

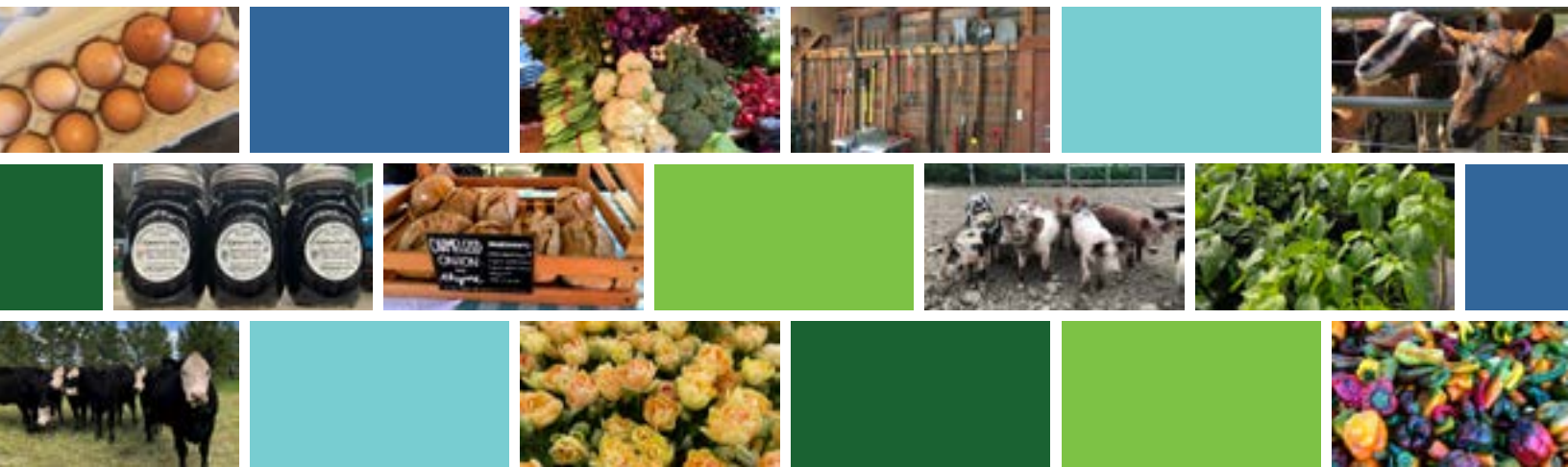


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CULTIVATING YOUR BUSINESS

A GUIDE FOR SMALL AND DIRECT MARKETING FARMS IN IDAHO



The provisions summarized in this guide are found in Idaho State and U.S. Federal Law and were current at the time of printing. However, the information provided is subject to change and is not intended to be inclusive of all applicable rules and regulations for farming, ranching, and direct marketing of agricultural and food products in Idaho. Please refer to the contacts listed throughout the guide for the most up-to-date information on requirements and regulations. If there is a conflict between the information provided here and any federal, state, or local laws or ordinances, the applicable laws or ordinances will prevail. Trade names have been used to convey information; no endorsement is intended.

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CULTIVATING SUCCESS™

sustainable small farms education

CULTIVATING YOUR BUSINESS™

A GUIDE FOR SMALL AND DIRECT MARKETING FARMS IN IDAHO

This guide is a publication of University of Idaho Extension and the Idaho Cultivating Success™ Sustainable Small Farms Education Program.

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“Many hands make light work” may not be the best phrase to describe the two-year process of writing this comprehensive guide to help Idaho’s small-scale producers navigate rules and regulations associated with operating a farm business and selling their agricultural products in Idaho. “Many hands made this guide possible” is more accurate as *Cultivating Your Business™: A Guide for Small and Direct Marketing Farms in Idaho* is the product of countless hours of research, discussion, writing, and revision by our project team and partners within the University of Idaho and the Idaho State Department of Agriculture.

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WELCOME...

TO CULTIVATING YOUR BUSINESS™

A GUIDE FOR SMALL AND DIRECT MARKETING FARMS IN IDAHO

Agriculture is central to Idaho's heritage, culture, and economy. There are nearly 25,000 farms and ranches across the state producing a diverse array of agricultural products including produce, meat, and value-added goods. More than 70% of Idaho's farms and ranches are less than 180 acres and the number of farms and ranches that are less than ten acres continues to grow rapidly. These small producers are meeting the increasing consumer demand for fresh, local, and seasonal agricultural products and contributing to healthy and vibrant local economies. According to the 2017 Census of Agriculture, over 75% of Idaho farms and ranches have annual sales of less than \$50,000 and for many of these small farms and ranches the ability to sell their products direct-to-consumers and through intermediated markets is key to the success of their operation.

Small farms and ranches operate within evolving market and regulatory landscapes. New, beginning, and experienced producers alike need up-to-date and state specific guidance to help them successfully navigate the demands and regulations of selling agricultural products.

Cultivating Your Business™: A Guide for Small and Direct Marketing Farms in Idaho is intended to help you successfully operate a farm or ranch business and sell agricultural products in the state of Idaho. This guide is a collaboration of the University of Idaho and the Idaho State Department of Agriculture. The guide provides producers with information, resources, and guidance to support the success of small and direct marketing farms and ranches. *Cultivating Your Business™* is organized as a series of fact sheets allowing you to easily find and access the information relevant to your operation in one convenient place. Each fact sheet provides an overview of the topic area, legal and practical considerations, pertinent rules and regulations, and information on regulatory structures, agencies, and technical assistance providers.

Please remember rules and regulations are subject to change! The content of *Cultivating Your Business™* was current at the time of printing. Each chapter features a "Who Can Help" section with contact information for regulatory agencies who can provide current information on legal requirements and regulations. We hope you find this information helpful as you develop and grow your small farm or ranch.

With appreciation,



Colette DePhelps
University of Idaho Extension



TABLE OF CONTENTS



STARTING A FARM OR RANCH BUSINESS IN IDAHO

1.1 Understanding Land Tenure Types	8
1.2 Pursuing Land Tenure	10
1.3 Business Structures	13
1.4 Registering with Government Entities.....	16
1.5 Licenses & Permits.....	17



BUSINESS OPERATIONS

2.1 Taxes.....	20
2.2 Insurance	22
2.3 Liability.....	26
2.4 Personnel Management	29
2.5 Interns & Apprentices	31
2.6 Volunteers.....	33
2.7 Farm Labor & Contractors	35
2.8 Employer Responsibilities	37
2.9 In-Kind Payments	39



DIRECT MARKETING STRATEGIES

3.1 Strategies for Success.....	43
3.2 Weights, Measures & Device Licensing	45
3.3 Agritourism.....	46
3.4 Community Supported Agriculture	48
3.5 Digital & eCommerce.....	50
3.6 Farmers Markets	52
3.7 Farm to School.....	54
3.8 Farm Stands.....	56
3.9 Retail & Restaurant Sales.....	58
3.10 U-Pick.....	61



SELLING SPECIFIC PRODUCTS

4.1 Animal Products.....	66
4.2 Nursery Products & Supplies.....	68
4.3 Plant Products	70
4.4 Value Added & Processed Products.....	72



FOOD SAFETY

5.1 Creating a Food-Safe Environment.....	77
5.2 Food Safety Modernization Act.....	81
5.3 Hazard Analysis Critical Control Point	82
5.4 Preventative Controls for Human Food.....	85
5.5 Preventative Controls for Animal Food.....	87
5.6 Produce Safety Rule	89
5.7 Produce Safety Rule Flow Chart.....	93
5.8 Good Agricultural Practices.....	94
5.9 Traceability & Recalls.....	96



MARKETING LABELS & VOLUNTARY CERTIFICATIONS

6.1 Certified Organic.....	101
6.2 Eco-Labels.....	103
6.3 Idaho Preferred	106
6.4 Other Common Labels.....	108

CHAPTER 1

STARTING A FARM OR RANCH BUSINESS IN IDAHO



1.1 UNDERSTANDING LAND TENURE TYPES

1.2 PURSUING LAND TENURE

1.3 BUSINESS STRUCTURES

1.4 REGISTERING WITH GOVERNMENT ENTITIES

1.5 LICENSES & PERMITS





STARTING A FARM OR RANCH BUSINESS IN IDAHO

UNDERSTANDING LAND TENURE TYPES

Securing land is one of the greatest challenges for farmers and ranchers across all scales of production. Land tenure refers to the way people obtain and hold land, usually through ownership or a lease agreement. Depending upon the life cycle of the farm or ranch business, the types of land tenure utilized may change. Whether land is accessed through purchase, leasing, or through a gift or succession process, secure land tenure is vital for a farm or ranch business. Secure land tenure requires a stable relationship with the land over time. Conditions necessary for stability include affordability, compatibility with land use laws, lease agreements, deed terms and access to capital, infrastructure, and other resources necessary to achieve your personal and business goals.

Whatever method you utilize to secure land for your business, each will have legal, political, and business considerations. Land use laws, such as zoning laws, dictate how a property can be used or managed. Landowners are responsible for ensuring the land is managed in accordance with those laws. The requirements of tenants are outlined in lease agreements.

LEASING

Leasing, or renting, land is where you enter into an agreement with a landowner to farm or ranch on property that does not belong to you. Land can be leased from a variety of owners including individuals, for profit and non-profit businesses, from public entities, or from a conservation organization such as a land trust. How you negotiate and set the terms of the lease will vary depending on who owns the land. Leasing from private owners means negotiations will just be taking place between you as the farm or ranch business owner and the owners of the land. Lease agreements on public land may be more rigid in their requirements. Land un-

der conservation or agricultural easements, often secured through your local land trust organization, may involve negotiations with a board of directors and come with specific easement requirements that could restrict how you are able to utilize the land for your farming or ranching practices.

Lease agreements can be oral or written, short or long term (1 year, 5 years, etc.) and can have different payment arrangements. A well-written lease not only details the length of the lease and financial arrangements between parties, but also details communication flow, management responsibilities of both parties, ownership of permanent and semi-permanent infrastructure and provisions for termination. Generally, oral leases are less favorable as they can lack clarity on the rights and responsibilities of both the landowner and the lessee, might be terminated without warning, and are hard to enforce. Ground leases, which can last 50, 75 or up to 99 years, provide opportunities for people to invest in real estate without the commitment of hands-on property management. At the end of a ground lease period, all the improvements to the property, including buildings and other permanent infrastructure, are turned over to the property owner.

Benefits of Leasing

Leasing allows you and your business to grow with less risk and more flexibility than you would have with a mortgage. Instead of investing capital in a land payment, leasing frees up capital to invest in equipment, livestock, and movable infrastructure. Similarly, leasing allows you to slowly grow your business as you develop production and management skills. As a shorter-term commitment, leasing allows for flexibility where you can try out different farm sites or market areas without being locked into a permanent location by a loan. Often

with leases you can barter for a reduction in rent in exchange for goods or services provided to the landowners.

Drawbacks of Leasing

The opposite side of the flexibility of leasing is the lack of security. The property owners may decide to sell, or other factors could change your status as a tenant. However, good contracts, (see *Fact Sheet 1.2 Pursuing Land Tenure for more information*) can help mitigate this risk. With leasing, you may have to walk away from serious investments you might have made in soil improvement, weed mitigation, or infrastructure. Leased land may or may not come with the option to live on site. Be sure to factor in travel costs when making business projections.

PURCHASING

Purchasing land is often thought of as the gold standard for land tenure in farming or ranching businesses. Owning the land provides security, the ability to build equity in the land, to secure loans against the property value and grow at a faster pace, and to reap the long-term benefits of investment in the property's improvement. If you purchase from another farmer, you can gather valuable information about the property such as any frost pockets, how the land was managed previously, trouble spots, or other intel. However, land is expensive, and it can be difficult for farms or ranches to qualify for a bank loan. If you are buying a house with land and intend to farm, a traditional home loan may not include provisions for agricultural production. Always discuss this with your lender before moving forward!

SUCCESSION

Farmland transfer often occurs through a combination of succession and inheritance. Farm succession or transfer is a process, not an event. Though this method of land transfer is often an intergenerational transfer within a farm family, that is not always the case. Many farmers and ranchers would be delighted to see their land continue to be used

in agricultural operations, and not all have children interested in or available to succeed them. Land transfer generally involves both succession planning and estate planning. Succession planning is the transfer of farm or ranch management and estate planning addresses the transfer of farm or ranch assets.

Inheriting land or transitioning land to a new generation of producers may include a gradual transfer of land and/or assets, lease agreements, purchase agreements and considerable negotiations with non-farming family members. Coming to agreement on the terms of a transfer requires self-reflection, planning and trust between all parties involved. The final provisions of a transfer are driven not only by what the incoming and outgoing generations value and desire, but also by what the elder or exiting generations need and what the incoming farmers can afford. There are many courses on land succession to help navigate this experience while honoring the values, needs and expectations of all parties involved.





STARTING A FARM OR RANCH BUSINESS IN IDAHO PURSUING LAND TENURE

Before you begin pursuing land options of any kind, it is important to be clear about your own values, vision, and goals and those with whom you work and share your life. Values reflect the beliefs that guide your actions and your life – at work, on the farm, with family, with friends and in your community. Your vision is a statement that describes where you are headed and what you want to achieve. Your goals are the concrete actions, or steps, you will need to take to reach your vision. Identifying your values and developing a written vision and goals statement, and understanding your current and future financial position, will allow you to evaluate the land tenure options available to you.

FINANCES

A major factor affecting your land tenure options is your financial position. Assessing your current financial position and developing a business plan are key prerequisites for secure land tenure – especially if your goal is to purchase land. It is important to both understand the costs of buying, leasing and even inheriting land and the costs of maintaining the land over time. Do a projection of what you need to earn to have your business be viable, and a projection of the business' earning potential. Assess what capital you have already in hand for things like a down payment or significant land improvements like fencing. What tools or equipment do you need to begin your business, and what do you already have? Land values are affected by things like water availability, location, how dense the competition is in the area, existing improvements on the property, and property taxes. Be prepared to do multiple projections of your finances based on these factors.

TOURS & INTERVIEWS

Before you make any purchases or sign any agreements, look at a lot of land. Farm tours hosted by your local extension office or soil and water conservation district and agritourism events are great opportunities to visit existing farms or ranches. When on a tour, ask lots of questions. Conversations with other farmers and ranchers is one of the most valuable things you can do to inform your land decisions. What do they love about their set up, wish was different, what decisions did they make, and what did they think was most important for their operation?

ASSESSING LAND

If you find land you are interested in, ask the owners for permission to do an onsite soil assessment and to take a soil sample to send to a professional soil testing lab. Walk the property, paying close attention to what weeds are present and variations in the area that can lead to microclimates. Ask about the site's history and how it has been managed in the past. What irrigation is available, what are the water rights of the property? Consider what infrastructure is already present and what you might have to invest. Is the location suitable for your markets or home? Can you live on site? Who are your potential neighbors and are they supportive of a farm or ranch business being in their neighborhood? Look for experienced farmers in the area who offer site assessment consulting services and contract them to provide a site assessment and discuss marketing options available in the area.

NEGOTIATIONS

Whether you are negotiating a lease agreement or a land purchase, be honest with yourself and what you can afford. Overextending yourself with land payments will limit the amount of capital you have to invest in and operate your farm. If you are nego-

tiating a lease, consider what services you can provide to reduce the cost. These can include a CSA share, land management practices, livestock care, pasture or weed management.

LEASE AGREEMENTS

Always get a written lease agreement when renting land. A handshake is not enough. Invest in an attorney to review your lease agreement before signing—it is worth the money! Remember: a lease can change in the future if both parties agree, but you want to start on the same page. Check examples of existing lease arrangements and work from there. Sample leases, highlight important things, create a list of questions or discussion points for you and the landowner. As you review sample leases, make a checklist of the provisions you would like to see in your lease agreement. Use this checklist as a tool for discussions with the landowner.

A Good Lease Includes:

- ✓ A preamble describing what the lease is about.
- ✓ Description of the leased property.
- ✓ Term (length of the lease)
- ✓ Rent. Cost and payment provisions (monthly, once a year, etc). Services provided by the lessee. If you are providing services or goods, make note of their monetary value in the lease and how they will be documented or tracked.
- ✓ Who is responsible for which aspects of operating costs and property maintenance.
- ✓ Notes on indemnification clause and/or liability insurance (is the property owner liable for injuries that occur on site?)
- ✓ Who is responsible for taxes, organizing assessments?
- ✓ A description of the initial condition of premises (where you note things like fencing, barns, weeds, etc)..
- ✓ Protocols for subletting or transferring of the

lease.

