filleted as a service to paying fee fishing customers is not licensed by Division of Food Safety
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Frozen fish must be maintained frozen
	Packaged fish must be fully labeled
	Fish must come from a licensed retail food establishment or food processing plant
	Must be processed in compliance with 21 CFR Part 123 – Seafood HACCP
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Fish must come from a licensed retail food establishment or food processing plant
	Must be processed in compliance with 21 CFR Part 123 – Seafood HACCP
	Frozen fish must be maintained frozen
	Unfrozen fish products must be maintained and delivered at an internal temperature of 38°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Packaged fish must be fully labeled

APPLE CIDER	
Type of Sale	**Regulations**
Producer Selling from Farm	No license required
	Cider must be pressed by the producer/seller
	Cider must be fully labeled including approved warning statement if unpasteurized.
Producer Selling Door-to-Door or at Farmers Market	No license required
	Cider must be pressed and bottled by the producer/seller
	Local ordinance may apply
	Cider must be fully labeled including approved warning statement if unpasteurized
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant
	Must be processed in compliance with juice 21 CFR Part 120 – Juice HACCP
	Finished product must be fully labeled

STATE REQUIREMENTS BY PRODUCT AND MARKET

BAKERY ITEMS	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
	Processed in licensed commercial kitchen
Producer Selling Door-to-Door or at Farmers Market	Finished product must come from a licensed retail food establishment or food processing plant
	Mobile retail food establishment license required for bakery products that are unpackaged or that require refrigeration for safety; local ordinance may also apply
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant
	Finished product must be fully labeled

CAPTIVE GAME ANIMALS/EXOTICS—Pheasants, Deer, Bison	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
	Livestock must be processed at a state or federally inspected facility
	Meat may be weighed on-farm with approved scale or weighed by package at processor
	Product storage areas must be located in a clean, neat area (house or shed allowed)
	Product storage must be used exclusively to store meat sold to customers
	Frozen meat must be maintained frozen
	Unfrozen meat products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Meat must be fully labeled
Producer Sells Live Animals and Consumer Arranges for Processing	No license required
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Local ordinance may apply
	Livestock must be processed at a state or federally inspected facility
	Product storage must be used exclusively to store meat sold to customers
	Product storage must be located in a clean, neat area (house or shed allowed)
	Frozen meat must be maintained frozen
	Meat must be fully labeled and may not be repackaged.
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Warehouse license required
	Registration as meat distributor required
	Livestock must be processed at a state or federally inspected facility
	Unfrozen meat products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Warehouse freezer and producer's vehicle must be inspected to ensure it is sanitary and that frozen meat will be maintained in a frozen state
	Meat must be fully labeled

STATE REQUIREMENTS BY PRODUCT AND MARKET

DAIRY—Fluid Milk, Cream, Butter	
Type of Sale	**Regulations**
Producer Selling from Farm (Farmstead Dairy Plant)	Milk Producer Grade A permit required for persons or businesses to operate a dairy farm
	Dairy Plant license required to process all dairy products
	Buttermakers license required for persons to be in charge of or supervise the making of butter that will be sold
	Dairy products must be maintained at internal temperature of 45°F or below
	Dairy products must be fully labeled
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Dairy products must be pasturerized and must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No additional license required when dairy products come from producer's licensed dairy plant
	Dairy products must be pasturized and must be maintained and delivered at internal temperature of 45°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled

DAIRY—Pasteurized Milk Cheese	
Type of Sale	**Regulations**
Producer Selling from Farm (Farmstead Dairy Plant)	Milk Producer license required for persons or businesses to operate a dairy farm
	Dairy Plant license required to process all dairy products
	License required for persons to be in charge of or supervise the making of cheese that will be sold
	Dairy products must be maintained at internal temp. of 45°F or below
	Dairy products must be fully labeled
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required. Products must be made in a licensed dairy plant.
	Dairy products must be pasteurized and must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No additional license required when dairy products come from producer's licensed dairy plant
	Dairy products must be pasteurized and must be maintained and delivered at internal temperature of 45°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled

DAIRY—Raw Milk Cheese	
Type of Sale	**Regulations**
Producer Selling from Farm (Farmstead Dairy Plant) Only certain types of cheeses may be made from raw milk. Contact Food and Dairy Specialists at the Division of Food Safety for information (DATCPTechnicalSpecialists@wisconsin.gov)	Milk Producer license required for persons or businesses to operate a dairy farm
	Dairy Plant license required to process all dairy products
	Dairy products must be maintained at internal temp. of 45°F or below
	License required for persons to be in charge of or supervise the making of cheese that will be sold
	Raw milk cheese must be aged a minimum of 60 days at 35°F or warmer prior to sale
	Dairy products must be fully labeled
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Dairy products must be made in a licensed dairy plant, and must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled and aged for 60 days
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No additional license required when dairy products come from producer's licensed dairy plant
	Dairy products must be maintained and delivered at internal temperature of 45°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled and aged for at least 60 days at 35°F or warmer.

DAIRY—Yogurt, Kefir, Ice Cream, Flavored Milk, Sour Cream	
Type of Sale	**Regulations**
Producer Selling from Farm	Milk Producer license required for persons or businesses to operate a dairy farm
	Dairy Plant license required to process all dairy products
	Dairy products must be maintained at internal temp. of 45°F or below and cultured dairy products must be stored at 45°F or below once culturing is complete
	Dairy products must be fully labeled
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Dairy products must be pasteurized and must be made in a licensed dairy plant and maintained and delivered at internal temp. of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Dairy products must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No additional license required when dairy products come from producer's licensed dairy plant
	Dairy products must be pasteurized and must be maintained and delivered at internal temperature of 45°F or below using any effective method (freezer, dry ice, cooler, etc.)