- ✓ What happens if the tenant defaults, or the landowner wants to sell the land?
- ✓ Is there an expectation that the lease will continue in the event of a land sale?
- ✓ Living arrangements—do they exist and who is responsible for payment and upkeep of them?
- ✓ Does the landowner allow visitors to the farm or ranch? Can they camp overnight?
- ✓ Animals / pets and livestock on the farm.
- ✓ Who is required to mitigate noxious weeds?
- ✓ Who maintains any irrigation ditches present?
- ✓ Can you store things on the land, and if so, where?

LAND RESOURCES

While agricultural land for sale is often listed with a real estate firm, there are many local resources that can help you identify land that may be available for sale or lease. When you begin looking for land, reach out to your local land trust agency, your local conservation district, food and farm organizations (especially those local to your area), your county's extension office, as well as local realtors, Craigslist, Facebook groups, and cold calling landowners of vacant properties through the county assessor's office. The ISDA's Farm and Ranch Center has an Idaho Farm Link resource for land seekers and owners to connect. Land for Good is another land seeker resource, though not specific to Idaho.

PURCHASING FARMLAND

Advance planning for purchasing farmland is essential. Purchasing farmland requires understanding both your personal and business financial resources and your income potential. Current land prices often require a consistent off-farm source of income to meet land payments, especially in the first years of doing business. Purchasing land is a long-term and costly commitment. In preparation

for meeting with a loan officer, it is important to understand your financial position. To do this, you will need to locate your last three years tax returns and create several key personal and business financial statements: a balance sheet, income statement and a cash flow statement. A balance sheet is a snapshot detailing your assets, liabilities, and net worth at a specific point in time. An income statement, also known as an earning statement or profit and loss statement, details your income and expenses and calculates your net income over a specific time period (such as quarter or year). Cash from financing is not included in your income statement. The third financial statement you will need is a cash flow statement or cash flow budget (a forward-looking cash flow statement). The cash flow statement includes all your sources of cash, including from investment and financing activities and all of your direct cash needs throughout the year. Creating a cash flow statement will allow you to see how your cash flows vary by time of year and your cash flow budget will help you plan for addressing any cash flow shortfalls. Knowing your financial position will allow you to approach a lender with the information needed to enter into a discussion about obtaining financing for a land purchase.

STARTING A FARM OR RANCH BUSINESS IN IDAHO

BUSINESS STRUCTURES

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Once you've secured land and created a business plan, you'll want to decide on a business structure. The structure of your business will affect how personally liable you, as the owner, are for business debts, what your taxes look like, and how you operate. Idaho food and farm businesses are most often structured as sole proprietorships, limited liability companies, or corporations. Other types of entities include general partnerships, limited partnerships, and limited liability partnerships. Below is a basic overview of these business types.

SOLE PROPRIETORSHIP

If you operate your business by yourself and you do not take any steps to create a separate legal entity, your business will be deemed to be a sole proprietorship. A sole proprietorship, sometimes called an individual proprietorship, is the most common form of business ownership and the easiest to enter and operate. Sole proprietorships are limited to one owner and are not considered a separate entity from that owner, meaning your personal assets and liabilities are the same as the business assets and liabilities. As the owner of a sole proprietorship, you are personally liable for any business debts, loans, or liabilities, and your creditors can go after your personal assets to satisfy those obligations. The income and expenses of your sole proprietorship are reported on your personal tax return. Sole proprietorships end upon the owner's death or bankruptcy and assets are distributed in accordance with the owner's will or in accordance with a court order.

Partnerships

Partnerships are a form of business ownership that involves two or more people. There are three main kinds of partnerships: general partnerships, limited partnerships (LP), and limited liability partnerships

(LLP). Partnerships may have unlimited owners and necessitate the development of a Partnership Agreement.

General Partnership

A general partnership is similar to a sole proprietorship in that the owners of the business are each personally liable for the business debts and liabilities. That includes liability for debts and liabilities incurred by your partners. The owners pay taxes on profit shares, but no tax is paid on the partnership itself.

Limited Partnership

A limited partnership is a combination of at least one general partner (see above), and at least one partner with limited liability. Limited partners are not personally liable for the debts of the partnership, so long as they are not taking an active role in the management of the partnership.

Limited Liability Partnership (LLP)

This partnership type protects individual partners from being personally liable for the acts of the partnership, or the acts of their partners. The tax structure for a limited liability partnership is the same as the general partnership.

Before entering into a partnership, all parties should be aware of, and in agreement on, how much liability they will personally assume, what personal investments they will make, how profits and losses will be shared, the salary or drawing account arrangements for each partner, restraints on each partner (if any), and how or when the partnership will be terminated.

LIMITED LIABILITY COMPANY (LLC)

LLCs can be taxed like a sole proprietorship (if one owner), partnership (if multiple owners), or corporation (if the owners so choose) and provide the liability protection of a corporation. Owners or members are not personally liable for the business's debts unless they have personally guaranteed the debt, or if individual action, outside of being a member, has made them liable. Essentially, members only risk what they have financially invested in the LLC. Multi-member LLCs should have an Operating Agreement that provides for allocation of profits and losses, determines how management decisions are made, and includes provisions for termination.

CORPORATION

A corporation is a legal entity that is distinct from its owners, and owners are not personally liable for business debts by being owners. Corporations are created by filing documents with the Secretary of State, known as the Articles of Incorporation. Corporations must also adopt corporate bylaws. Corporations may be perpetual and continue after the death of an owner or shareholder.

C Corporation

Corporations, sometimes called c-corps, are taxed differently than sole proprietorships and partnerships. The company files a tax return, and if the owners (shareholders) receive a dividend from the corporation, tax on that income will be taxed by the shareholder. C-corps may have unlimited owners.

S Corporation

An S corporation, or S-corp, is a tax designation designed to avoid the double taxation that occurs in C-corps. Corporations and LLCs may elect to be taxed as S-corps if they qualify. In an S-corp, profits (and some losses) can be passed to owners' personal income without being subject to corporate tax rates. S-corps are limited to 100 or fewer owners and have other restrictions. Check the IRS website for specific requirements.

CONSIDERATIONS

Partnerships, LLCs and corporations are formed by registering with the Idaho Secretary of State's office. All entity types must file an annual report with the Idaho Secretary of State's office.

Choosing a business structure is an important aspect of owning a farm or ranch business. In some cases, farm or ranch operations are structured as multiple businesses with the same or different owners or shareholders. For instance, one business may own the land and non-movable infrastructure of the farm while another entity owns the brand, managerial and disposable assets of the farm including crops and livestock. Clarifying your short- and long-term goals for both your land and your farm business will help you determine which business entity(ies) will work best for you and your farm partners and ultimately support the transition of your farm or ranch to the next generation.

REMEMBER...

This fact sheet is not intended to be a comprehensive list of business entity types nor is it a substitute for legal or tax advice from your specific advisors. When choosing and forming a business entity, owners ought to consult with legal, accounting and tax professionals with expertise in farm and ranch businesses and farm succession planning.

QUICK CHART COMPARISON

Business Structure	Ownership	Liability	Taxes
Sole Proprietorship	One Person	Personally Liable	Personal Tax
General Partnership	Two or More People	Personally Liable	Personal Tax
Limited Partnership	Two or More People	General Partners are Personally Liable, Limited Partners are Not	Personal Tax
Limited Liability Partnership	Two or More People	Owners are Not Personally Liable as Owners	Personal Tax
Limited Liability Company	One or More People	Owners are Not Personally Liable as Owners	Personal tax or Corporate Tax
C Corporation	One or More People	Owners are Not Personally Liable as Owners	Corporate Tax and Personal Tax
S Corporation	One or More People	Owners are Not Personally Liable as Owners	Personal Tax





STARTING A FARM OR RANCH BUSINESS IN IDAHO

REGISTERING WITH GOVERNMENT ENTITIES

Once you've decided on a business structure and completed any associated paperwork for its creation, you'll need to register your business with federal, state, and local agencies.

NAME REGISTRATION

After choosing your business type, and before engaging in business activities, limited liability companies, corporations, and other types of limited liability entities will need to register with the Idaho Secretary of State. Sole proprietorships and general partnerships do not need to register to be formed, but those businesses can file an Assumed Business Name with the Idaho Secretary of State.

APPLYING FOR AN EIN NUMBER

An EIN, or Employer Identification Number, is a taxpayer identification number for businesses issued by the Internal Revenue Service (IRS). EINs are used for tax administration purposes and are required for most businesses. Businesses can acquire an EIN through the IRS's website as soon as the entity has been registered with the Secretary of State.

REGISTERING WITH LOCAL AND STATE AGENCIES

Your business will be subject to local, state, and federal regulations. As the business owner, it is your responsibility to ensure that your business is in compliance with applicable local, state, and federal statutes and regulations. Make sure to contact the regulatory entities relevant to your business. The county or city clerk's office is a good first contact to start researching the local requirements and regulations of your business. Specific regulations vary depending on your location and business type, but all businesses must:

- ✓ Meet zoning ordinances. Zoning sometimes restricts commercial activities to certain areas. This can include regulations on the use of advertising signs, lighting, parking, on-site sales, limits on type and number of farm animals and business use of adjacent buildings and/or your home.
- ✓ Building permits are necessary if you are erecting a new building or remodeling an existing one. Permits may be required for erecting temporary structures including hoop houses and greenhouses.
- ✓ Businesses that are required to collect sales tax must obtain an Idaho Seller's Permit by completing an Idaho Business Registration with the Idaho State Tax Commission (<https://tax.idaho.gov/online-services/business-registration/>).
- ✓ Obtain an Assumed Business Name (sometimes called a DBA or "doing business as") from the Idaho Secretary of State if you plan on doing business under a name other than your own or the official name of your business.



STARTING A FARM OR RANCH BUSINESS IN IDAHO

LICENSES & PERMITS

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Business in Idaho is regulated and/or licensed by multiple entities, spanning the local, state, and federal levels. There is not one statewide business license issued in Idaho. Exactly which kinds of licenses or permits your business requires depends upon your business type, the enterprises on your farm or ranch, and your location. Many licenses are required before beginning business operations. Paying a fee to obtain a license is common and sometimes an inspection of the business site or equipment is required.

You as the owner are responsible for ensuring your business is licensed properly and following applicable statutes and regulations. Your City or County Clerk and the Idaho Small Business Development Center can help you identify what licenses and permits are applicable to your business. Below are a few licenses commonly applicable to farm and ranch businesses. This list is not meant to be comprehensive and may not include all of the licenses required to operate your business. Remember, it is always wise to investigate the licenses needed before you start operating your business or add a new enterprise to your business.

LICENSES

Commercial Vehicle Licensing

Visit the county assessor's office for help with commercial and farm vehicle licensing. The Department of Motor Vehicles provides commercial and operator's driver's licenses.

Farm Labor Contractor Licensing

Businesses hoping to hire migrant or seasonal agricultural workers must apply for a Farm Labor Contractor License. (See *Fact Sheet 2.7 Farm Labor & Contractors for more information*).

Food Safety Related Permits

See *Chapter 5 Food Safety* for regulations and requirements for food processors.

Specialty Licenses

The Idaho State Department of Agriculture requires and issues licenses for many agriculture-related businesses. Businesses usually licensed and/or regulated include: beekeepers, dairy product processors and dealers, egg distributors and graders, farm products dealers, livestock dealers, pesticide dealers, plant industries, restaurants and food handling businesses, seed companies, and transportation businesses. (See *Fact Sheet 4.4 Value Added & Processed Products for more information*).

Pesticide Applicator License

Federal law requires any person who applies or supervises the use of restricted use pesticides (RUPs) to be certified in accordance with EPA regulations and state, territorial and tribal laws. The Idaho State Department of Agriculture is the certifying agency in Idaho. You must be certified in Idaho, and in each area of tribal land where you make RUP applications. Additionally, Idaho requires all commercial applicators, not only those using RUPs, to be certified.

REMEMBER...

Keep in mind that rules and laws change. It is always wise to check with the agencies responsible for the most current information on business licensing, permits, and legal obligations. Remember to check at the federal, state, and local levels.



CHAPTER 1: STARTING A FARM OR RANCH BUSINESS IN IDAHO

WHO CAN HELP

IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Cultivating Success Idaho

<https://www.cultivatingsuccess.org/idaho>

Entrepreneurship Law Clinic (ELC)

<https://www.uidaho.edu/law/academics/practical-skills/clinics/entrepreneurship-law-clinic>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Idaho Farm and Ranch Center

<https://agri.idaho.gov/farmcenter/>

Idaho Farm Link

<https://idahofarmlink.org/>

Idaho Department of Commerce

<https://commerce.idaho.gov/Idaho-business/grow-your-business/>

Idaho Secretary of State's Office

<https://sos.idaho.gov/business-services-resources/choosing-a-business-entity/>

Idaho Small Business Development Center

<https://business.idaho.gov/legal-structure/>

HELPFUL ORGANIZATIONS

AgWest Farm Credit Young, Beginning or Small Farmer Programs

<https://agwestfc.com/financing/specialized-programs/young-beginning-or-small-financing>

Farm Commons

<https://farmcommons.org/>

Farm Services Agency

<https://www.fsa.usda.gov/>

Farm Loan Programs

<https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>

Internal Revenue Service (IRS)

<https://www.irs.gov/businesses>

International Farm Transition Network

<https://www.farmtransition.org>

Land for Good

<https://landforgood.org>

Natural Resource Conservation Service

<https://www.nrcs.usda.gov/>

Service Corps of Retired Executives (SCORE)

<https://www.score.org/>

United States Department of Agriculture (USDA)

<https://www.usda.gov/>

CHAPTER 2

BUSINESS OPERATIONS



2.1 TAXES

2.2 INSURANCE

2.3 LIABILITY

2.4 PERSONNEL
MANAGEMENT

2.5 INTERNS & APPRENTICES

2.6 VOLUNTEERS

2.7 FARM LABOR &
CONTRACTORS

2.8 EMPLOYER
RESPONSIBILITIES

2.9 IN-KIND PAYMENTS





BUSINESS OPERATIONS TAXES

Your business will need to fulfill its tax obligations to the federal government, the State of Idaho, and local jurisdictions. The type of business you operate, whether you own your land, have employees, and where and how you sell your farm products all affect the taxes you are responsible for. Farms are subject to certain tax exemptions. This Fact Sheet is intended to help you navigate your tax responsibilities as an entrepreneur. The list below may not be comprehensive to your farm or ranch business and is not intended to be used as legal tax advice. To determine the taxes that apply to you, we recommend you contact the resources in the “Who Can Help?” section of this fact sheet and/or a certified accountant or bookkeeping service familiar with farm businesses in your area.

SELLER'S (SALES TAX) PERMIT

Every Idaho retailer needs a Seller's Permit, also known as a Sales Tax Permit, issued by the Idaho State Tax Commission. Applications for Seller's Permits are free and can be filed online. Once issued, permits must be displayed in a visible location at your business. Instructions on how to file your tax returns will be mailed to you along with your permit. Applications for a permit can take 10 days (if filed online) to 4 weeks (if mailed in) to be issued to you. Plan for this delay; selling before you have a seller's permit can result in fines. If you buy a permit from an existing business, the previous seller's permit will not transfer, and a new application will need to be submitted. If you sell at an Idaho farmers market, you are required to have a copy of Form ST-124 in your assigned space at all times. The Idaho State Tax Commission has the right to conduct unscheduled tax compliance inspections.

Temporary Sales Permit

If you plan to make sales at a farmer's market, flea

market, craft fair, or some similar event, you will likely need a temporary sales permit. (See *Fact Sheet 3.6 Farmers Markets for more information*).

IDAHO SALES & USE TAX

All retailers in the state of Idaho must collect sales tax, file a sales and use tax return, and forward the tax to the Tax Commission. The 2023 Idaho sales tax rate is six percent (6%). This applies to those selling goods, leases, rentals of tangible personal property, fees for admissions, recreations, hotel, motel, campground accommodations, intrastate charter flights, and some types of labor. Any tangible personal property stored, used, or consumed in Idaho is subject to a six percent use tax, including items purchased online or by mail order.

Exemptions

Goods for resale, or materials used directly in the production of items for resale, are exempt from sales tax. All irrigation equipment and supplies used directly and primarily for agriculture are also exempt. If exempt, you may use a Sales Tax Resale or Exemption Certificate (Form ST – 101) to make purchases. Visit the Idaho State Tax Commission to learn more.

SPECIAL EXCISE & OTHER TAXES

An excise tax is a tax imposed on the sale of specific goods or services, or on certain uses, and are imposed by both the federal government and the state of Idaho. The following list of excise taxes is modified from that published by the Idaho Department of Commerce and is not meant to be comprehensive. Many farms and ranches in Idaho produce a variety of goods and services for sale, including agritourism experiences. Contact the IRS and the Idaho State Tax Commission to determine which

taxes are applicable to your farm or ranch business.

FEDERAL EXCISE TAX

Telephone communications
and air transportation
Manufacturers tax on a variety of goods
Retail and use tax on motor fuels and
certain new heavy truck sales
Windfall profit tax on domestic
crude oil production
Environmental tax on receipt
of hazardous materials
Environmental tax on manufacturing
petroleum and chemicals
Tax on the use of highways by
heavy trucks and buses
Production, sales, or importation of
alcohol, tobacco, or firearms
Luxury tax

IDAHO STATE EXCISE & OTHER TAXES

Beer & wine tax – paid by distributors
Insurance tax – paid to the Department
of Insurance by insurers
Cigarette and tobacco tax – paid
by wholesalers or importers
Coin operated amusement device annual
decals – paid by owners or operators
International Fuel Tax Agreement
Licenses - paid by interstate truckers
Mine license tax – paid by miners
or royalty recipient
Motor fuels tax – paid by distributors
Electricity tax – paid by hydroelectric
power producers

Local Sales Taxes

In addition to state sales tax, some resort cities in Idaho have a city sales tax. Often referred to as local “option” taxes, these taxes are decided by the voters in the affected communities. These taxes may include everything subject to the state sales tax or be limited to certain types of businesses or individual products such as restaurant food, alcoholic

drinks, or lodging. Resort cities with local “option” taxes are listed on the Idaho State Tax Commission website. Contact cities directly to learn the specifics of their local sales tax and whether it applies to your farm or ranch products or services.

PROPERTY TAXES

Property taxes are collected by counties to support local services, cities, and schools. In addition to real property (land and buildings), personal property (desks, computers, and other business equipment) used in a business are also taxable. You are required to annually report and pay taxes on the assessed value of the property to the county assessor’s office. Visit the Idaho State Tax Commission for more details.

RELATED FACT SHEETS IN OTHER CHAPTERS:

3.6 Farmers Markets





BUSINESS OPERATIONS INSURANCE

Insurance can protect you and your business in case of personal injuries or damage that occur on your premises, physical damage to machinery or buildings, damage caused by or to your products, and other general protections against risk. In most cases, insurance is required as a condition for a bank loan.

Depending upon the type of business entity you choose for your farm or ranch, adequate insurance may be especially important because you can be personally liable for all business debts. (See *Fact Sheet 2.3 Liability for more information*). Having adequate insurance is one way to manage risk of being personally liable if your business defaults on loans or is subject to a loss or damage claim by a third party.

TYPES OF INSURANCE POLICIES

When deciding on an insurance policy, you must identify the risks involved with your business activities. Take inventory. Make a list of all the things that are essential to your business – from structures and equipment to customers and workers on the farm. Take time to consider what would happen if you, your farm partner, family member or another worker on your farm or ranch is injured. How would medical bills be paid and who would be responsible? If there was a natural disaster, such as drought or wildfire, would you be able to sustain a one year or multiple year crop loss?

Through careful planning, assessment, and due diligence, you will be able to implement daily strategies to minimize many risks to your farm or ranch business. The following insurance policies can mitigate the potential impact of the unavoidable risks. Remember, even with an insurance policy, your business is not exempt from receiving a liability claim. (See *Fact Sheet 2.3 Liability for more informa-*

tion). You'll want to take care to communicate fully with your insurer about all aspects of your farm or ranch business—you don't want to pay for a policy that is not actually covering the full range of your business practices. Whatever policy you choose, carefully read the details, and make sure you understand the extent of what is covered.

Two of the most important types of insurance for a business are property and liability insurance. Property insurance covers your buildings and other physical assets. Liability protects you against claims of injury or property loss resulting from negligence on your part. Health and life insurance coverage can be essential for you and your family's immediate and long-term care and are often part of employee benefit packages.

COMMERCIAL BUSINESS POLICY

This policy type is custom fit to your business activities and may be needed if what you are doing resembles a commercial venture, such as running an event venue or guided hunting service, rather than traditional farm or ranch food and fiber enterprises.

COMPREHENSIVE FARM LIABILITY POLICY

This type of policy is general liability coverage for accidents taking place on the farm, as long as any injuries occur in connection to farming. A policy of this type would cover you and your family, customers, and guests who visit the farm. If you have special events on the farm or off-farm activities, such as a farm stand not located on your property, CSA deliveries, or seasonal sales at your local farmers markets, discuss these activities with your insurance provider to determine if they are covered by your farm liability policy or require the purchase of additional insurance riders or endorsements.

CROP AND LIVESTOCK INSURANCE

You may want to add coverage for particular crops, livestock, or the whole farm in addition to your farm policy or general liability insurance. This coverage covers losses due to market fluctuations. The USDA Risk Management Agency offers information on a range of insurance programs for farm and ranch businesses. Of particular relevance to small, direct marketing farms and ranches is the Whole Farm Revenue Protection policy which provides revenue coverage for diversified crop and livestock operations. For more information visit: <https://www.rma.usda.gov>

EMPLOYMENT RELATED POLICIES

If your farm business has employees, you'll need unemployment insurance and worker's compensation. (See *Fact Sheet 2.8 Employer Responsibilities*).

HOMEOWNERS INSURANCE

For many small farms operating within their property boundaries, a homeowner's policy is a good place to start. You may be able to obtain coverage for additional activities, which include sales less than \$5,000 per year, provided that the business is a secondary income. However, don't assume your market garden, farm and ranch business activities, equipment and structures are covered by your homeowners policy! Schedule a time to sit down and meet with your insurance agent to discuss your homeowners policy and whether you need additional coverage for your market garden, farm or ranch business activities.

LIABILITY INSURANCE

In the event that someone suffers a bodily or property injury as a result of your business, a liability insurance policy is intended to cover the costs of damages you'd be required to pay. The cost is generally related to the risk of your industry. As an agricultural business, your cost may depend upon what you produce on your farm and how you produce it, and whether or not your operation is open

to the general public. You may want to include things like product liability, livestock liability, or a farm and ranch umbrella liability coverage policy.

Commercial General Liability

Sometimes required by intermediated market buyers (restaurants, retail grocers (including natural food cooperatives), and wholesalers), this type of insurance can extend farm or ranch liability insurance to include a broader set of coverage including product liability coverage and recall costs.

Product Liability Insurance

Protects you against injury or property loss from a product defect or design flaw, including any found in farm machinery, livestock products, or food products.

Livestock Liability Insurance

Covers you in the event that your animals injure someone or damage their property.

Farm and Ranch Liability Insurance

These vary by insurer, but are intended as another level of protection for your farm or ranch, and often bundle things like product and livestock liability policies.

PROFESSIONAL INSURANCE

This policy protects people whose business involves services or consulting, such as advising other farmers on business aspects like production planning. Find out from your insurance agent if consulting or other services expose you to any special liability issues and whether a professional insurance policy is needed. People who are self-employed often need professional liability insurance to protect both their personal and business interests.

VEHICLE INSURANCE

Insurance coverage for vehicles used for both personal and business purposes may require special disclosures or be limited by percent of use or miles.

If work trucks, delivery vans, utility trailers, ATVs (all-terrain vehicles) or other motor vehicles used in your farm business are owned by the business, your business will need to obtain vehicle insurance. Before talking with your insurance provider, make a list of vehicles, registered ownership, and operators (yourself, family, employees, etc.) and details about how each vehicle is used in your operation. Depending upon the provisions, and cost, of available policies, you may choose to limit use of vehicles to farm owners or specific farm employees.

GETTING INSURED

Before applying for insurance coverage, make a list of all the business activities planned or operational on your farm. Include things like equipment used, farm tours, internships, workshops, farm-to-table dinners, or farm stays. You'll want to keep these activities in mind while shopping for insurance and be transparent with your eventual insurance representative to ensure your farm activities are actually covered in the policy you're paying for. You must report any changes in the nature of your activities or property that affect your coverage. If you don't report changes, your new activities or property may not be covered by your existing policy. Below are some considerations when choosing insurance.

INDEPENDENT AGENT VS. DIRECT WRITERS

These terms refer to types of insurance agents. Independent agents don't work for any one company, and as a result can present plans from many different companies. Direct writers, or captive agents, are employed by one company and therefore can only present plans from that organization. Choosing between these styles of insurance providers depends on your preferences. Would you prefer to consult with the same person each time a question arises? Do you want to confer regularly on concerns like agritourism events, new vehicle drivers, building improvements – or the need to update your coverage? Do you want them to visit the farm? If you prefer the consistent and personal relationship

type, you probably would be more comfortable going with an agent. If you prefer the convenience of a single phone call or a 24-hour service line, a direct writer may be the better choice. Direct writers usually do not receive commissions, where general agents may.

AGENTS VS. BROKERS

Independent agents and direct writers, while they vary on the number of companies they work with, both represent insurance companies. An insurance broker, on the other hand, would represent you directly in the insurance marketplace. Using a broker may be preferable if you want someone who can source a broad range of coverage to put together the best package for your specific business circumstances. While both agents and brokers will work to respond to your needs, an agent also represents the insurance company they work for. A broker works independently.

SELECTING A REPRESENTATIVE

How do you pick the right agent or broker? It is essential to work with someone who is already familiar with the insurance needs of diversified and direct marketing farms and ranches – or is interested in learning! Check with your friends, neighbors, family, and other farmers with similar operations. If possible, talk with people who have had difficulty with claims or coverage. Knowing how an insurance provider, agent or representative reacts under difficult circumstances can help you get an idea about how they will respond if you need similar help. In general, consumers should investigate potential agents or brokers every way they can. For example, the Idaho Department of Insurance will tell Idaho consumers on request how many complaints have been filed against an agent or broker – and whether that licensee has faced disciplinary action in the past. You, as the insurance consumer, have a right to that information.

SAMPLE QUESTIONS TO ASK YOUR INSURANCE AGENT OR BROKER

- ✓ At what point does my homeowner's policy no longer cover my involvement with direct farm marketing?
- ✓ Can my homeowner's policy be extended to cover my farm or ranch activities (with additional premiums)?
- ✓ Is there a limit to the amount or type of direct or total farm sales I can make and still have them considered as incidental to my farm operation?
- ✓ If I have a farm policy, does my liability cover my direct farm marketing sales, such as at my roadside stand, U-pick operations, delivery to restaurants and farmer's markets? Are on-farm events (tours, meals, workshops, weddings, etc). covered by my policy? What activities are excluded as a "separate business" for which I need to buy a commercial policy?
- ✓ Are you willing to come out to my farm or ranch to walk the property and discuss in more detail my insurance needs?

COVERAGE LIMITS

All insurance policies will have limits in coverage. And, generally, the more coverage, the higher the cost of the policy. Completing a risk assessment for your farm/ranch and developing a comprehensive plan for mitigating those risks can help you determine which insurance products are essential to your business.



BUSINESS OPERATIONS **LIABILITY**

Being liable means being responsible for something, especially by law. In the event that a person or someone's property is damaged by your business in some way, you may be liable to pay for those damages. Farming requires a lot more land, guests, and heavy or dangerous equipment than a typical residential property, which means more liability risk. As the farm or ranch owner, it is your responsibility to examine liability concerns for all property you own, lease, or perform work on as an independent contractor. This Fact Sheet focuses on claims of liability for personal injuries that occur on your property and legal duties a farmer or rancher has to protect visitors on properties under their management, as well as the steps you can take to reduce your liability.

LEGAL DUTY TO PROTECT THE PROPERTY VISITOR

There is a legal "duty of care" that you are responsible for as a property or business owner to keep the premises of your business safe. If someone were to be injured on your farm or ranch, you may be held liable for those injuries if it is deemed that the dangerous condition, or the visitor's lack of awareness of it, was caused through your negligence. When dealing with children, it is expected that extra care is afforded to them to account for their smaller size, curious natures, and general lack of caution or awareness. A chemical storage room, for example, may be a curious play place for a child that would not be attractive for an adult. Take care to make sure these areas, and other similarly dangerous conditions, are inaccessible to children should they come to your farm or ranch.

STATUS OF THE PROPERTY VISITOR

Folks coming onto your farm or ranch can be di-

vided into three types of property visitors, invitee, licensee, and trespasser. Your legal duty of care to these visitors varies depending on their status.

Invitee

Invitees are people you invite to the farm or ranch either explicitly or an implied invitation through your actions. Your expected duty of care is highest for these people. You must do your best to eliminate all dangers from your property, warn any visitors of any dangers that cannot be removed, and generally keep them from harm.

Licensee

Licensees are people on your farm or ranch for their own benefit. Though you did not invite them, they are present with your permission or agreement. Hunters on your property with your permission is an example of a licensee. You must warn licensees of dangerous conditions they may encounter and generally work to keep your property safe.

Trespasser

Trespassers are people on your farm or ranch without an invitation or express permission. There are two types of trespassers: known and unknown. For the unknown trespassers, you are legally responsible for warning them of dangerous conditions. If the trespasser(s) are known to you, you do have the legal duty to reduce dangerous conditions or warn them of remaining dangers. Known trespassers can include people regularly cutting across your fields or coming onto your property on the way to a popular walking path.

LIMITING LIABILITY

There are many steps you can take to reduce the chance someone is injured on your farm or ranch,

and to reduce the chance you are found liable in the event of any injuries.

Inspect Your Property

Whether your farm or ranch is in good and safe condition is the main factor for determining liability for injury. Regularly inspect your property for dangerous conditions! Make notes especially of conditions that would not be readily apparent to a property visitor even if they were being cautious (i.e. camouflaged animal traps).

Eliminate Dangerous Conditions

Remove or remediate dangerous conditions whenever possible. This includes making sure your machinery is working properly, and that all protective devices are properly in place.

Properly store equipment and use signage to indicate who is allowed in equipment storage areas.

Provide Warnings

Farming and ranching create a certain amount of unavoidable dangerous conditions. In cases like those, make sure to post a warning danger. These warnings can be signs, or by roping, fencing, or otherwise blocking access to a dangerous condition. Make sure all warnings are clear but avoid verbal warnings that cannot be documented. It's a good idea to keep a written record or copy of all warnings.

Educate & Train Employees.

Ensure all your employees understand liability rules. Make sure they are aware of the dangers on the property and know to warn others of them. Train them to properly store chemicals, tools, or other potentially harmful substances. Also create an expectation that they will warn you of any conditions they notice or inadvertently create (damaged equipment, for example). You as the owner are responsible for the condition of your property, but employees can potentially also be held liable for creating a dangerous condition.

The Federal Worker Protection Standard (WPS) may also apply to your agricultural establishment. Employees who apply pesticides, assist with pesticide applications, or work in agricultural production areas where pesticides have been applied in the last 30 days, must receive pesticide safety training prior to their first day of work in these areas. To find out if WPS applies to your establishment, take the quiz.

Visitor Education & Agreements

Educate parents, teachers, and other visitors of any dangerous conditions on your property. Prior to engaging in on farm activities, advise visitors verbally and in writing what your expectations are for their behavior on your farm or ranch. Have them sign a visitors log indicating they have been informed of and understand the rules. Visitor logs should include name, physical address, phone and email address of each visitor as well as the time they entered and the time they left the property.

Depending on the situation and your relationship with the visitor, it may be a good idea to have them sign waivers or release and hold harmless agreements, which would release you from liability for injuries that occur on your property. If you host vendors for events, consider asking vendors to sign a release and hold harmless agreements that release you from liability should a vendor-related accident happen on the property. When hosting minors for any events (such as on-farm school trips), have the students provide waivers signed by their parents or legal guardians. Keep in mind, neither a waiver nor a release and hold agreement completely absolve you of liability for injuries caused by your negligence.

Maintain Records

It's a good idea to take photos or videos of your property. Keep a record of when you inspect your property for dangers, including notes on what you found and how you eliminated the danger or other actions you took to reduce the chance of injury. Keep a visitor log and a copy of the written rules shared with visitors.