STATE REQUIREMENTS BY PRODUCT AND MARKET

DRY FOOD MIXES AND BLENDS	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
	Processed in licensed commercial kitchen
Producer Selling Door-to-Door or at Farmers Market	Finished product must come from a licensed retail food establishment or food processing plant
	Mobile retail food establishment license required for unpackaged product sales
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant
	Finished product must be fully labeled

EGGS	
Type of Sale	**Regulations**
Producer Selling from Farm or as part of a Community Supported Agriculture (CSA) business operated by the egg producer	No license required
	Eggs must be sold directly to consumer; person who operates a CSA and purchases eggs from an egg producer, and further sells them to consumers who have contracted with another CSA must hold a retail food establishment or food processing plant license
	Must be handled in a way to assure food safety including storage at 45°F or below
	Used carton labels can't be misleading (remove original labeling when re-using cartons)
Producer Selling Door-to-Door or at Farmers Market	Producers with 150 or fewer egg-laying birds can sell at farmers markets or door-door without a food processing plant license for the farm, but must hold the mobile retail food establishment license. Registration is required to sell nest run eggs to another business.
	Eggs must be stored at 41°F during storage and transportation
	Eggs must be fully labeled including a Grade statement or "Ungraded"
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Food processing plant license required
	Eggs must be fully labeled
	Eggs must be stored at 45°F during storage and transportation
	Egg producer who sells eggs from a flock of 3000 or more birds must register with the USDA and FDA

STATE REQUIREMENTS BY PRODUCT AND MARKET

GRAINS	
Purchasing grain directly from growers	Bonding required for licensed food processing plant through the DATCP Trade and Consumer Protection Division
	No bonding required for licensed retail food establishments
Processing Grain For further processing or wholesaling (milling into flour, roasting, malting, distilling)	A food processing plant license is required

HONEY	
Type of Sale	**Regulations**
Producer Selling from Farm, Door-to Door or at Farmers Market or Distributing to Grocery Store, Restaurant, or Institution	No license required for honey sold as beekeeper's own that has no added color, flavors, or ingredients, including air incorporated by whipping
	Honey must be fully labeled including a Grade statement or "Ungraded"
	Honey must be handled in a way that assures food safety

JAMS AND JELLIES	
Type of Sale	**Regulations**
Producer selling at farmers' markets, community, and social events	An individual may process in a home kitchen without a food processing plant license within parameters of s. 97.29 (2)(b)2, including: food products are pickles or other processed vegetables or fruits with an equilibrium pH value of 4.6 or lower, person receives less than $5,000 per year from the sale of the food products, and the person displays a sign at the place of sale stating: "These canned goods are homemade and not subject to state inspection"
Producer Selling from Farm	Outside above parameters, retail food establishment or food processing plant license required.
	Processed in licensed commercial kitchen.
Producer Selling Door-to-Door or at Farmers Market	Product must come from a licensed retail food establishment or food processing plant
	Local ordinance may apply and require additional licensing
	Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed retail food establishment or food processing plant
	Finished product must be fully labeled

STATE REQUIREMENTS BY PRODUCT AND MARKET

LIVESTOCK—Cattle, Swine, Sheep, Goats, Ratites	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
	Livestock must be processed at a state or federally inspected facility
	Meat may be weighed on-farm with a certified scale or individually weighed at processor
	Product storage must be clean and located in a clean, neat area (house or shed allowed)
	Product storage must be used exclusively to store meat sold to customers
	Frozen meat must be maintained frozen
	Unfrozen meat products must be maintained at internal temperature of 41°F or below
	Meat must be fully labeled, and may not be re-packaged
Producer Sells Live Animals and Consumer Arranges for Processing	No license required
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Livestock must be processed at a state or federally inspected facility
	Meat may be weighed on-farm with a certified scale or individually weighed at processor
	Product storage must be used exclusively to store meat sold to customers
	Product storage must be located in a clean, neat area (house or shed allowed)
	Frozen meat must be maintained frozen
	Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Meat must be fully labeled and may not be re-packaged
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Retail food establishment or food warehouse license required
	Registration as meat distributor required
	Freezer and producer's vehicle must be inspected to ensure sanitary conditions and that frozen meat will be maintained frozen
	Unfrozen meat products must be maintained and delivered at an internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Meat must be fully labeled, and may not be re-packaged
	If product is sold over state lines, the processing facility must be under USDA inspection

STATE REQUIREMENTS BY PRODUCT AND MARKET

MAPLE SYRUP	
Type of Sale	**Regulations**
Producer Selling from Farm, Door-to Door or at Farmers Market	No license required
	Food must be handled in a way that assures food safety
	Maple syrup must be fully labeled
Producer Distributing to Grocery Store, Restaurant, or Institution	Food processing plant license required
	Maple syrup must be processed in a commercial facility
	Maple syrup must be fully labeled
Producer selling syrup or concentrated maple sap sold only to processors for further processing	No license required if within parameters of ATCP 70.03(7)e 1-4 including: combined gross receipts from all sales during the license year total less than $5,000, the processor keeps a written record of every sale and retains that record for at least 2 years, and the processor registers with the department each year above sales occur