LIABILITY FOR INJURIES BY ANIMALS

The issues of liability change in the cases of injuries caused by animals on your property. Whether you as the keeper of an animal can be found liable, and the extent of the liability, changes depending upon the type of animal causing the injury, the foreseeability of the injury, and the activity that resulted in the harm. If you keep animals known to be vicious, wild animals, or dogs you are strictly liable for injuries caused by the animal regardless of whether you were negligent or not.

If the animal(s) you keep are outside the above classifications, you can be held liable for injuries caused by them if you are negligent in your keeping of the animal. Whether you are found to be at fault generally rests on whether you could have anticipated the dangerous condition but did not prevent it. If a visitor invades a space that the animal has the right to be, and the injury takes place there, you are not liable. For example, if someone enters an animals' stall or pen.

THE FARMER'S DEFENSES TO LIABILITY

If you are accused of being liable for an injury, you have two potential defenses, outlined below.

Exceeding the Scope of Invitation

If someone on your farm or ranch goes outside what you discussed or invited them to do, you are not liable for injury. An example of this would be giving someone permission to walk through your fields, but they decide to also enter your barn. You would not be liable for injuries that occurred in your barn.

Exceeding the Scope of Permission

If a visitor or customer goes beyond posted warnings or barriers. For example, if you have a "Keep Out" or "Employees Only" sign posted, or have fenced or barricaded an area off, and a visitor or customer enters that area, you are not liable for injuries that occur in the restricted area.

BUSINESS OPERATIONS

PERSONNEL MANAGEMENT

FACT
SHEET
2.4



As businesses grow, so does the labor needed to operate them. Before bringing new employees or volunteers into your operation, there are a few things you'll want to do to make the process as smooth as possible.

JOB DESCRIPTION & EXPECTATIONS

Once you've established you need additional help to get everything done, you'll need to decide which tasks you can hand off to someone else. Write out a clear job description including expected job or volunteer duties. Think through the times of year you will need additional help, how many hours per week, and what the ideal weekly work schedule would be. Make a list of required and preferred qualifications for each job description. Specify if workers will need a valid driver's license and the physical requirements of the position. Think through what you can offer. If you are hiring someone, know before you advertise the position how much you can pay and any benefits you can provide including paid time off and sick leave. For both employees and staff, be clear about what training you will provide and what experience and skills you expect them to bring to the position.

ADVERTISING & INTERVIEWING

Once you've decided that you want to hire help, you've written out your job description and gotten clear about your internal policies, it is now time to post the job! The Small Business Development Center can help you create a standardized job description. You'll want to post the opportunity widely. The more applicants you get, the better chance you have of finding the best fit for your operation. Utilize your social media pages, local online job listings, and word of mouth. Consider also posting physical advertisements around town and listing

CONSIDERATIONS

What equipment will you be providing, and what should people bring themselves? Do you have a clear plan to communicate your policies and options in case someone forgets something, such as gloves?

What areas of your farm are open to employees and volunteers, and what areas are restricted? Where will people take breaks, eat lunch, or use the bathroom? If some of the facilities are within your personal residence, what entrance will people use? Do you have a shoes off policy? Be sure to provide an in-person orientation at the beginning of employment/volunteering and provide a copy of your policies in writing. Facilitate a conversation with new hires and volunteers to ensure your policies are understood.

Consider your employees' needs for time off, including sick leave and personal leave. How will this affect your business and the roles employees or volunteers have in your farm? Is there a time frame that is best for folks to take time away? If you provide paid time off to employees, what are your policies about staff taking additional unpaid leave?

If someone must drive for your operation, how will you manage that? Will you reimburse the mileage or provide a vehicle? Before hiring is the best time to inquire with your insurance agent about how changes may impact your plan.

with national agricultural job registries. With all postings, include a brief description of your operation for anyone unfamiliar with your farm or ranch.

Interviews are a good time to discuss the job description and your expectations. For hired labor, make sure to ask for references and to call them. Prior to interviewing, determine whether you want to run background checks on potential hires, or license checks if you are hiring a driver.

MANAGING & MAINTAINING OPEN COMMUNICATION

Having employees and volunteers on your farm will require some regular management tasks to keep everything running smoothly. It is also good practice to employ techniques to ensure your business is an enjoyable place for people to be, with the hopes of retaining them for as long as possible. Onboarding and training new help costs time and money, so keeping employees for the duration of your employment season is a financial benefit to your business. How will you communicate the daily, weekly, or monthly work plan? How will you communicate throughout the day if working apart? Walkie talkies, a centralized whiteboard, and phones are all viable options to consider. What check-ins do you want to build into the season to address problems as they arise? How will you recognize and appreciate the help, especially if they are volunteers? End of season gifts or celebrations go a long way, as well as verbal thanks and acknowledgment throughout the season.

BUSINESS OPERATIONS INTERNS & APPRENTICES

FACT
SHEET
2.5



Agricultural business owners are often bombarded with questions and enthusiasm from community members interested in the production process, especially as local food, homesteading, and self-sufficiency continue to gain popularity. Engaging someone eager to learn as an intern or apprentice can be a win-win—they gain valuable food production knowledge, and you gain from being their mentor. However, if you want to host an intern or apprentice, there are qualifications for these programs. Falling outside of them would make that worker legally an employee, and as such, you as the business owner would be responsible for compensating them to the minimum standards of employment set by the Fair Labor Standards Act, including minimum wage, overtime pay, and other benefits laid out in the law.

This Fact Sheet is intended to help navigate these designations and make plans best suited to you and your business.

INTERNSHIPS

The intern must be the primary beneficiary of the relationship, not the employer. Said another way, the intern must gain more from the experience in training and learning than the employer gains from labor.

The following questions, outlined by the U. S. Department of Labor, help identify if the person in question is operating in the scope of an internship or employment. The test, known as the “primary beneficiary test” is flexible; no one answer determines the result.

- ✓ Whether the intern clearly understands that they will receive no compensation. Any form of compensation or suggestion of compensation would make them an

employee. Providing food or lodging can muddy the waters here, as these are forms of In-Kind Payments. (*See Fact Sheet 2.9 In-Kind Payments for more information*).

- ✓ Whether ample training is provided, if that training is structured, and if that training is similar to what would be provided in a classroom setting.

The training needs to be transferable across the industry, not training on how your operation works. Think how you would train someone to open their own business, not how you train someone to work on yours.

- ✓ Whether the internship is tied to a formal education program by integrated coursework or receipt of academic credit.

Some colleges oversee internship experiences and offer academic credit for them. Contact your local colleges and universities to inquire about this option.

- ✓ Whether the employer is accommodating to the academic calendar and the intern’s academic commitments.

Many schools’ calendars conflict with the growing and producing season. Many internships are offered on a shorter term than a seasonal hire would work.

- ✓ Whether the internship is limited to the period in which the intern is provided beneficial learning.

This has been interpreted on a task-by-task basis as well as a seasonal one. It may take 20 supervised minutes to learn to correctly weed a pathway, not 40 hours.

- ✓ The extent that the intern's work complements, not replaces, the work of a paid employee.

Similar to the above, they should be doing a task only long enough to learn it, not necessarily the length it takes to complete it.

- ✓ The extent that the intern understands that the internship period does not guarantee a paid position.

An intern cannot be hired on as a "trial basis" for paid employment.

An intern should be learning new skills throughout their experience. Often this means it costs more to run an internship program than the interns themselves bring to it. It can be a full-time job to provide educational training. The Idaho Department of Labor can help answer any questions you have on these requirements and your specific operation.

Can't Meet Requirements or Unsure

Though this test is flexible, it is unclear how lenient a court would be on your operation if it was brought before them. If you cannot clearly meet all of these standards, the best risk management strategy would be to follow all employment laws for interns – including paying at least minimum wage. (See *Fact Sheet 2.8 Employer Responsibilities for more information*).

Requirements Met

If you think you do meet all the above requirements or would be willing to, you need a plan to keep thorough records throughout your internship program, have your interns sign an onboarding statement saying they understand they are an intern, and get workers' compensation insurance coverage for them.

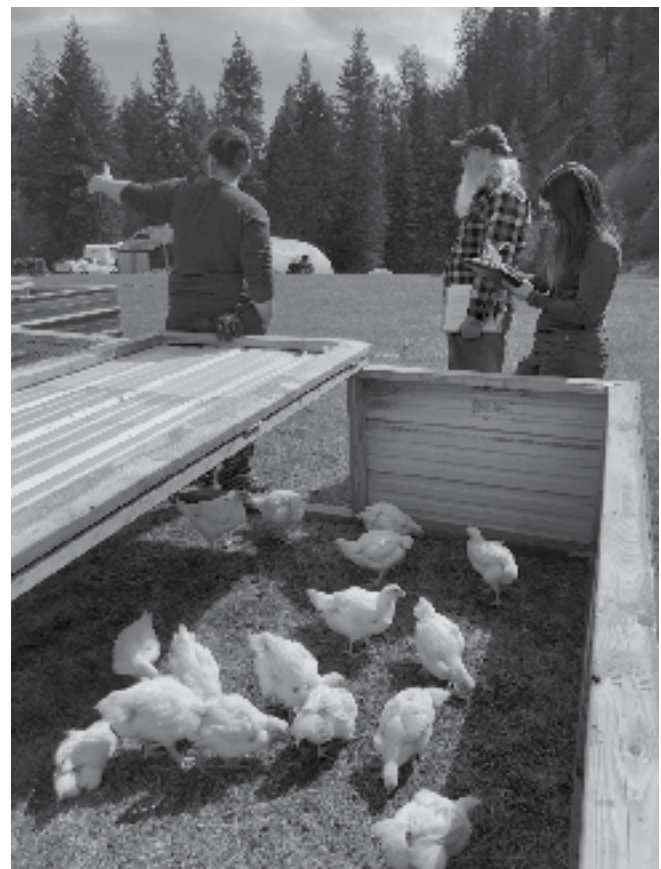
APPRENTICESHIPS

Similar to internships, most positions with the informal title of "apprentices" are actually legally employees. The Idaho Department of Labor has

an apprenticeship program. These are registered with the state, usually paid, and a combined effort of an educational institution and the job training provider (i.e. your business). Contact your regional apprenticeship coordinator for more information.

A NOTE ON JOB TITLES

Some farmers and ranchers prefer to title their paid positions with terms like apprentice or intern to attract candidates invested in local food production and eager to learn, rather than those just looking for temporary employment. If you are following employment laws, that is fine. They will be legally employees in the eyes of the law, but how you internally refer to them is up to you.



BUSINESS OPERATIONS VOLUNTEERS

FACT
SHEET
2.6



Ag businesses have an unusual amount of community support and interest in participation or volunteering compared to other for-profit businesses (people don't often email banks asking if there are any volunteer hours available!). Whether you're interested in mitigating cash flow, community involvement, sharing skills, or creating a more social or communal feeling in your farm, hosting volunteers can be a tempting and rewarding enterprise. However, it can be tricky to do so legally according to the Fair Labor Standards Act.

For-profit businesses may not use volunteer labor for their own benefit. The Fair Labor Standards Act was put in place to protect people from exploitation. Though the neighbor who comes over and helps you weed beets in exchange for some produce or the neighbors who offer to help you put in a fence are unlikely to feel exploited, it is best to have a full understanding of the law in order to make informed choices about whether or how you will host volunteers.

PRIMARY BENEFICIARY

Let's take a closer look at the concept of primary beneficiary. Say you run an orchard. If you want to use volunteers to pick your apples which you then sell at the market, that is not allowed. You have used free labor in place of an employee's time and made a profit from the volunteer's contributions. Now, say you're that same orchard owner. You have gone through your trees and harvested what you need. There are still some valuable apples left, but you don't want or need to spend the time harvesting them. You can then advertise a gleaning opportunity for community members. They benefit from the apples they have harvested, since they are keeping them, and you benefit from the reduced waste, but not monetarily. In this case, hosting those volunteers is completely legal.

Similarly, if a task looks and feels like leisure or play, even if it is a task an employee would do, that is the legal use of volunteers. Harvesting, for example, is something that an employee would do but can also be a leisurely and enjoyable task for volunteers. Say you offer for your CSA members to pick their own raspberries or bouquet of flowers. Many would enjoy this task! Be careful about setting too many expectations on the task though—if it looks like employment, it probably is. In the case of picking, if you set expectations about how long the task should take, if they must pick beyond what they plan to consume, or if the picking is mandatory in order to pick up their share, that is no longer a volunteer task.

The same concept applies to ranches. If you have customers picking up a meat or milk order, eager children are welcome to brush or feed your animals. But making these tasks mandatory to collect their goods is not.

Agritourism

Circling back to that orchard owner with the apples—there is another option besides picking all the apples using employee time or giving away the apples for free if using community labor. Hosting a U-Pick operation allows for community involvement with profit and without exploitation. In this case, the pickers are community members who then keep the product at a reduced cost compared to what they would find at the markets, and you still make money from the product while saving on labor costs. (See *Fact Sheets 3.3 Agritourism and 3.10 U-Pick for more information*).

RISK MANAGEMENT

Many folks are willing to and interested in volunteering on farms and ranches for the direct benefit

of the farm or ranch. Since a farm directly benefiting from volunteer labor violates The Fair Labor Standards Act, it is important to understand the risks involved in accepting volunteers and how you can mitigate them. There are several risk management options you can put in place if you want volunteer involvement on your farm or ranch.

Follow All Employment Laws for Volunteers. This includes paying minimum wage unless an exemption applies—see below for more information. (See *Fact Sheet 2.8 Employer Responsibilities for more information*). This is the most risk adverse tactic.

Get Insurance to Cover Volunteers.

If a volunteer is seriously injured on your property while volunteering for you, their health insurance company might come after your business for payment (or your personal assets, depending upon your business structure - see *Fact Sheet 1.3 Business Structures for more information*) whether that volunteer wants them to or not. Your current policy might not cover volunteers if they are working in an employee capacity. Be very open with your insurer about your operation and seek written confirmation that your volunteers would be covered in the actual capacity that they work on your farm or ranch. If you want to be even more careful, get workers compensation to cover your volunteers. (See *Fact Sheet 2.2 Insurance for more information*).

Avoid Paying Anything.

If you cannot follow all employment laws for volunteers, be aware that any payments make it look more like an employment situation. This includes meals and lodging.

ONLINE VOLUNTEER MATCHING SERVICES

Many farmers look to volunteer and intern matching services for help on the farm. In most situations, the Fair Labor Standards Act would define these volunteers and interns as employees. Once again, participating in any kind of volunteer hosting is a

risk that is up to you to navigate.

NON-PROFITS

As mentioned above, the prohibition of volunteers is specific to for-profit businesses. Non-profit farms and ranches can host volunteers but are restricted by the following:

- ✓ You cannot ask an employee to volunteer. Either asking them to work extra time unpaid, or to participate in additional volunteer work outside of their employment. Doing so can imply their employment with you is contingent upon doing this extra unpaid labor and creates a power imbalance.
- ✓ You cannot provide everything that person needs to live (room, board, clothing, and meals) in exchange for the volunteer work. A court case found this to create either a coercive or employment relationship. (See *Fact Sheet 2.9 In-Kind Payments*).
- ✓ You cannot use volunteers to compete at an unfair advantage to other farmers or ranches. Essentially, you cannot subsidize the cost of your goods with the free labor.

BUSINESS OPERATIONS

EMPLOYEES & CONTRACTORS

FACT
SHEET
2.7



As your business grows, you may want to hire help. Paid employees are a more reliable, consistent, and legal work option than engaging volunteers. Below are a few classifications of paid laborers and how to distinguish between them.

EMPLOYEES

According to common law rules, anyone who performs services for you is your employee if you control what will be done and how it will be done, even if you give the employee freedom of action. If they are employed under your business, doing work in the regular scope of your business, and do not own their own business, they are likely to be your employees. (See Fact Sheet 3.8 *Employer Responsibilities for more information*).

INDEPENDENT CONTRACTORS

Another type of paid labor is an independent contractor. An independent contractor usually owns their own business which you contract with for a specific service or finished product. How they complete the project and what schedule they will work is up to the independent contractor. Many small farms and ranchers hire bookkeepers or payroll specialists as independent contractors if they are not able to employ them full time. Other examples could be hiring a construction company temporarily to install a building on your property, or other specialized labor.

Lesser Responsibilities

Independent contractors own their own business and have a responsibility to pay self-employment tax on their earnings. You, as the person who hired them, do not owe them the same benefits as a traditional employee, including paying workers compensation or minimum wage. Mislabeling an

employee to save on these costs carries legal consequences.

Determining if a Worker is an Employee or Independent Contractor

Below is a series of questions, known as the common law rules, to help you determine if you are engaging an employee or an independent contractor. These questions are sourced from the IRS.

COMMON LAW RULES

Behavioral: Does the company control or have the right to control what the worker does and how the worker does his or her job?

Financial: Are the business aspects of the worker's job controlled by the payer? (these include things like how a worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc).

Type of Relationship: Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc)? Will the relationship continue and is the work performed a key aspect of the business?

You must weigh all these factors when determining whether you are hiring an employee or an independent contractor. You must look at the entire relationship and decide which of the two classifications is more correct. Document what factors led to your conclusion before entering into an employment or contract situation.

Required Forms

If you pay an independent contractor more than \$600 in one calendar year, you are required to file Form 1099 with the IRS.

FARM CONTRACT LABOR

Farm Labor Contractors are agencies or individuals who work as an intermediary between farmers and laborers. Payment is made to the agencies or farm labor contractors, not the laborer(s) themselves. If you employ this way, you'll need to ensure the recruiter or farm labor contractor is licensed as such. If they are not, and they do not pay the wages of the workers, you as the farmer are held liable for those wages regardless of whether you've paid the recruiter. Visit the Department of Labor website for more information. <https://www.labor.idaho.gov/dnn/Businesses/Idaho-Labor-Laws/FLC-Registry>

BUSINESS OPERATIONS

EMPLOYER RESPONSIBILITIES

FACT SHEET
2.8



The first step to hiring help is to do financial projections to determine what you can pay an employee or employees and for how long. In addition to the cash flow, having employees will require additional bookkeeping, paperwork, and other recordkeeping. Before bringing on a new employee, reevaluate your bookkeeping and other administrative systems to make sure they are efficient and manageable. Below are some of the requirements of you as an employer!

UNDERSTAND THE LAWS

Before hiring, make sure you are aware of all federal and Idaho labor laws. This includes laws about hiring veterans, foreign workers, terminating or laying off workers, required benefits or breaks, and more. You'll also want to make notes of what records you are required to keep and for how long.

NEEDED PAPERWORK FOR NEW HIRES:

After hiring, you and your new employee need to fill out the following paperwork.

- ✓ 1-9 Employment Verification
You'll need to have your employee fill out an I-9, or Employment Verification Form. This form ensures the person hired is verified to work in the United States. You'll need to keep a copy of the completed form on file for three years after the termination of their employment.
- ✓ W-4 Employee Withholding Certificate
This form tells you how much income tax to withhold from employees' wages. Employers are federally required to withhold social security and Medicare taxes from employee's wages and to match these withholdings. You

should keep a copy of this form on file for each employee.

- ✓ W-2 Wage and Tax Statement (ANNUAL).
You'll need to submit W-2 forms to Social Security each year to report the wages and taxes of your employees for the previous calendar year. You'll also need to send a copy of the W-2 to each employee for their tax records.

REPORT EMPLOYEES

All Idaho employers are required to report new employees the Idaho Department of Labor within 20 days of the date of hire. This includes rehires if their previous employment was terminated 60 days or more prior to the new date of hire.

TAX REQUIREMENTS

As an employer, you will have tax obligations that you either pay as the employer, match with your employee, or withhold from an employee's pay. These can include social security taxes, federal unemployment insurance (FUTA), state unemployment tax (SUTA), federal withholding taxes (FWT), social security (SS), state withholding tax (SWT), and Medicare. We recommend working with a professional to set up your payroll and required reporting.

WORKERS' COMPENSATION

Employers with one or more full-time, part-time, seasonal, or occasional employees are required to maintain a workers' compensation policy, unless specifically exempt by law.

Contact your insurance agent or company representative for assistance.

Keeping Rates Low

There are some basic steps you can take to keep your workers' compensation rates low. First, as always, work to prevent injuries and keep a safe workplace. Be mindful of assigning dangerous tasks, which may increase your premiums. Having employees participate in dangerous tasks, such as running a tractor, may be unavoidable. Assigning higher risk tasks to senior employees only will lower your worker's comp cost for the other hires.

emptions, contact the Idaho Department of Labor for more information.

LIABILITY

You may need additional liability coverage for your employees from a private insurer even if you have worker's compensation in place. This is because circumstances could arise on your premises that involve damages for employees that the worker's compensation insurance will not cover. (See *Fact Sheet 2.2 Liability for more information*).

CONSIDER ADDITIONAL BENEFITS

Depending upon your business' financial situation, you may be able to offer additional benefits, such as healthcare, dental or eye plans, overtime pay, paid time off, or retirement plans to your employees benefit package. While these benefits are not required by law, they can help you attract and retain employees. Your accountant or tax professional can help you determine the cost of additional benefits and help you find insurance and investment providers.

AGRICULTURAL EXEMPTIONS

Agricultural employers are exempt from some of the above requirements. However, the criteria for your employees to be considered agricultural workers is very specific. An employee working in any task outside of the "agricultural worker" designation (sometimes including working at the farmers market or delivering produce) negates your exemption. Agricultural workers may fall outside of the minimum wage requirement if your farm or ranch is covered by the 500 Man Day Minimum Wage Exemption. If you want to pursue these ex-

BUSINESS OPERATIONS IN-KIND PAYMENTS

FACT
SHEET
2.9



In-kind payments are non-monetary forms of payment, such as housing or meals. How much and what kind of in-kind wages you can provide is limited by law. Providing in-kind payments either as a substitute for cash wages or as a benefit offered to encourage qualified applicants is a strategy many farmers use to mitigate cash flow issues and attract workers looking for a richer experience through shared meals or on-site living quarters. This is especially true in places that are isolated and rural. Using in-kind wages to meet minimum wage requirements is complicated. This Fact Sheet is designed to help you gain an understanding of the rules associated with in-kind payments.

WHAT QUALIFIES

Housing, meals, and transportation can all potentially be counted as in-kind wages. There are two qualifiers for in-kind wage payments: In-kind wage provisions must be for the primary benefit of the worker, not the employer, and they must not be mandatory for employment.

For example, you can provide housing to benefit workers who would otherwise be in a tough housing market. However, you cannot require that an employee move out of their house and onto your property to be available for evening care of animals or to be on call. Similarly, you can provide rides to workers but cannot require that they utilize that service.

Meals vs Groceries

Many farms and ranches are interested in paying workers in the form of their products. However, most interpretations have concluded that raw products or groceries cannot be counted as meals since they are not prepared. The best rule of thumb is to count these things as perks, not part of wages.

Trainings & Education

Training your employee cannot ever equal payment. These are considered to be to the benefit of the employer, not the employee. If you want to provide in-depth education, you can offer classes and charge tuition. You cannot make your employees take these classes or educational courses. (See Fact Sheet 2.5 *Interns & Apprentices* for more information).

CALCULATING VALUE

When calculating the value of the in-kind wages paid, you must use the lesser of either the fair market value of the product or service, or your actual incurred cost.

Loss of profit does not count as an incurred cost; this is your production cost or actual bills. For housing, utility bills like gas or electricity for the dwelling you are providing does count as actual incurred cost, as does the gas for transporting employees.

SECURING AGREEMENT

You'll need to check with any existing or potential employees about paying with in-kind wages. If you move forward with using in-kind wages to meet minimum wage, you must secure written agreement from your employee stating they are willing to accept that arrangement. If they do not agree, you must be willing to pay in cash instead.

PAYING & TRACKING

For accounting purposes, in-kind wages work as deductions from cash owed. You'll need to calculate what you owe each employee in cash, then subtract the value of the in-kind payments. These subtractions need to be itemized on every paystub, and you'll need to keep records showing how you calculated the incurred cost or market value of

each item, keeping records of things like grocery or utility bills. You then will pay cash for the amount remaining owed to the employee. We recommend working with a payroll specialist to set up your system for calculating in-kind payments, payroll, and tax purposes.

IN-KIND USED NOT AS WAGES

If you are not required to pay the minimum wage or are meeting that requirement using cash, then you do not need to track each item to the same degree as listed above. Many farmers and ranchers use these bonuses as incentives to attract better quality workers or to increase employee retention.

Providing Housing in Addition to Wages

Providing optional housing for employees is fairly common among farmers and ranchers, especially those attracting workers in rural areas or areas in high-cost housing markets. Many farmers and ranchers in this case assume a landlord tenant relationship, where the employee pays you rent for the dwelling, rather than using in-kind wage calculations. Talk to other producers with experience providing housing or your local extension office if you are interested in housing employees on your farm or ranch – they may have valuable insights and examples of rental agreements you can use or modify to fit your situation. Also, discuss the housing arrangements you plan to offer with your insurance provider and accountant to make sure you are following all required laws and recordkeeping. Make sure to check with your city or county clerk about applicable zoning laws before setting up lodging on your property!



IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho Cultivating Success

<https://www.cultivatingsuccess.org/idaho>

Small Acreages & Local Food

<https://www.uidaho.edu/extension/small-farms>

Entrepreneurship Law Clinic (ELC)

<https://www.uidaho.edu/law/academics/practical-skills/clinics/entrepreneurship-law-clinic>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Idaho Preferred

<https://idahopreferred.com/>

Idaho Farm and Ranch Center

<https://agri.idaho.gov/farmcenter/>

Idaho Department of Labor

<https://www.labor.idaho.gov/dnn>

Idaho Industrial Commission

<https://iic.idaho.gov/>

Idaho Small Business Development Center

<https://business.idaho.gov/taxes/>

Idaho State Tax Commission

<https://tax.idaho.gov/>

HELPFUL ORGANIZATIONS

Farm Commons

<https://farmcommons.org/>

Internal Revenue Service (IRS)

<https://www.irs.gov/>

Service Corps of Retired Executives (SCORE)

<https://www.score.org/>

United States Department of Agriculture (USDA)

<https://www.usda.gov/>

USDA Risk Management Agency

<https://www.rma.usda.gov/>

United States Department of Labor (DOL)

<https://www.dol.gov/>



CHAPTER 3

DIRECT MARKETING STRATEGIES



3.1 STRATEGIES FOR SUCCESS

3.2 WEIGHTS, MEASURES & DEVICE LICENSING

3.3 AGRITOURISM

3.4 COMMUNITY SUPPORTED AGRICULTURE

3.5 DIGITAL & ECOMMERCE

3.6 FARMERS MARKETS

3.7 FARM TO SCHOOL

3.8 FARM STANDS

3.9 RETAIL & RESTAURANT SALES

3.10 U-PICK



DIRECT MARKETING STRATEGIES

STRATEGIES FOR SUCCESS

FACT
SHEET
3.1



Marketing is how you sell your products, make a profit, and build your business. Even the most skilled farmer or rancher must be a skilled marketer to thrive. Marketing requires that you understand what customers want and are available to deliver it to them. Marketing also includes the planning, pricing, promotion, and distribution of products for current and potential customers. Direct marketing refers to selling your products directly to the end-user, your individual customer. Popular direct marketing strategies or venues include Community Supported Agriculture (CSA), farmers markets, farm stands, U-picks, and online sales. Intermediated marketing refers to sales direct from the farm to a restaurant, retailer, food hub or food processor. Both direct and intermediated marketing are important sales strategies for small and mid-size farms.

Direct marketing often brings a better return for products, with no payments made to a broker or wholesaler. However, selling without a broker still has costs associated, one being more of your time spent developing customer relationships, and handling and selling your products. Direct marketing also requires a personality that enjoys dealing with the public. Below are some strategies for success in your direct marketing adventures.

START SMALL

Mishaps or errors tend to be less costly and more easily mitigated in smaller operations. Producing fewer, high-quality products will build a better business foundation than producing a lot of lower quality products. When developing a new product line, consider having tastings or sampling new products or offerings with family, friends, or loyal customers before marketing to a wider audience. *Be sure to check with your local health department before planning a tasting or sampling event.*

PLAN AHEAD

Even before your first seed is planted, you should make a marketing plan. Having a well thought out plan can be the difference between flourishing and feeling stressed. Reevaluate your plan each year and respond to the successes and failures of the previous seasons. Be prepared to jump on new opportunities, adapt to new trends, and be creative. As you determine which marketing strategies work best for your business, it is important you account for the costs of each marketing strategy (additional labor, cooling, packaging supplies, transportation, etc.) as well as the sales price of your products. True cost accounting is important to understand which marketing strategy or strategies will provide the best return on your investment and overall profit for your farm or ranch.

DIVERSIFY

Often the key to success and the ability to adapt to the unexpected fluctuations of the season can come from utilizing multiple marketing strategies each season. That way, if one strategy falls through, you can divert those products to another marketing method. Many small farmers and ranchers sell at farmers markets in addition to on-site sales and restaurant or retail sales. Diversifying your product mix can help you weather the downturn of one product. Including some value-added products, specialty jams and sauces, pre-washed and mixed packages of salad greens, and meats sold by the cut can provide a nice diversity. *(See Chapter 4 Selling Specific Products for more information).*

BE CONSISTENT & ORGANIZED

Customers will be loyal to farmers and producers who provide a product they can depend on and will be wary of repurchasing a product they once

found unsatisfactory. Establishing a high minimum standard for farm products and holding to it is in your best interest. Similarly, avoid fluctuations in price. Offering bargains may deter potentially returning customers who expect the lower price to remain constant. Being a reliable source of your operation's prices, products, delivery schedule, and production will help you win over customers and present yourself as a professional.

CONNECT WITH CUSTOMERS

Studies show that consumers, in addition to features such as freshness, quality, appearance, and availability of unusual varieties, are seeking an authentic experience or connection with a producer. This is why direct marketing is often referred to as "relationship marketing." Consumers have a growing desire to know where their food comes from. Many want to know the producer story behind the product and want to support local farmers and ranchers.

Beyond being professional in your interactions with customers, consider adding other avenues for your customers to connect with you. For most small farms, having a website is essential. Developing an email newsletter or mailing list provides an opportunity for you to consistently communicate with your customers – building and keeping your relationship fresh. An email newsletter is a great way to keep in touch during the off season and maintain community support. Instagram, Facebook, or other social media presences are a good place to share more of your story, as well as post about current products, issues, and opportunities in your business. Just remember, you don't control social media algorithms, so customers following you may not see all of your posts. Remember to follow through with commitments you make to customers, communicate clearly, and be aware of your limitations. It is better to do one or two things well, than to take on too much and be too spread thin to follow through.

KEEP RECORDS

Good records provide insight into marketing progress, successes, and what ventures are more, and less, profitable for your business. Financial records are required for tax purposes and to comply with the Food Safety Modernization Act's Produce Safety Rule recordkeeping requirements for Exempt, Qualified Exempt and Covered farms. Records of what grew and sold best the previous season can help you narrow down your product mix for the following season. Tracking expenses and previous prices will help you set each year's prices, while avoiding duplicating your work.

MARKET RESEARCH

Talk to other producers who use marketing strategies you're interested in and ask their experience or advice. A lot of valuable information can come from other producers. Communicate with customers about how satisfied they are with their purchases, listen to their suggestions, and be willing to adjust products accordingly. Keep track of current trends in gourmet, specialty, or popular foods, including innovations in packaging, advertising, or unique products. Social media, magazines, and periodicals can all be good sources of trend information.



DIRECT MARKETING STRATEGIES

WEIGHTS, MEASURES, & DEVICE LICENSING



The Idaho State Department of Agriculture's Bureau of Weights and Measures has established laws and regulations applicable to all sales involving weight or measuring devices, including sales made at Farmers Markets. These laws and regulations were established to ensure that marketplace sales are equal and fair for consumers. As a vendor, you must comply with these rules, but doing so also protects you from negative perceptions from shoppers. An overview of these regulations is provided below and has been adapted from the Idaho State Department of Agriculture's Bureau of Weights and Measures.

SCALES, WEIGHTS, & MEASURES REGULATIONS

- ✓ The per pound price of the commodities must be posted.
- ✓ Commodities sold by weight at the point of sale must be weighed on a Legal for Trade Class III or better scale. (Scales that are postal, diet, kitchen, bathroom scales or not legal for trade scales are not acceptable). Some older commercial scales may be used with approval of the state weights & measures official. If you have questions about the acceptability of your scale, please contact your local Weights and Measures official or the Weights and Measures office.
- ✓ Scales must be licensed annually by the Idaho Bureau of Weights and Measures. License applications may be obtained by contacting your local Weights and Measures official or contacting the main Weights and Measures office. If your scale has been tested and approved previously, you will receive your license application by mail in January of the next calendar year.
- ✓ Scales must be tested and approved by an Idaho Weights and Measures official or placed in service by an approved service company before use.
- ✓ All meat, seafood, and poultry must be sold by weight excluding items made for immediate consumption on the premises.