STATE REQUIREMENTS BY PRODUCT AND MARKET

POULTRY—Farm-Raised Chickens, Ducks, Geese, Guinea Hens, Squab, Turkeys	
1,000 or fewer birds per year	
Type of Sale	**Regulations**
Producer Selling from Farm	No license or inspection required for home slaughter and sale; birds may be slaughtered and processed at a licensed meat establishment
	Birds must be healthy and come from producer's own flock
	Poultry can only be sold directly to consumer
	Person produces all poultry on his or her farm
	Processed poultry must be handled in a way that assures food safety
	Frozen poultry must be maintained frozen
	Unfrozen poultry must be maintained at internal temperature of 41°F or below
	Poultry must be fully labeled including "Not inspected"
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Local ordinance may apply
	Poultry must be processed at a state or federally inspected meat plant
	Frozen poultry must be maintained frozen
	Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Poultry must be fully labeled and may not be re-packaged
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Retail food establishment or warehouse license required
	Registration as meat distributor required
	Poultry must be processed at a state or federally inspected meat plant
	Freezer and producer's vehicle must be inspected to ensure sanitary conditions and that frozen meat will be maintained frozen
	Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Poultry must be fully labeled

POULTRY—Farm-Raised Chickens, Ducks, Geese, Guinea Hens, Squab, Turkeys More than 1,000 birds per year	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail license is required and the birds must be processed at a state or federally inspected facility
	Producer produces all poultry on his or her farm
	Product storage must be used exclusively to store poultry products sold to customers
	Product storage must be located in a clean, neat area (house or shed allowed)
	Frozen poultry must be maintained frozen
	Unfrozen poultry products must be maintained at internal temperature of 41°F or below
	Poultry must be fully labeled, and may not be re-packaged
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required and a warehouse license if food is stored more than 24 hours
	Local ordinance may apply
	Poultry must be processed at a state or federally inspected facility
	Product storage must be used exclusively to store poultry products sold to customers
	Product storage must be located in a clean, neat area (house or shed allowed)
	Frozen poultry must be maintained frozen
	Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Poultry must be fully labeled, and may not be re-packaged
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Warehouse license required
	Registration as meat distributor required
	Poultry must be processed at a state or federally inspected facility
	Warehouse freezer and producer's vehicle must be inspected to ensure sanitary conditions and that frozen meat will be maintained frozen
	Unfrozen poultry products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Poultry must be fully labeled

STATE REQUIREMENTS BY PRODUCT AND MARKET

RABBITS	
Type of Sale	**Regulations**
Producer Selling from Farm	No license or inspection required for home slaughter or sale
	Producer maintains custody of meat until sold
	Meat can only be sold directly to consumer
	Meat must be handled in a way that assures food safety
	Frozen meat must be maintained frozen
Producer Selling Door-to-Door or at Farmers Market	Mobile retail food establishment license required
	Local ordinance may apply
	Rabbit must be processed at a licensed food or meat processing plant
	Frozen meat must be maintained frozen
	Meat must be fully labeled including "Not inspected"
	Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed food or meat processing plant
	Frozen meat must be maintained frozen
	Unfrozen meat products must be maintained and delivered at internal temperature of 41°F or below using any effective method (freezer, dry ice, cooler, etc.)
	Meat must be fully labeled including "Not inspected"
VEGETABLES—Cut, frozen, or otherwise processed fruits and vegetables	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
Processed in Licensed Commercial Kitchen Producer Selling Door-to-Door or at Farmers Market	Finished product must come from a licensed retail food establishment, food processing plant, or mobile retail food establishment
	Additional license may be required - depends on type of produce sold and local ordinances
	Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from producer's licensed retail food establishment or food processing plant
	Finished product must be fully labeled

VEGETABLES—Frozen	
Type of Sale	**Regulations**
Producer Selling from Farm	Retail food establishment license required
	Processed in licensed commercial kitchen
Producer Selling Door-to-Door or at Farmers Market	Finished product must come from a licensed retail food establishment or food processing plant
	Additional license may be required - depends on type of produce sold and local ordinances
	Frozen vegetables must be kept frozen
	Finished product must be fully labeled
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from producer's licensed retail food establishment or food processing plant
	Finished product must be fully labeled
VEGETABLES—Naturally Dried Produce	
Type of Sale	**Regulations**
Producer Selling from Roadside Farm-stand, Farmers Market or a Community Event	No license required if dried and threshed in the harvest field
Producer Selling Door-to-Door	No license required if dried and threshed in the harvest field
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No license required if dried and threshed in the harvest field

STATE REQUIREMENTS BY PRODUCT AND MARKET

VEGETABLES— Pickled (acidified and canned)	
Type of Sale	**Regulations**
Producer Selling from Roadside Farmstand, Farmers' Market or a Community or Social Event.	An individual may process in a home kitchen without a food processing plant license within parameters of s. 97.29 (2) (b)2, including: food products are pickles or other processed vegetables or fruits with an equilibrium pH value of 4.6 or lower, person receives less than $5,000 per year from the sale of the food products, and the person displays a sign at the place of sale stating: "These canned goods are homemade and not subject to state inspection"
	Successfully complete an Acidified Food Training Course or utilize a scheduled recipe approved by a process authority or from Ball or Kerr Blue Book (preferred, but not required)
	Product must be fully labeled
Producer Selling Door to Door	Finished product must come from a licensed food processing plant
	Local ordinances may apply
	Finished product must be fully labeled
	Not allowed under license exemption (home processing)
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	Finished product must come from a licensed food processing plant
	Finished product must be fully labeled
	Not allowed under license exemption (home processing)

VEGETABLES—Raw intact fruits and vegetables (excludes sprouts)	
Type of Sale	**Regulations**
Producer Selling from Farm	No license required
Producer Selling Door-to-Door or at Farmers Market	No license required
Producer Distributing from Farm to Grocery Store, Restaurant, or Institution	No license required

WHAT IS GAP/GHP?

There is an increasing focus in the marketplace on good agricultural practices to verify farms are producing fruits and vegetables in the safest manner possible. Third-party audits are being used by the retail and food services industries to verify their suppliers conform to specific agricultural practices. Good Agricultural Practices (GAP) include on-farm production and postproduction processes regarded as most likely to result in safe and quality food products. Good Handling Practices (GHP) include those used in handling and packing operations that minimize microbial contamination of fresh fruits, vegetables and tree nuts.

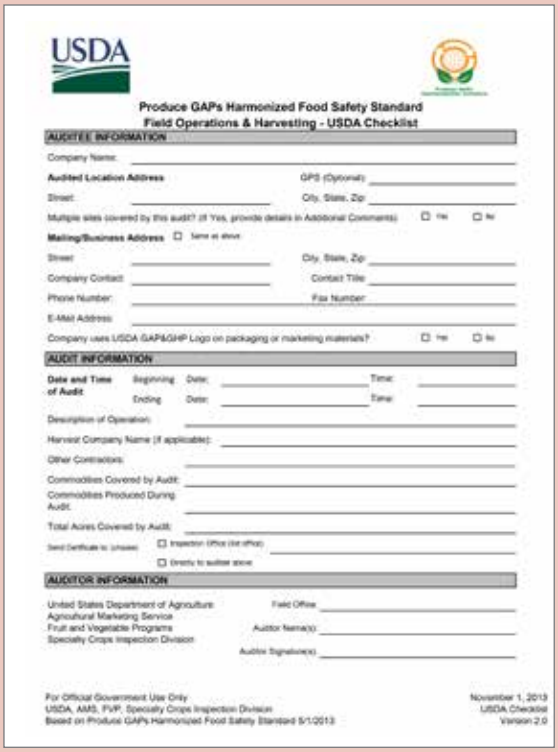
The U.S. Department of Agriculture (USDA) Agricultural Marketing Service, in partnership with state departments of agriculture, offers a voluntary, audit-based program to verify agricultural practices. GAP/GHP audits verify the implementation of a basic food safety program on the farm.

The audit examines the farm practices and handling/packing procedures, focusing on packing facilities, storage facilities, and wholesale distribution centers. These audits are based on the U.S. Food and Drug Administration's Guidelines to Minimize Microbial Contamination for Fresh Fruits and Vegetables and are a fee-based service.

USDA-trained and -licensed auditors provide GAP/GHP certification. GAP certification audits are conducted during harvest when harvest crews are at work. GHP audits are performed when the packing operation is running and workers are present. This federal/state audit program does not cover processed fruits and vegetables. (Inspection of food processing plants is provided by DATCP's Division of Food Safety.)

The GAP certification process covers three sections of the USDA Federal/State Audit Checklist for farm operations that do not pack their own products:

1. **General questions**
2. **Farm review**
3. **Field harvest and field packing**



USDA

Produce GAPs Harmonized Food Safety Standard
Field Operations & Harvesting - USDA Checklist

AUDITEE INFORMATION

Company Name:

Audited Location Address — GPS (Optional):

Street: — City, State, Zip:

Multiple sites covered by this audit? (If Yes, provide details in Additional Comments) ☐ Yes ☐ No

Mailing/Business Address ☐ Same as above

Street: — City, State, Zip:

Company Contact: — Contact Title:

Phone Number: — Fax Number:

E-Mail Address:

Company uses USDA GAP&GHP Logo on packaging or marketing materials? ☐ Yes ☐ No

AUDIT INFORMATION

Date and Time of Audit — Beginning Date: — Time:

Ending Date: — Time:

Description of Operation:

Harvest Company Name (if applicable):

Other Contractors:

Commodities Covered by Audit:

Commodities Produced During Audit:

Total Acres Covered by Audit:

Send Certificate to: (choose) ☐ Inspector (Office Use office) ☐ Directly to auditee above

AUDITOR INFORMATION

United States Department of Agriculture
Agricultural Marketing Service
Fruit and Vegetable Programs
Specialty Crops Inspection Division

Field Office:

Auditor Name(s):

Auditor Signature(s):

For Official Government Use Only
USDA, AMS, FVP, Specialty Crops Inspection Division
Based on Produce GAPs Harmonized Food Safety Standard 5/1/2013

November 1, 2013
USDA Checklist
Version 2.0

The GHP certification process is an add-on for farm operations that conduct packing of fresh fruits and vegetables. The process includes three additional sections in the audit checklist:

4. **Packing house review**
5. **Storage and transportation (optional)**
6. **Traceback (optional)**

Every operation must compile a food safety program that outlines the standard operating procedures and policies that are in practice for the requirements in each section of the audit. In certain circumstances, documentation must also be provided to substantiate practices or analyses of possible contamination.