SELLING PRE-PACKAGED COMMODITIES

Prepackaged commodities are commodities of a standard size, like eggs, that are packaged before the point of sale. You may use non-licensed, non-approved scales to prepackage. Prepackaged commodities are required to have a label with the following information:

- ✓ Identity of the commodity and name of the grower/seller.
- ✓ The net quantity of the contents in terms of weight, measure, or count. For example, "Net Wt. 8 oz" or "Net Contents 1 dozen."





DIRECT MARKETING STRATEGIES

AGRITOURISM

The National Agricultural Law Center defines Agritourism as “a form of commercial enterprise that links agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch or business owner.” Agritourism can be a great way to diversify your marketing strategies and increase cash flow. Bringing folks directly to your farm or ranch can increase your on-farm sales, especially sales of any value-added products, while educating the public about farming and ranching.

Agritourism is increasing in popularity. Growing numbers of people are traveling to rural areas for leisure purposes. Teaming up with other farmers or ranchers with non-competing enterprises to jointly market your agritourism enterprises can increase the number of visitors to your farm and the profitability of your agritourism enterprise. Having multiple agritourism enterprises in one area draws more tourists and can provide a seasonal festival experience.

AGRITOURISM VENTURES

Agritourism ventures are as varied as the farms or ranches that host them. Some operate on a seasonal basis where others are open all year, with a variety of consumer services available.

Farm Stays

Another activity that is gaining popularity among consumers is visiting or staying on farms. These often include hands-on experiences where the customer can help with farm and ranch chores to learn more about farming. This can include seeding, weeding, harvesting, feeding, milking animals, etc. Farm stays typically include lodging and often meals.

WHERE TO START

If you want to add an agritourism enterprise to your existing operation or start an agritourism business, you must first assess your goals and abilities. Visiting or researching other agritourism operations with activities you are interested in offering to gather ideas is a good place to start. Assess what options are available to you, assess your skills and time realistically, and most of all, develop a plan.

Zoning

Before you break ground, you'll want to ensure the zoning and building laws affecting your property allow for your chosen agritourism venture. Some agritourism ventures are affected by land use rules or prohibitive zoning. Contact your city or county clerk about your prospective agritourism enterprise and obtain a copy of the local land use and

COMMON EXAMPLES OF AGRITOURISM

Pumpkin patches
Corn mazes
U-Pick operations
Petting and feeding zoos
Hayrides
Cut-your-own
Christmas tree farms

Horseback riding
Farm festivals
Fee fishing and camping
Demonstration farms
Agricultural museums, or
living history farms

On-farm farmer's markets
and farm stands
Winery tours and wine tasting
Rural bed & breakfast
Guided and self-guided tours
Wedding or other event venues
Dinners on the farm

zoning rules applicable to your property to confirm the necessary permits you may need to obtain. Farms commonly must apply for Conditional Use Permits (CUPs), especially if hosting overnight guests such as farm stays.

Accessibility

Some aspects of the Americans with Disabilities Act may apply to your property if you are hosting events. Visit ADA.gov for more information on requirements and ways to make your property safe and accessible for all.

POSTING SIGNS

Road signs help identify your business and direct customers to your farm. Do your research before erecting any signs. The use of signs is governed by federal laws, state statutes, and local ordinances. Contact your local county planning and zoning department or commission for information on zoning restrictions and other regulations.

SAFETY CONSIDERATIONS

Keeping those who visit your farm or ranch safe should be your first priority. Make sure you assess your farm or ranch for potentially dangerous conditions, do your best to minimize them, and make plans for how to deal with the unavoidable risks of farming and ranching. (See *Fact Sheet 2.3 Liability for more information*).

Health Codes

Contact your local health district with a detailed overview of your agritourism venture ideas. They can help you identify which activities they oversee and point you to best practices for each. Things like apple bobbing, apple pressing, petting zoos, or any food or drink service are regulated by the health department. Regulations related to some on farm activities, such as providing a simple hand washing station, are easy to comply with so don't be deterred by the thought of regulations! As always, it is best to ensure you can meet and be completely compliant with applicable regulations before investing time

and money into an agritourism enterprise.

Liability

One essential tool to manage risk is liability insurance. Before hosting groups of visitors or planning a public event, check with your liability coverage. An event insurance rider may be necessary. Make sure that you have an adequate insurance policy before beginning. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

Title 6, Chapter 3, in Idaho Code titled "Idaho Agritourism Promotion Act," provides some liability protections for inherent risks associated with agritourism activities as long as you post the necessary warning signs.

Warning Signage

The State of Idaho requires that every Agritourism professional post and maintain signs that contain a specific warning notice of potential dangers on your farm or ranch. See Section 6-3004, Idaho Code for more information. Failure to comply shall prevent an agritourism professional from invoking the privileges of immunity provided by the law.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 1.5 Licenses & Permits*
- 2.2 Insurance*
- 2.3 Liability*
- 3.2 Weights, Measures, & Device Licensing*
- 3.8 On-Farm Stands*
- 3.10 U-Pick*



COMMUNITY SUPPORTED AGRICULTURE

Farm subscription sales, often referred to as Community Supported Agriculture or CSAs, are one of the most direct ways to market your farm produce. Customers buy a CSA “share” pre-season, creating an early season cashflow for you as the farmer. Through the growing season the purchasers will get boxes of produce, flowers, USDA-inspected meats, eggs, dairy, baked goods, or other products at regular intervals (usually weekly). The CSA share is either delivered to the customer’s door, a drop-off site, or picked up at the farm.

BENEFITS OF CSAs

There are many benefits to this marketing method whether it is used in concert with others or on its own. Some of these benefits include:

Early Season Cash Flow

Because CSA shares are sold ahead of the growing season, it creates potentially significant cash flow during a time when many farms do not have sales income.

Consistent Value

Having customers already secured, and your farm products already paid for, means you are somewhat insulated from market fluctuations.

Flexibility

CSAs can be more flexible than other direct marketing strategies. Because CSAs are designed to provide a week’s worth of farm products to a single household, they require you to produce a diverse range of products. This diversity allows you to substitute one type of produce for another in case of a crop failure or delayed harvest.

Relationship Building

Because the structure of the share is a weekly pick up or delivery with the same customers, you have a great opportunity to build relationships and many customers return to the same farm for their CSA year after year. You’ve probably seen the “Who’s Your Farmer?” bumper stickers. CSA customers embrace this concept and are likely to refer to your operation as “their farm.”

CONSIDERATIONS

All direct marketing strategies have their downsides. Here are some things to consider before beginning a CSA:

Must Deliver

The weekly commitment of a CSA demands you have a good handle on production schedules and season planning. Though the CSA customer has bought from you and shared the risk of production throughout the season, you are not likely to retain that customer the following season if you do not deliver a steady stream of diversified products in each CSA share. With that in mind, it is better to start with only a small number of shares in your early years and grow gradually as demand increases. Having the very first year open to only friends and family can give you a grace period to work out any potential kinks without the risk of losing customers or garnering bad reviews.

Money Management

Though having early season cash flow to fund the purchase of supplies is great, you’ll also have to consider that you will have a reduced weekly influx of cash throughout the season as much of your product is already paid for. Make sure you plan appropriately to manage your budget and make sure you can meet your monthly financial obligations.

Customer Communications

CSAs can also require a bit more communication than other direct marketing strategies. Encouraging others to learn about seasonal foods and agricultural production can be a fun and fulfilling part of this type of marketing, but it can also be draining. Expect emails asking if customers can pick-up another day or send another person to pick-up their share, if a family can swap out one item they don't like for an extra of something they prefer, why tomatoes aren't available in June, etc. If you are providing products outside of standard grocery store fare, consider including in the box information on how to cook or prepare the unique items, or expect to answer cooking questions over and over.

Pickup

You'll need to secure a plan of how to get the produce to your customers. If you are in town, you can consider an on-farm pick up. If your farm is further out, you may have to offer a pickup location in town to attract more customers. You'll need to develop a policy on what happens if a share isn't picked up (How long do you hold it? Do you have an alternate pick-up option for folks that may have forgotten?). It is best to develop these policies before your CSA begins and let your customers know the policies when they sign-up and pay for their share. Make sure to stick to your policies as much as possible. If you allow frequent exceptions, you can expect to receive an increasing number of requests for customer accommodations.

OTHER MODELS

The most common CSA type is a weekly delivery of a variety of fruits and vegetables. However, CSA type marketing can also be successful for things like weekly flowers, milk, cream, or other dairy products, meat products, or occasionally single crops. Having many farmers or producers combine products for a shared CSA is another option. This model has the benefit of a wider variety of products than one operation could produce and expands opportunities to advertise to multiple operations' customer bases.

INSURANCE & SAFETY

If customers will be coming to your farm to pick up their CSA share, or attend farm workdays, or if you have interns/apprentices on the farm, be certain that you have adequate insurance in case of a mishap. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.2 Insurance

2.3 Liability





DIRECT MARKETING STRATEGIES

DIGITAL & ECOMMERCE

Digital and eCommerce marketing strategies have become increasingly popular over the last decade. Most farms that engage in eCommerce/online sales do so through their farm or ranch website. In some cases, farm products sold online are picked up at the farm, at a central drop point, or are delivered by the producer. eCommerce marketing refers to sales that occur entirely online and with the purchase shipped to your customer. Marketing your products online can be a good way to reach a wider audience and increase your sales.

PRODUCTS FOR ECOMMERCE

Not all products are appropriate for eCommerce marketing. The easiest products to use in eCommerce marketing are non-perishable and easily packaged. Perishable products are able to be marketed this way too, but require more considerations for packaging, temperature control (if applicable), and a well thought out procedure for handling sales.

BEGINNING ECOMMERCE MARKETING

First, decide which products you want to sell through online platforms, draft thorough product descriptions, identify your price points, and decide what schedule you can realistically adopt for fulfilling orders. Though you save the time commitment of face-to-face sales, like at a farmers market, you will have to factor in the time cost of packaging and shipping your products. You'll need to identify proper shipping materials and include shipping, handling, and packing materials in your product prices or as a separate fee on mailed orders.

Next, you'll want to research primary digital marketing techniques (website, social media, online advertising, and email marketing) to determine what

resources for online selling you'd like to utilize. You will need a host website for your operation and a point-of-sale system to collect payments and track your inventories. If you are utilizing multiple direct sale methods, make sure you take into account the numerous ways you could be drawing down your inventory and plan accordingly. Successful eCommerce marketing techniques consider customer experience and shopping/transaction journey. Thinking through potential obstacles early on can minimize customer dissatisfaction and encourage customer loyalty; some examples of potential obstacles may include, shoppers refund process, shipping email notifications, shipping delay expectations, product review process, etc.

FEDERAL TRADE COMMISSION GUIDELINES

The Federal Trade Commission (FTC) has established the regulations for the sale of mail, internet, or telephone order merchandise. Known sometimes as the 30-day Rule, it requires that you must have a "reasonable basis" for implying that you can ship within 30 days, unless you have made a shipment statement declaring otherwise. Bear in mind, most customers will expect their products before 30 days, especially in the case of perishable products. While no more than 30 days is the legal requirement for shipping, to retain customers you will want to ship within a few days of the order being placed. It is best to be clear to customers about when you will ship your products and how long it will take for the delivery to arrive at their doorstep.

Exemptions

Subscriptions, including CSAs, are not subject to this rule so long as the initial delivery was made in compliance with the rule. Seeds and growing plants are exempt.

Establishing a Reasonable Basis

Making sure you can supply the products customers order is important to stay in compliance with the FTC guidelines and to maintain customers. To establish the reasonableness of your shipment representations (or the default of less than 30 days), you need to take into account your product's demand, your existing inventory and timeline for increasing your supply, your fulfillment system, and good record keeping. Keep records of all eCommerce transactions for 5 years.

Non-Compliance

Non-Compliance with the FTC guidelines can lead to Cease and Desists (or the shut down of your business) and/or hefty fines. Make sure to stay on top of your orders and ship them in a timely manner! If you are unable to fulfill an order, you must seek the customer's consent on delaying shipment or offer a full refund within a reasonable amount of time.

RELATED FACT SHEETS IN OTHER CHAPTERS:

1.4 Registering with Government Entities

2.1 Taxes



DIRECT MARKETING STRATEGIES

FARMERS MARKETS

Farmers markets are multi-stall, popup type markets where farmers, ranchers, and other producers sell local goods directly to customers. Farmers markets often also include art and prepared food vendors, and usually operate seasonally. They are an excellent way to directly market your products, build your communication skills, and develop your unique customer base.

BENEFITS OF SELLING AT A FARMERS MARKET

Farmers markets do their own advertising and marketing that you benefit from without cost. These markets often share and/or cover insurance, and provide helpful information for getting a seller's permit and connecting with your local inspectors, etc. Established markets also have long standing customer bases and serve as an attraction for tourists, which can help you broaden your customer reach.

Selling at a farmers market may require less volume of products than wholesaling or even operating a CSA and are a great place for beginning or small acreage farmers to start marketing their products. Many established farmers and ranchers producing larger quantities of product, sell at one or more farmers markets per week and may also sell through a number of direct and intermediated markets.

Because farmers markets allow for face-to-face time with your customers, they provide ample opportunities to communicate directly about your growing techniques and farm or ranch practices. They are also the ideal place to experiment with new products to get a read on customer interest and engagement before committing to the product on a larger scale.

GETTING INTO A FARMERS MARKET

If you are considering selling at a farmers market, contact the market manager as early as possible. Markets often have an open enrollment period for new vendors and may not accept vendors on a rolling basis. Ask about market policies as each market has its own set of rules and regulations, vendor or stall fees, what products are allowed, etc.

STALL DISPLAY

An attractive stall with a good product display will help you draw customers in and finalize sales. Make sure your stall and products are clean, your signage is clear and apparent, including product names, prices, and your business name. Customers want to know who you are and how to find you again! Abundance in your display is always helpful, especially with produce.

FOOD ASSISTANCE PROGRAMS

Many farmers markets participate in and accept food assistance programs, including the Supplemental Nutrition Assistance Program (SNAP Electronic Benefits Transfer or EBT), WIC (Women, Infants, and Children), and the Senior Farmers Market Nutrition Program. How the programs are handled varies by market. Check with your market's manager for more information.

COLLECTING SALES TAX

All vendors in Idaho are required to collect sales tax and remit the funds to the Idaho State Tax Commission. You will need to have your seller's permit displayed at your market stand. If you forget your permit, most market managers will be able to issue a temporary form. (See *Fact Sheet 2.1 Taxes for more information*).

FOOD SAFETY AT THE MARKET

Farmers markets present a unique sales arena with their own best practices for food safety. Some things to keep in mind while selling at a farmers market are outlined below. (See *Chapter 5 Food Safety for more information*).

Basic Hygiene

Farmers markets are held in a variety of places, from main streets to city parks to gymnasiums. Regardless of the setting, you need to be prepared to set your stand up from scratch each day and practice the same level of sanitation you would on your farm. Be sure to pack the supplies you need to keep your stall clean and sanitary. Never place food items directly onto the ground. Make sure you and your employees are washing your hands before handling your products and after using the restroom or eating. If possible, have separate people handling money and produce. Avoid handling your products unnecessarily. Your market may or may not have trash services; be prepared to haul away your refuse at the end of the market day.

Health Department Requirements

Check with your local health department about any regulations you're subject to based on your products or activities. All farmers markets are subject to routine inspections by representatives of the local health department.

Product Sampling

Providing product samples can be a great way to increase sales, especially with foods most customers will be unfamiliar with. Many times, however, a food permit, issued by your local health department, is required for sampling. There may be regulations on such things as temperature control methods of your samples, supplies (toothpicks, tongs, sample cups, etc.), and how long they can remain available before being composted. Check with your local health department or market manager for more details.

Temperature Control

Make sure your products are ready to withstand hours in the elements, whether they have health department standards for temperature control or not. Having coolers on hand is always a good idea. Make sure you have enough ice or water (your market may not have a water source) to get you and your product through the day.