Resources for On-Farm Food Safety

Wisconsin Department of Agriculture, Trade and Consumer Protection
http://datcp.wi.gov/OnFarmFoodSafety/index.aspx

Good Agricultural and Handling Practices
U.S. Department of Agriculture Checklist
http://www.ams.usda.gov/AMSv1.0/getfile?d-DocName=STELPRDC5091326

Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables
U.S. Food and Drug Administration.
This comprehensive, 49 page guide offers tips and procedures for keeping produce safe.
http://www.fda.gov/downloads/Food/GuidanceComplianceRegulatoryInformation/GuidanceDocuments/ProduceandPlanProducts/UCM169112.pdf

Food Code Fact Sheet
Wisconsin Department of Agriculture, Trade and Consumer Protection
A comprehensive list of guides to Wisconsin Food code.
http://datcp.state.wi.us/
Search "Food Safety Publications for Businesses"

Food Safety Begins on the Farm
Cornell University
Good Agricultural Practices Network for Education and Training
http://www.gaps.cornell.edu/

Food Safety Risk Management Guide
Kansas State University
Includes an overall checklist for food safety risks during production and marketing of beef, poultry, and produce.
http://www.ksre.ksu.edu/bookstore/Item.aspx?catId=490&pubId=1040

Sample Farm Safety Manual
Oregon Department of Agriculture
Sample Food Safety Program that can be modified to fit a farm operation.
www.oregon.gov/ODA/ADMD/docs/pdf/gap_safety_program.pdf

Taxation

Farm taxation rules are detailed, complex and subject to frequent change. The general information that follows is not a substitute for consulting with a qualified attorney and/or tax professional.

This section is set up to provide resource necessary for starting and maintaining an operation both self-employed and supporting employees while also covering liabilities such as sales, excise, and property taxes.

As noted above, a thorough discussion of the intricacies of business tax is beyond the scope of this Guide. This is particularly true of business income taxes, in which complex rules specific to each type of entity, base income and any deductions and/or credits depend upon the operations of the particular business.

An excellent place to start any research is Publication 225: Farmer's Tax Guide. The guide, published by the IRS, is available through the IRS

Agricultural Tax Center website

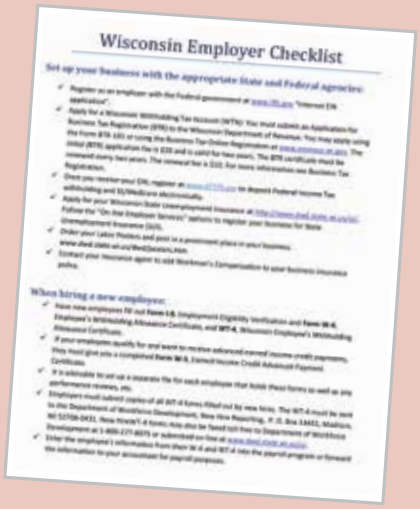
The guide covers tax issues specific to farming, including records, accounting methods, income and expenses, expenses associated with soil and water conservation, asset basis, depreciation/depletion/amortization, gains and losses, disposition of property, installment sales, casualties/theft/condemnation, self-employment tax, employment tax, excise tax, estimated taxes, filing a return, and where to get help. In addition, the website

www.ruraltax.org

covers a wide range of tax issues relevant to farmers and direct farm businesses, including who is a "farmer" for tax purposes, filing dates and estimated tax payments, self-employment taxes, and others.

For information and publications on the taxation of each type of business entity, as well as necessary forms, go to the online IRS

A-Z Index for Businesses


Wisconsin Employer Checklist

Set up your business with the appropriate State and Federal agencies:

When hiring a new employee:

Wisconsin Employer Checklist

- Register as an employer with the Federal government at www.irs.gov "Internet EIN application."
- Apply for a Wisconsin Withholding Tax account (WTN): You must submit an Application for Business Tax Registration (BTR) to the Wisconsin Department of Revenue. You may apply using the From BTR-101 or using the Business Tax Online Registration at www.revenue.wi.gov. The initial (BTR) application fee is $20 and is valid for two years. The BTR certificate must be renewed every two years. The renewal fee is $10. For more information see Business Tax Registration.
- Once you receive your EIN, register at 222.EFTPS.gov to deposit Federal Income Tax withholding and SS/Medicare electronically.
- Apply for your Wisconsin State Unemployment Insurance at http://www.dwd.state.wi.us/ui/
  Follow the "On-line Employer Services" options to register your business for State Unemployment Insurance (SUI).
- Order your Labor Posters and post in a prominent place in your business. www.dwd.state.wi.us/dwd/posters.htm
- Contact your insurance agent to add Workmen's Compensation to your business insurance policy.

Taxation of Business Income

Federal Taxation (26 U.S.C. Subtitle A)

A thorough discussion of the intricacies of business tax is beyond the scope of this Guide. This is particularly true of business income taxes, in which complex rules specific to each type of entity, base income and any deductions and/or credits depend upon the operations of the particular business.

Resources for Tax Information and Forms

A-Z Index for Businesses
A directory of information and publications on the taxation of each type of business entity, as well as necessary forms.
http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/A-Z-Index-for-Business

Publication 225: Farmer's Tax Guide
This guide covers tax issues specific to farming, including records, accounting methods, income and expenses, asset basis, gains and losses, self-employment tax, filing a return and more.
http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Agriculture-Tax-Center

Rural Tax Education
Covers a wide range of tax issues relevant to farmers and direct farm businesses, including who is a "farmer" for tax purposes, filing dates and estimated tax payments, self-employment taxes, and others.
www.ruraltax.org

Sole Proprietorships

Sole proprietorships file taxes along with the owners' income tax using Form 1040. The IRS considers a sole proprietor as self-employed, and also liable for self-employment tax, estimated taxes, social security and Medicare taxes, income tax withholding (if the business has employees), and federal unemployment tax (FUTA). These taxes are imposed on all employers and discussed in detail in Section 4, below.

Partnerships

Partnerships file Form 1065 to report earnings, but do not pay taxes. Rather, the tax liability "passes through," meaning that each partner pays taxes on her share of the partnership's earnings as part of her personal income taxes. Accordingly, a partner who owns a 70% share in the business would pay taxes on 70% of the partnership's earnings. Each partner must pay taxes on their share of partnership's earnings, even if no distribution is made. For instance, if the partnership reinvests all of the earnings in expanding the business, partners would still pay taxes on their share of the undistributed earnings. Similarly, partnership losses pass through to individuals and are deductible by the individual up to the partner's basis in the partnership.

Corporations

Corporations pay taxes on their profits (and can deduct a certain amount of their losses). Generally, the corporation must make estimated tax payments throughout the year (using form 1120-W). At the end of the year it makes a final calculation and reports its taxes using Form 1120.

As noted in the introduction, shareholders must pay taxes on the corporate profits distributed to shareholders. Corporations may distribute profits in several ways, such as dividend payments, increased stock ownership, changes in types of stock, etc. The IRS considers all of these distributions as taxable income. Of course, if shareholders work for the corporation, a common situation in small corporations, the shareholder/employee must pay individual income taxes on their wages/salary.

S corporations

S corporations, except in limited circumstances, do not pay taxes. Instead, earnings and losses pass through to the shareholders, who pay taxes on these earnings based on their individual income level. The earnings are allocated on a per share, per day basis, with shareholders liable for taxes on these earnings even if there is no cash distribution. An S corporation reports earnings and losses on Form 1120S.

Limited Liability Companies (LLC)

Owners of an LLC may elect to organize as a sole proprietorship (as an entity to be disregarded as separate from its owner, or "disregarded entity"), partnership, or corporation. If the LLC has one owner, the IRS automatically will treat the LLC as a sole proprietorship unless the LLC elects treatment as a corporation. Similarly, if the LLC has two or more owners, the IRS automatically will treat the LLC as a partnership unless it elects otherwise. The LLC may elect corporate status using Form 8832. Sole proprietorships or partnerships do not have to file Form 8832 unless they wish to be treated as a corporation.

Single-member/owner sole proprietorship LLCs file

an individual tax return (1040, Schedule C, E or F). Multiple-member/owner LLCs file a partnership return (Form 1065). LLCs electing corporate treatment file a corporate return (1120 or 1120S).

Cooperatives

Subchapter T of the Internal Revenue Code governs federal taxation of cooperatives. A cooperative, as a non-profit, typically is not taxed, as any earnings pass through to individual patrons of the cooperative. The cooperative reports profits on Form 1120-C and patrons report income on form 1099-patr. For a primer on the federal taxation of cooperatives, the USDA Rural Development maintains a website that contains many publications related to the taxation of cooperatives, including *Cooperative Information Report 23, The Tax Treatment of Cooperatives*, published by the USDA Rural Development program. *IRS Publication 225: Farm Income* also touches on cooperative reporting of taxes.

Insurance

To best determine the insurance needs of a direct farm business, start with a visit to a qualified insurance agent - preferably one who is familiar with how direct farm businesses operate. Farmers should be prepared to explain their operation in detail, and should request an insurance proposal from the agent that addresses the operation's every risk and potential amount of loss. Businesses may also wish to compare policies from multiple agents. Necessary insurance products may include premises liability (to cover liability for injuries that may occur on the property), workers' compensation, physical damage to business property, product liability, motor vehicle, crop insurance, and some kind of casualty insurance to cover transactions until title passes to the purchaser.

Many of these insurance needs may be incorporated into a basic farm insurance policy. These include losses to the farm dwellings and outbuildings, personal property (including tractors and other equipment), and premises liability arising from some incidental on-farm business operations. Depending upon the scale of the operation and the insurance company, roadside farm stands and U-pick enterprises may or may not be covered under incidental business operations in the basic farm insurance policy. Agritourism, petting zoos or seasonal farm festival activities generally are not considered incidental farm business operations for insurance purposes and will require specific endorsements. Insurance field agents can review all of these operations in order to implement best management practices that are designed to eliminate or reduce potential risks.

Additionally, farmers must consider their liability for selling produce contaminated with harmful bacterial pathogens. Though product liability issues generally are minimal in the commodity agriculture production business, especially when selling products for further processing later in the food supply chain. But when selling direct to the consumer, the risk of product liability increases, as the injurious product may be traced directly to the direct farm business Many farmers mistakenly believe that their general farm insurance policy will protect them against liability resulting from harmful pathogens (e.g., Salmonella; E. coli) in raw and unprocessed fruits and vegetables. However, this may not be the case, because general farm insurance policies usually only cover injuries that occur on the farm premises, and foodborne illnesses typically occur somewhere else. In some cases, a general commercial liability insurance policy, or even separate product liability coverage, may be required.

Furthermore, once a direct farm business transitions from agricultural commodity to production of processed goods, or direct sales to consumers of any kind, a basic farm policy may not cover injuries that occur in connection with that processing or sale – even if they occur on the premises insured by the farm policy. Some farm policies define "farming" and "business" separately and exclude any "business" operations – including, in some cases, U-pick operations – from policy coverage. In such a case, insurance coverage would not extend to a patron who trips on a rock in a U-pick parking lot on the premises and sues the farm owner for payment of her medical bills. And certainly, an on-farm business with a commercial scale kitchen would not qualify as "incidental" to the farm operation, but rather a commercial undertaking with particular insurance coverage needs.

Due to the variability of insurance coverage and prices depending upon the specific direct farm business, insurance needs and costs should be assessed early in the business planning process. Moreover, bank financing may require insurance expenses to be incorporated as part of the cost structure and profitability models in the business plan. Further, some potential customers (e.g., restaurants, institutional sales) may require proof of adequate insurance.

Again, it is important to discuss these issues with an insurance specialist and an attorney to ensure the business owner and the direct farm business have the necessary insurance coverage to protect the business assets and minimize personal liability exposure.