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.1 Taxes

5.1 Creating a Food-Safe Environment





DIRECT MARKETING STRATEGIES

FARM TO SCHOOL

Farm to School, or Farm to Cafeteria, often refers to the purchase or growing of local foods for school cafeterias with the express purpose of increasing the healthy child meal options while supporting local farmers. Farm to school also refers to activities that involve or introduce school age children (K-12) to agriculture practices including farm tours, school gardens, culinary classes, nutrition curriculum, or agricultural producers teaching lessons in the classroom.

SELLING TO SCHOOLS

If you are interested in selling wholesale to local schools, you will want to begin by contacting the school's Director or Manager of Food Services, introducing yourself and your farm or ranch and requesting a time to meet to discuss the school's or the school district's interest in purchasing direct from local farms or ranches. Schools are generally open from mid-August to mid-June and closed during holidays and summer breaks. When meeting with school employees, it will be important to discuss how the school food service operates, what procurement channels they currently use, what ingredients they are interested in purchasing locally, and the quantities they need (all of which can vary widely by school or school district). Flexibility with menus may be limited due to equipment and staffing available. You may be able to arrange for seasonal sales of existing products or you may need to develop a custom production plan for the following school year. If you are making contact during the season, be prepared to offer information on what you have available and for how long. School meals budgets are tight. If you are used to the wholesale market and wholesale prices, selling to schools may be a profitable enterprise for your farm or ranch. The prices schools can pay will usually be lower than the premiums you can receive at

farmers markets. However, school districts can be very large customers with usually a single drop off point, saving you on delivery fees and allowing for bulk sales of specific products.

Intermediated Market Sales

Farm-to-school sales take place through three primary marketing channels. The first, and most common, is where you, the producer, sells your product to a distributor or food hub, who then resells the product to the school. This is called intermediated market sales and the distributor is the middle person in the sale process. Working with a distributor simplifies the sale logistics for both the produce and the school or school district. This model is one commonly used by local food hubs that have the ability to aggregate products from local and regional farmers to meet the quantities and consistency of products needed by school food service. Some food hubs and distributors are able to provide processing services (washing, peeling, chopping, etc.) that alleviate the staff time needed for schools to utilize local products. One important aspect of intermediated markets is that they are often able to source-identify local products on their school menus elevating the identity of the farm or ranch producing the products and any special attributes or values (variety, production practices, animal care) the product embodies.

National Wholesale Distributors

Another avenue of selling into school districts includes a local food hub or regional distributor selling to a national wholesale distributor that resells the products to the school district. This avenue of selling through more a broadline distributor, whether that is a large national distribution company, a foodservice management company, and or a USDA food distribution program often requires

larger quantities of products that meet uniform specifications and certifications.

Intermediated Sales

The third selling to school avenue is a direct sale between you and the school or school district. Also called an intermediated sale, this market approach requires developing an immediate relationship and invoicing and delivery system that meets both your needs and the needs of the school or school district.

PARTICIPATING IN SCHOOLS

Another way farms can engage with schools is to offer educational opportunities for a small fee. Depending upon your farm business model and goals, educational programming may be a viable source of income for your farm operation. If you are interested in hosting a farm tour or being a guest speaker in a classroom event, contact your local school director to inquire about interest and opportunities. (See *Fact Sheets 2.2 Insurance and 2.3 Liability before hosting any on-farm events*). You might also consider volunteering your time or hosting free farm-to-school events on your farm. Though these activities are not a direct sale, they can serve as an opportunity for you to build awareness of your farm or ranch and products as excited children coming home with information about your farm or ranch can lead to future purchases from their parents, grandparents, or guardians.

INSURANCE & CERTIFICATIONS

Most schools or school districts will require you to have liability insurance before purchasing from you, and you should have adequate insurance before hosting any farm tours. (See *Fact Sheet 2.2 Insurance for more information*).

Many schools will require food safety certifications that demonstrate your farm is in compliance with the Food Safety Modernization Act (FSMA), Good Agricultural Practices (GAP), and/or Hazard Analysis Critical Control Point System (HACCP). If you wish to sell meat to schools, it will

need to be processed in accordance with State and USDA standards which include utilizing a USDA-Inspected facility. (See *Chapter 5 Food Safety for more information*).

SIMILAR VENTURES

Farm-to-Institutions sales operate similarly to farm-to-school sales. If you are interested in farm-to-institution sales, consider reaching out to food service programs at state hospitals, prisons, and colleges.

RELATED FACT SHEETS IN OTHER CHAPTERS:

2.2 Insurance

2.3 Liability

5.2 Food Safety Modernization Act

5.3 Hazard Analysis Critical Control Point

5.8 Good Agricultural Practices





DIRECT MARKETING STRATEGIES

FARM STANDS

“Farm Stand” refers to any retail operation on your property. Most commonly these are unstaffed stands with a variety of your products available for customers to purchase using a self-pay method. Farm stands can be a great way to move products without committing a whole day, like you might with a farmers market. They can also help you reach an increased audience since farm stands tend to have more flexible hours than many other direct marketing options and can help move products with minimal effort after the initial installation.

EQUIPMENT CONSIDERATIONS

For a farm stand to be successful, there is some basic equipment and management practices you'll need to employ.

Location

To build a farm stand on your property, you'll need an accessible location near parking that you feel comfortable having customers in. Something right off the road or at the entrance to your farm will be the most visible and prevent customers from having to walk through your farm in potentially dangerous areas. You'll also want to consider how or where you'll run power to the stand if you plan to include refrigerators, fans, or need electricity for any sales equipment.

Structure

You'll need to design and build a structure. Some stands are more like walk-in sheds, where others are covered with open shelves. You'll want to make sure you have enough room to accommodate and attractively display everything you'd like to sell all season (the winter squash season will look different than early spring with its many greens). You'll need refrigeration to keep your products fresh, and abundant shelving for the products that do not need refrigeration.

Payment Collection Method

Have a locked dropbox for cash payments. Make sure everything is clearly labeled so customers have no questions about how much they owe you. Fewer and fewer people carry cash these days, so consider including an online payment method like Venmo. This can also help prevent having “I-Owe-You” ending up in your dropbox. Include instructions on how to use the stand and post your payment policies. “Payment due at time of purchase” can suffice. Plan to clear your dropbox daily to make sure there's room for customers to use it, and to prevent theft.

BEFORE INSTALLING

If you want to explore having a farm stand on your property, you'll need to look into the legal parameters of doing so in your city or county. Make sure you are aware of your property's zoning ordinances, what permits you may need, and any restrictions on putting a sign up on your property.

Zoning & Permits

Check with your local zoning authority to ensure you can have a retail farm stand on your property and fill out the appropriate applications, if needed. You will need a sellers permit to make sales if you do not already have one. Reselling products from other farms or ranches in your stand may require additional permits. Always call to inquire about how any changes to your operation may affect your status.

Signage

You'll want signage to attract customers to your stand, communicate your hours, and identify your operation. You will need to check with the Idaho Transportation Department (ITD) before erecting

any signs on your property, however. The ITD regulates the use of signs near roadways. You'll need to apply for a permit to erect a sign. The application asks for an approved building permit to erect a sign, a signature of a local zoning authority declaring it is within your zoning ordinance, the property owner's signature of approval, as well as a site plan for where you want to put up the sign.

MANAGING THE STAND

Once your stand is installed and ready to go, you must make a plan for on-going farm stand management.

Packaging

A farm stand requires more packaging than almost any other method of direct marketing. You may want to consider wrapping greens or other perishables in plastic bags so that they last longer, as well as prepackaging reasonable amounts of by-weight products. Always make sure the attractiveness of the display is top of mind when choosing packaging materials. If you're selling plant starts or high quantities of any product, consider providing cardboard boxes or other options for customers to carry them.

Be up front about your expectations of having any packaging returned. Some packaging, such as used paperboard baskets, may be inappropriate for reuse due to the potential for contamination and unwanted food safety risks. If you do request the return of reusable packaging, such as plastic start containers, plan on a return rate of 80% or less. Providing a labeled, distinct place to return packaging materials away from your farm stand sales area will help encourage customers to return materials while keeping your fresh products clean and your farm stand neat.

Product Freshness

You will have to check on your stand often, likely multiple times a day. You'll want to restock, being mindful to pull the oldest products to the front. Check for anything that's past its prime and com-

post or discard it. Keep good records of the age of your products, especially for dairy or meat products, and rotate products out accordingly. Be mindful of the temperatures inside your fridge as well as the ambient nighttime temps and keep temperature logs. If you have an open-air stand, you may have to haul products displayed outside your fridge inside during the spring and fall to prevent freezing.

Product Variety

Consider partnering with other farmers to provide a variety of products. The more variety available, the more likely customers are to make the journey to your stand. Pair up with a vegetable, egg, or dairy producer to compliment the products you offer. Consider baked goods, value added products, local artisan products, or crafted goods as well.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 1.4 Registering with Government Entities
- 2.1 Taxes
- 5.1 Creating a Food-Safe Environment
- 5.6 Produce Safety Rule





DIRECT MARKETING STRATEGIES

RETAIL & RESTAURANT SALES

National and statewide interest in local and specialty foods continues to rise, and retailers want those products on their shelves. Farm to table restaurants are also gaining popularity, and increasing numbers of chefs are interested in working with farmers and ranchers to source fresh, local and high quality ingredients for their menus and signature dishes. These outlets can be the source of major sales for direct marketing operations. This type of direct marketing is considered intermediated as opposed to "Direct to Consumer" since both operations are reselling your products.

RETAIL

If you are interested in approaching retail stores about supplying products, a good place to start would be cooperatives or independently owned grocery stores. These businesses often have more freedom to purchase from local growers and ranchers. Selling at conventional stores often means jumping additional hurdles, and may include required regional or national certifications, capacity to handle larger volume of product production, and distribution support. By starting with a smaller retailer with a clear commitment to the local community and/or locally produced products it will also allow the producer to analyze these barriers, gauge capacity, and establish personal operational goals.

Grocery stores, distributors, and brokers will need you to identify the estimated quantity of product you can provide and number of weeks or months of the year you can provide it. Most American shoppers are used to having any product available at any time throughout the year and many do not understand the seasonality of locally grown and raised products. While all retailers need to meet the needs of their customers, many smaller, more local-food oriented retailers have the abili-

ty to highlight local, seasonal products and work with producers to manage seasonal product sales. Approach the department/category manager in charge of your product type (produce, cheese, dairy, meat, etc.) with a clear idea of the quantity you will have available to sell, the seasonal duration, as well as a wholesale price sheet. If you request to meet in person, come with a few samples of your high-quality items. Grocery stores will be reselling the products you provide, so they will be interested in only the most high-quality products and less likely to purchase unusual varieties that might not sell in a timely manner.

RESTAURANTS

Similarly to scouting for retail stores, the best restaurants to approach will be those that already have a farm-to-table aspect to their business. Independently owned restaurants, and those that focus on seasonal, high quality food are most likely to be interested in working with local producers. Unlike grocery stores, chefs are more likely to appreciate unusual varieties and may make use of "seconds." If a chef or manager is unable to meet your needed prices for premium products, selling your seconds may be a viable option that works for both of you.

If you are interested in selling to a local restaurant, you'll want to approach the head chef or the general manager. There is a good chance this person is shopping at the farmers markets in your area, so you may already have a working relationship with them. Be sure you always call, make deliveries, and schedule meetings during their slow hours! If you come in during a mealtime wanting to chat, expect to be turned away.

Consider offering samples of products you'll have in the coming weeks for the chefs to experiment with and entice them to purchase. If you grow

something really unusual, including sample recipes can be helpful for garnering a chef's interest in the product. As your relationship with the chef deepens, offer a pre-season planning meeting with them to determine what products and quantities they might like from you. Establishing a relationship like this means guaranteeing sales for you, and supply for them. Should the chef ever leave the restaurant you are working with, try to establish sales at their new location, and work quickly to introduce yourself to their replacement.

BEST PRACTICES

When working with either type of establishment, there are some best practices to maintain and grow that relationship.

Provide Proof

When meeting with a new contact at a retail establishment or a restaurant, bring proof of your existing certificates. Some grocery stores require a third-party inspection of producers known as a "food safety audit." When approaching a grocer, bring copies of your food safety plans to assure them you're following Good Agricultural Practices. (See *Fact Sheet 5.8 Good Agricultural Practices for more information*). Pictures or information about your farm or ranch can help assure the buyers that you are what you claim.

Be Consistent

The more consistent you can be in every aspect of your interactions, the more reliable you will seem. Ask early on in your relationship what the best time is to call or make deliveries and stick to it. Deliver on consistent days. Reach out to your contacts via a consistent method, whether that be email, calling, or texting, and at regular intervals.

Be Knowledgeable

Before contacting the retail store or restaurant, know exactly what you'll have the following week and how much of it. Know what price you want and how to measure it (by head, by weight, by box,

etc.) and be ready to do calculations to quote them the price if they measure differently. If there is any point you would offer discounts, be aware of what would trigger that.

Deliver Quality

Be consistent in the quality of your product. Be prepared to replace any products that do not meet their standards, and do not vary from your own standards to fill an order. Provide excellent customer service and be sure to ask when the best delivery times/days are and discuss delivery details such as entrances to use, where to place product, and who to confirm deliveries with onsite.

Packaging

Ask what type of packaging works best for the operation you are selling to and stick to it. Label the boxes with your business name, the product inside, and the quantity or weight of the product. Many establishments would be pleased to send plastic delivery boxes or reusable packaging back with you if you ask about it. If you are requesting the return of delivery or packaging materials, have a plan for cleaning and sanitizing before reuse.

Payments

It is important to discuss invoicing and payment arrangements before beginning to deliver products. Create invoices for each order and include a copy with your delivery. Most retail or restaurants will not pay on delivery. Professional invoices make a better impression and may be required. Always make sure to include your business name, the order date, and quantity or product they requested. Keep copies for yourself and develop a plan for following up if they are not paid within the month.

DISTRIBUTORS & BROKERS

Many larger grocery store chains are interested in sourcing local products for their stores. Distributing to multiple stores in an area can be a logistical challenge, however, and the retailer may prefer to order local products from a distributor. Distribu-

tors can consolidate local products from multiple growers to create sufficient volumes to serve larger chains, provide delivery services and may do in-store merchandising to promote local products. To expand your sales to the retail market, you may want to consider selling to a distributor in your area.

Distributors can also play an important role in reaching local restaurants. Some chefs want to include local ingredients but do not have the capacity to manage ordering and distribution with multiple farmers, ranchers or food crafters. They may want the convenience of buying from a distributor where they can buy multiple local products all in one place.

While self distribution is acceptable at many independent retailers and restaurants, often all restaurants and retailers encourage category buyers and chefs to purchase through distributor partners for ease of access to product and a consistent stocking schedule. Distribution does come with additional costs and certification requirements, but also can open the door to other retail and restaurant sale outlets if you desire to scale your operation further.

Independent, regional, and national food brokers are an additional resource in helping food producers scale their product into new retail sale outlets. Depending on the size of the broker/brokerage some may operate only on commission, where others come with additional fees and services, others offering in-store sampling, product merchandising, product check-ins, small scale distribution, and food show/expo representation. Brokers specialize in leveraging their retail and distributor connections to elevate a brand into new markets depending on the food producer's desired goals.

RELATED FACT SHEETS IN OTHER CHAPTERS:

- 5.2 Food Safety Modernization Act*
- 5.6 Produce Safety Rule*
- 5.8 Good Agricultural Practices*

DIRECT MARKETING STRATEGIES

U-PICK

FACT
SHEET
3.10



U-Picks are operations where the customer comes to the farm and harvests their own products for purchase. U-Picks are a type of Agritourism, a venture that is generally gaining in popularity and revenue potential. (See *Fact Sheet 3.3 Agritourism for more information*). Customers may be drawn to U-Picks partially for potentially reduced prices (since the farmer is not paying to harvest or transport the products), but generally customers are attracted to the experience of being on the farm.

DESIGN CONSIDERATIONS & EQUIPMENT NEEDS

A U-Pick varies significantly from a standard farm, and preparing the site will be necessary for a successful venture. Some things you'll need to consider include:

Posted Policies & Rules

When operating a U-Pick operation, it is important to set clear expectations for U-Pick customers. These expectations ought to be clearly stated on your farm website and posted at the main entrance to your U-Pick operation. As a U-Pick operator, you will need to direct people to picking supplies (containers, harvest tools), areas to pick (and not to pick!), handwashing stations and clearly explain food safety expectations (handwashing, where to put used containers), sampling policies, monitoring of children, and pet policies, etc.