Liability Concerns

Most farms and farm businesses, and certainly farms with direct and intermediate marketing enterprises, have complex mixtures of potential personal and business liabilities. Insurers nationwide are gaining experience with alternative farm enterprises. Because farm insurance needs are complex, you should work directly with an insurance agent to identify your particular needs and to obtain the kinds of coverage necessary.

Farmers who market products need to regularly review their insurance needs with an insurance agent and attorney. Liability questions are more challenging than those raised by simple physical property coverage. Insurance companies offer a

diverse range of coverage. Individual policies are available for physical loss of property, liability, and workers' compensation, as well as coverage for other specific needs. The alternative most local food marketers select is a package policy that combines all types of coverage in one policy.

Liability and Farm Insurances

Farmers are exposed to liability for their enterprises, whether conducted on the premises or away from them, such as while selling at a farmers market. You are also exposed as a result of injuries to you or one of your employees. If your product causes harm to the buyer, you may be held liable. Liability insurance is essential to pay for sums you may become legally obligated to pay.

The main areas of insurance needed typically include liability for products sold, for visitors to the farm, for farm workers, as well as coverage for the value of crops grown and property and equipment owned.

Product Liability

Liability for the food that you sell is called "product liability." This is handled differently depending on where and how much product you sell. On-farm sales may be covered through your regular property insurance package, but don't assume that is the case. Ask your insurance agent if you are covered if someone gets sick from food that you sold. If you are selling to grocery stores or food services, they may require you to carry separate product liability coverage. Some farmers markets require each vendor to carry their own liability coverage. If you are selling product through a distributor, you probably will be required to carry product liability coverage. Following safe food handling and food processing practices are necessary to limit your liability exposure and to guard against people becoming ill from your products. Some buyers may refuse your product if they realize you failed to follow safe food handling practices.

Premises Liability

Liability for people who visit your farm is called "premises liability." If your farm enterprises involve having visitors to the farm, ask your insurance agent if your policy covers all liability exposures. For example, a policy may cover visitors who are guests, but not customers of a farm-based business.

When you have a farm enterprise that invites customers to the farm, such as a Pick Your Own farm, a petting zoo, or a corn maze, there are safety measures you can take to minimize risk to your customers such as:

- Make sure the areas that customers visit are free of debris.
- Get rid of wasp and hornet nests near areas visited by customers.
- Eradicate harmful weeds such as poison ivy, stinging nettles, and ragweed.
- Strictly follow re-entry times for any pesticides.
- Lock up farm chemicals, if used.
- Keep farm equipment away from customer areas.
- Post signs to warn of any dangers you are not able to remove.
- Have a well-marked and large enough parking area.

Not only do such measures protect your customers, they give you some protection against claims of negligence should an injury occur at your farm.

Agriculture Tourism Liability

* Must post and maintain signage at each entrance or activity location that discloses the risk inherent in the agriculture tourism activity.

For additional information on 2013 Wisconsin Act 269 please visit:

https://docs.legis.wisconsin.gov/2013/related/acts/269

For the legislative brief please visit:

http://legis.wisconsin.gov/lc/publications/act/2013/act269-ab746.pdf

Workers' Compensation and Employers' Liability Insurance Coverage

You have liability for any farm worker you hire. Most employers—including family farmers—are required to carry workers' compensation insurance for employees. Under Wisconsin law, a person engaged in farming is required to obtain a workers' compensation policy when that person employs six or more employees for 20 consecutive or nonconsecutive days during a calendar year. Employees injured on the job receive medical and wage benefits. If workers' compensation doesn't apply, the injured party can still receive compensation from the employer for monetary loss and possibly pain and suffering.

As with product and premises liability, you need to talk to an insurance agent to discuss insurance coverage needs relating to your employees. If you are exempt from carrying workers' compensation, you still need to make sure you have adequate farm worker coverage on your regular farm property insurance package. Also, farmers who are exempt may still choose to purchase workers' compensation coverage as a benefit to their employees.

As a farm employer, you have liability not only for injuries to your employees, but for injuries or losses they may cause to others. To lessen this risk, post clear guidelines and written job descriptions for your employees and discuss this liability concern with your insurance agent.

Unpaid Interns

For many small farms, hiring unpaid interns is a common practice. They provide much needed labor, and the intern benefits by receiving valuable mentoring and experience. However, if the intern is doing work on the farm that contributes to the farm's profitability, he or she is an employee and the farm business must take care to comply with applicable employment laws. If a farm qualifies for the minimum wage exception delineated above (employing fewer than 500 man-days per quarter), the federal and Wisconsin rules set no minimum wage, thereby allowing employers not to pay interns. This is somewhat unusual—many states have minimum wages, even for agricultural employees, and there are numerous instances of the government assessing small farms large fines for violating minimum wage rules. If interns are not being paid, the farm should nonetheless have them clock in and out as if they were paid employees. The farm

should also keep meticulous records of their unpaid interns, including names, employment dates, and duration of service. If a disgruntled intern complains to the Department of Labor, and the farm becomes the subject of an investigation, it is important to have a paper trail documenting the farm's compliance with the laws. Even if an internship is exempt from the minimum wage requirements, the farm is not exempt from complying with the other employment laws. For instance, OSHA and FIFRA rules still apply, housing and transportation must meet minimum standards, and workers' compensation (see discussion below) is necessary if the farm employs more than 400 man-days per quarter. Farms employing paid and unpaid employees must count the unpaid employees' man-days toward the 400 for workers' compensation purposes.

Making an internship a positive experience for the farmer and the intern requires more than simply expecting the intern to show up and work. It requires carefully recruiting and selecting interns mentally and physically prepared for the nature of the work and developing a realistic plan for what and how they will learn. One of the best ways to ensure a positive experience is to develop an internship agreement that outlines the hours and work expected, the housing provided (if any), food and fresh produce arrangements, and what mentoring the farmer will provide. Both the farmer and the intern should sign the agreement. Clearly defined expectations at the outset will help prevent conflicts, or worse yet, an intern who abandons the farm mid-season. It will also be beneficial to the farmer to have a clearly delineated agreement in case of a Department of Labor audit or inspection.

Resources for Part-time/ Seasonal Workers

Guide to Wisconsin Child Labor Laws
Contains information for employers, minors, parents, school administrators, counselors and faculty
http://dwd.wisconsin.gov/dwd/publications/erd/pdf/erd_17231_p.pdf

Labor Standards for Wisconsin Employment of Minors
http://dwd.wisconsin.gov/dwd/publications/erd/pdf/erd_4758_pweb.pdf

Cultivating a New Crop of Farmers - Is On-Farm Mentoring Right for You and Your Farm? A Decision Making Workbook
New England Small Farms Institute
Contains worksheets covering all aspects of mentoring.
http://www.smallfarm.org/main/bookstore/publications/

The On-Farm Mentor's Guide – Practical Approaches to Teaching on the Farm
Provides more detailed guidance for on-farm mentoring.
http://www.smallfarm.org/main/bookstore/publications/

Wisconsin Statue for Migrant Workers
103.915 Migrant work agreements.
http://statutes.laws.com/wisconsin/103/103.915

Checklist

- Have you read and understood the agricultural exceptions to the FLSA and Wisconsin's minimum wage law? If you intend to take advantage of the exceptions, have you verified that employees' activities qualify?
- If you intend to employ minors, do you understand the restrictions on the hours and activities in which they may be employed? Have you obtained necessary certificates for each minor?
- Have you obtained equipment and developed operational procedures necessary to comply with OSHA, FIFRA and other employee-protection laws?
- Have you complied with any necessary paperwork and disclosure requirements for migrant workers you may employ?
- If employing unpaid interns, have you established reasonable recordkeeping for ensuring and verifying compliance with all minimum wage, hours and worker safety laws? Have you developed a plan for ensuring the experience meets yours and the intern's expectations?
- Have you discussed workers' compensation insurance, and any other employee liabilities, with your insurer or an attorney?

Property Insurance Coverage

Farm property includes buildings, vehicles, equipment, and inventory. A clear explanation in the policy is essential so you know what the policy provides.

Farm property insurance includes coverage for different types of farm structures, vehicles, machinery, equipment, inventory, livestock, and crops. Coverage options may vary depending on the type and cause of loss. Losses may include damage to or loss of physical items that are owned, leased, or contracted by your business. You must know the value of the property or equipment you wish to cover and today's replacement value of these items. You'll also want to evaluate what type of losses will impair your farm operation and for how long.

Read your farm property insurance policy carefully to know the risks covered and any conditions, restrictions, or exclusions that may limit insurance coverage. Review your insurance coverage annually and make any needed adjustments.

Crop Insurance and Livestock Price Insurance

The Risk Management Agency (RMA) of the USDA underwrites crop insurance for farmers. The RMA provides insurance for a wide variety of crops, including many fruits and vegetables. For a list of crops covered, go to www.rma.usda.gov and search "Crops Covered." Then choose the list of crops covered for the most recent year.

RMA's Adjusted Gross Revenue (AGR) product provides protection against low revenue due to unavoidable natural disasters and market fluctuations that occur during the insurance year. Covered farm revenue consists of income from agricultural commodities, including incidental amounts of income from animals and animal products and aquaculture reared in a controlled environment. For more information go to:

www.rma.usda.gov/policies/agr.html

AGR-Lite insurance is available through underwriting by the RMA. This whole-farm income insurance policy is based on a farm's five-year history of revenue, plus the current year's farm plan. This type of plan may be attractive to diversified enterprises since coverage is not tied to one specific crop or mix of crops.

For producers to qualify for disaster programs administered by the USDA's Farm Service Agency, such as the Livestock Forage Program, Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish, and the Tree Assistance Program, farmers must have their own baseline crop insurance.

Noninsured Crop Disaster Assistance Program (NAP)

USDA's Farm Service Agency's (FSA) program provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters.

For a fact sheet on NAP go to:

https://www.fsa.usda.gov/Internet/FSA_File/nap_august_2011.pdf

For more information go to:

www.fsa.uda.gov

Search NAP or go to your local FSA office

Supplemental Revenue Assistance Program (SURE)

This program, while not an insurance, is available to eligible producers on farms in disaster counties that have incurred crop production or quality losses and whose economically significant crops are covered by crop insurance or NAP.

For a fact sheet on SURE go to:

http://www.fsa.usda.gov/Internet/FSA_File/sure_101212_factsheet.pdf

Resources for Risk Management and Insurance

Risk, Liability and Insurance for Direct Marketers - UW Cooperative Extension
A brief introduction to liability and insurance for direct marketers.
www.uwex.edu/ces/agmarkets/publications/documents/A3811-7.pdf

USDA Risk Management Agency (RMA)
Online publications and crop fact sheets.
www.rma.usda.gov/pubs/rme/fctsht.html

Agent Locator
USDA-Risk Management Agency
RMA's online agent locator lists crop insurance and livestock price insurance agents.
www.rma.usda.gov/tools/agents/companies/RMA

For a fact sheet on SURE go to:
http://www.fsa.usda.gov/Internet/FSA_File/sure_101212_factsheet.pdf

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