Bathrooms

Have a plan for customers needing to use the bathroom while at your site and a handwashing station with potable water, soap, single use paper towels, and waste bins. Consult with your city or county clerk if you plan to build a permanent bathroom structure. Many U-Picks rent port-a-potties and

handwashing stations for the height of the season. Make sure to account for this expense when making your season budget.

Parking

Clearly designated and ample parking lots near to or on the property will be necessary for the success of your U-pick. Depending on your site location, this may take some conversations with your neighbors to enact a plan that works well for everyone. Zoning regulations may affect your parking options. (See *Fact Sheet 1.4 Registering with Government Entities for more information*).

Sales Area & Supplies

Unless you are selling produce by the flat or individual item, you will need at least one legal for trade scale and a clearly designated area to pay before leaving, plus the staff for the registers or clearly posted directions and a self-pay station. Many U-Picks also have fencing (permanent or temporary) surrounding the area so customers must enter and exit through the sales area. This area is a great place for an on-farm stand to increase sales (See *Fact Sheet 3.8 Farm Stands for more information*).

Signage & Advertising

Your road sign identifies your business and directs customers to your farm. Signs must be easy to read, even from a distance, so keep the message short. If you can, include the hours of operation on the sign(s). Six words are about all that people can comprehend while zooming by in a car. Focus on what appeals most to your customers, especially the most appealing products. Use selling words like "homegrown," "organic," "fresh," etc. that apply to your products. (See *Fact Sheet 3.3 Agritourism for more details on signage requirements*).

When you're looking to attract customers, consider many methods of advertising including, but not limited to, social media. Running an advertisement in the local newspaper, listing with your local extension office, running radio ads, and listing with a local farm directory are just a few ideas to help get the word out. Consider having a dedicated phone line listed with these advertisements that runs a recording of harvest times, hours of operation, directions to the farm, and any other pertinent information.

Staffing

Though U-picks reduce harvesting expenses, they have the added expense of customer management and site maintenance. You will need to have someone to welcome guests and provide instructions, as well as someone to handle sales. Additional staff requirements could include staff to transport customers to and from the fields, someone to manage the fields and harvest anything overripe, supervise customers in the fields, clean and manage any provided harvest bins, etc.

U-PICK CROPS

The best crops for a U-pick are those that are easily harvested and whose ripeness is easily determined. Some of the most common U-Pick products are included below.

Berries

Perhaps the most common of U-Pick adventures. Strawberries, blueberries, blackberries, raspberries, and other small fruits are all examples.

Cut Flowers

While many of the others listed can be harvested by hand, this venture will likely require the loan of snippers, harvest buckets and on site water and bags to ensure the picked flowers last.

Christmas Trees

Fantastic opportunity for an on-site stand for other evergreen or seasonal products, including wreaths and table displays.

Tree Fruits

Popular options are apples, peaches, pears, and plums. On-site apple presses and orchards go together swimmingly!

Vegetables

If the crop's ripeness is easily determined. Some options include beans, corn, greens, peas, pumpkins, and tomatoes.

SAFETY

Your visitors' safety is largely your responsibility and should be your first priority. It is important to assess your own farm or ranch operation for potential hazards and to prepare for a safe, enjoyable visit to your farm, ranch, or nature operation. (See *Fact Sheets 2.2 Insurance and 2.3 Liability for more information*).

RELATED FACT SHEETS IN OTHER CHAPTERS:

1.4 Registering with Government Entities

2.2 Insurance

2.3 Liability





IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho Cultivating Success

<https://www.cultivatingsuccess.org/idaho>

Idaho Ag Biz

<https://www.uidaho.edu/cals/idaho-agbiz>

Small Acreages & Local Food

<https://www.uidaho.edu/extension/small-farms>

Digital Economy Program

<https://www.uidaho.edu/extension/digital-economy>

Idaho's Rural Business Center

<https://www.idahobiz.org>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Idaho Preferred

<https://idahopREFERRED.com/>

Idaho Farm and Ranch Center

<https://agri.idaho.gov/farmcenter/>

Bureau of Weights and Measures

<https://agri.idaho.gov/main/weights-and-measures/device-licensing/>

Idaho Ag In the Classroom

<https://idaho.agclassroom.org/>

Idaho Public Health Districts

<https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts>

Idaho State Department of Education

<https://www.sde.idaho.gov/cnp/staff.html>

Idaho Small Business Development Centers

<https://idahosbdc.org/>

The Idaho State Tax Commission

<https://tax.idaho.gov>

Idaho Transportation Department

<https://itd.idaho.gov/>

HELPFUL ORGANIZATIONS

Bringing the Farm to School

<https://www.farmentoschool.org/our-work/bringingf2s>

Farm Commons

<https://farmcommons.org>



CHAPTER 3: DIRECT MARKETING STRATEGIES

WHO CAN HELP CONTINUED

The Federal Trade Commission

<http://www.ftc.gov>

Local Harvest, Inc.

<http://www.localharvest.org/csa>

National Agriculture in the Classroom

<https://agclassroom.org>

National Farm to School Network

www.farmentoschool.org

National Agricultural Law Center

<https://nationalaglawcenter.org/>

USDA Agricultural Marketing Service, Standards for Produce

<https://www.ams.usda.gov/>

ADDITIONAL RESOURCES

University of Idaho Extension Community Supported Agriculture (CSA)

A Marketing Strategy for Small Acreage Producers in Idaho

<https://www.uidaho.edu/extension/publications/publication-detail?id=cis1173>

University of Idaho Extension Publications Farm-direct Marketing Food Safety and Product Quality

<https://www.uidaho.edu/extension/publications/publication-detail?id=pnw0687>

CHAPTER 4

SELLING SPECIFIC PRODUCTS



4.1 ANIMAL PRODUCTS

4.2 NURSERY PRODUCTS & SUPPLIES

4.3 PLANT PRODUCTS

4.4 VALUE ADDED & PROCESSED PRODUCTS





SELLING SPECIFIC PRODUCTS

ANIMAL PRODUCTS

In Idaho, there are a variety of rules and regulations that apply to the production and sale of animal products. Below, you will find a brief overview of requirements for selling specific animal products, the agency, or agencies, with regulatory oversight for each type of product, and links to agency websites where you can find more detailed information. Rules and regulations undergo continuous review and are revised from time to time. All agencies, descriptions, and links provided below were current at the time of publication. It is your responsibility to ensure the rules you are complying with are the most current. Please visit the websites provided and contact the overseeing agencies to assure you are aware of, understand and are operating within the most current regulatory framework for each product you produce and sell.

BEES, HONEY, & OTHER APIARY PRODUCTS

Beekeeping is regulated by the Idaho State Department of Agriculture (ISDA) under the Plant Industries division. Permits are required to move bees into Idaho, licensing is required for commercial beekeeping, registration of colonies is required for beekeepers with over 50 colonies, and colonies may be subject to inspection. Contact ISDA to learn more.

Related Websites:

<https://agri.idaho.gov/main/plants/bees-apiary-inspection/>
<https://agri.idaho.gov/main/licenses/>

DAIRY PRODUCTS

The ISDA Dairy Bureau oversees dairy industries in Idaho. The Dairy Bureau enforces regulations set by the Idaho Legislature. For up-to-date information

on state regulations on the production, processing, or sale of dairy products, (pasteurized or raw), contact ISDA.

Related Websites:

<https://agri.idaho.gov/main/animals/dairy-bureau/>
<https://agri.idaho.gov/main/licenses/>

EGGS

The Idaho State Department of Agriculture oversees the production and sale of eggs. Operations with more than 300 hens are subject to licensing and egg grading requirements from the Idaho State Department of Agriculture, as well as inspections and fees. For all operations, regardless of size, handling and labeling must be in accordance with the Idaho Food Code and the Idaho State Department of Agriculture's labeling requirements. It is your responsibility to know and understand the rules and regulations that apply to you. Contact your local health district and the Idaho State Department of Agriculture Animals Division, for information on how Idaho's rules and regulations apply to you!

Related Websites:

<https://healthandwelfare.idaho.gov/health-wellness/community-health/food-safety>
<https://agri.idaho.gov/main/animals/avian-species/eggs/>
<https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts>
<https://agri.idaho.gov/main/licenses/>

FISH FARMS

Commercial fish farms are regulated by both ISDA and the Idaho Department of Fish and Game. Commercial fish farms must receive a license and

undergo an inspection through ISDA. Contact the regulatory agencies to learn more.

Related Websites:

<https://agri.idaho.gov/main/licenses/>

<https://idfg.idaho.gov/rules/fish>

MEAT

All meat processing in the United States, including from cattle, sheep, swine, and goats, is regulated by the Federal Meat Inspection Act (FMIA). Part of this act mandates that animals are processed at plants inspected by the USDA Food Safety and Inspection Service (FSIS). Accessing these facilities can be difficult for small producers, so many choose to sell their cattle, sheep, swine, or goats as live animals. The purchaser of the live animal may then have the animals slaughtered and processed for their own consumption by a custom meat business or butcher.

There may be additional permits required by your local health district to sell meat directly to consumers, such as at a farmers market. For wild game meat regulations, including yak and bison, contact the Idaho Department of Fish and Game. Contact your local health district for more information on meat processing and sales.

Related Websites:

<https://www.fsis.usda.gov/policy/food-safety-acts/federal-meat-inspection-act>

<https://www.fsis.usda.gov/inspection/inspection-programs/inspection-meat-products>

<https://agri.idaho.gov/main/i-need-to-see-lawsrules/idaho-code-title-25-animals/>

<https://healthandwelfare.idaho.gov/health-wellness/community-health/food-safety>

<https://idfg.idaho.gov/>

POULTRY

Poultry is a classification of domestic birds including chickens, turkeys, ducks, geese, guineas, ratites, and squabs. The Poultry Product Inspection Act (PPIA) is intended to ensure poultry are processed

under sanitary conditions and that no misbranded or adulterated poultry may be sold as human food. PPIA established standard sanitary practices, labeling and container standards, and requires the USDA's Food Safety and Inspection Service (FSIS) to inspect all domesticated bird products sold for human consumption, unless the operation falls under certain exemptions. Most small direct marketing farms and ranches will qualify for an exemption from the inspections outlined in this rule. Visit the USDA's website to learn more about exemptions.

A poultry farm or poultry processing business that slaughters less than 20,000 small birds or less than 5,000 turkeys per calendar year can become licensed as a food processor by their local public health district. This license allows the farm to sell their poultry and poultry products from the farm, at farmers markets, on the Internet, to hotels, restaurants, food service institutions, grocery stores, or through wholesale food distribution within the State of Idaho. Idaho does not have a state poultry inspection program.

All food establishments, including processors, are inspected by the Idaho Department of Health and Welfare's designated regulatory authorities, which are the state's seven Public Health Districts. Each Health District is a separate, autonomous agency (not a division of Health and Welfare). Your local District Health Department can offer assistance with the licensing process, new facility design, assessing processing equipment needs, cooling procedures, water source notes, wastewater disposal, and food science techniques for preventing cross-contamination of your poultry products.

Related Websites:

<https://www.fsis.usda.gov/policy/food-safety-acts/poultry-products-inspection-act>

<https://www.fsis.usda.gov/guidelines/2010-0006>

<https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts>

<https://agri.idaho.gov/main/animals/avian-species/>

<https://agri.idaho.gov/main/licenses/>



SELLING SPECIFIC PRODUCTS

NURSERY PRODUCTS & SUPPLIES

In Idaho, there are a variety of rules and regulations that apply to the production and sale of nursery products and supplies. Below, you will find a brief overview of requirements for specific products and supplies, the agency, or agencies, with regulatory oversight for each type of product, and links to agency websites where you can find more detailed information. Rules and regulations undergo continuous review and are revised from time to time. All agencies, descriptions, and links provided below were current at the time of publication. It is your responsibility to ensure the rules you are complying with are the most current. Please visit the websites provided and contact the overseeing agencies to assure you are aware of, understand, and are operating within the most current regulatory framework for each product you produce and sell.

SEED, FERTILIZER, & SOIL AND PLANT AMENDMENTS

All commercial feed, seed, fertilizer, and soil and plant amendments sold in Idaho are regulated by the Idaho State Department of Agriculture (ISDA) through the Division of Plant Industries. The rules and regulations they enforce are passed by the Idaho Legislature. The rules reference publications by the Association of American Feed Control Officials (AAFCO) and Association of American Plant Food Control Officials (AAFPCO). Some of these publications have a cost barrier for full access but can be shared with you free of charge if you contact the Commercial Feed, Fertilizer, & Amendments Program of ISDA. ISDA program officers can walk you through the AAFPCO and AAFCO requirements with you, ensuring you're covering all your bases before spending time and money printing labels you can't use.

Commercial Fertilizers

Commercial Fertilizers must be registered with the ISDA Department of Plant Industries. ISDA will review labels for accuracy and require sampling of fertilizer products.

Commercial Soil & Plant Amendments

Producers must register their business and products with ISDA before distributing in Idaho. Registration applications are reviewed to ensure compliance with standards and products are periodically sampled to verify product claims.

COMPOST

Most farm and ranch compost operations are regulated by the Idaho State Department of Agriculture (ISDA). ISDA has regulations on labeling and sale of compost, including compost from food scraps or animal manure. These regulations are set by the Idaho Legislature. The Idaho Department of Environmental Quality is responsible for compost piles if they have additions that are sourced from outside the agricultural operation. Check also with your local public health district and county clerk for additional regulations in your area!

Related Websites:

<https://agri.idaho.gov/main/>
<https://agri.idaho.gov/main/plants/>
[https://adminrules.idaho.gov/rules/
current/02/index.html](https://adminrules.idaho.gov/rules/current/02/index.html)
<https://www.deq.idaho.gov>
[https://healthandwelfare.idaho.gov/
health-wellness/community-health/
public-health-districts](https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts)
<https://agri.idaho.gov/main/licenses/>

NURSERY PRODUCTS

If you sell nursery or florist products in any capacity, you likely need a license from ISDA. This includes anyone who propagates, grows, installs, or sells nursery products in Idaho. If you are a farmer or gardener whose nursery stock sales are incidental to your overall operation and your sales do not exceed \$500 per year, you may request an exemption from the licensure requirement. Licensure helps in ISDA's fight to reduce pests and other invasives from entering Idaho or our export partners. Specific nursery plants as well as source areas are sometimes subject to quarantines to prevent disease or pest spread and protect all of Idaho's agricultural economies. (*See Fact Sheet 4.3 Plant Products for more information on quarantines*).

Related Websites:

<https://agri.idaho.gov/main/plants/nurseries-florists-and-landscaping/>
<https://agri.idaho.gov/main/licenses/>



SELLING SPECIFIC PRODUCTS PLANT PRODUCTS

In Idaho, there are a variety of rules and regulations that apply to the production and sale of plant products. Below, you will find a brief overview of requirements for selling specific plant products, the agency, or agencies, with regulatory oversight for each type of product, and links to agency websites where you can find more detailed information. Rules and regulations undergo continuous review and are revised from time to time. All agencies, descriptions, and links provided below were current at the time of publication. It is your responsibility to ensure the rules you are complying with are the most current. Please visit the websites provided and contact the overseeing agencies to assure you are aware of, understand, and are operating within the most current regulatory framework for each product you produce and sell.

QUARANTINES

A quarantine is a limitation of where or how materials can be distributed in order to prevent the spread of harmful pests or diseases. This can mean limitations on what can come into Idaho, what can be shipped elsewhere, and what can move within the state. Quarantines apply to anything that has the potential to carry a pest or disease. That includes starts, seeds, nursery stock, straw, hay, or other plant matter; animals, including bees; any area with a known occurrence of a regulated pest or disease.

The Idaho State Department of Agriculture (ISDA) oversees the management of agricultural quarantines, with regulations outlined in Idaho Legislative Statutes. You may need a license, permit, or exemption for certain activities, including selling, purchasing, or moving agricultural or horticultural commodities. You may be subject to specific labeling requirements, face limitations in where you can source certain products—such as seed potatoes

or planting garlic or be subject to a site inspection by an ISDA agent.

REMEMBER...

ISDA agents are there to help protect your business and all agriculture across Idaho. This guide is not intended to cover all regulations and requirements around quarantines. Instead, we want to make you aware of their existence and encourage you to review the ISDA's Summary of External Quarantines and to contact an ISDA agent to learn if there are quarantine requirements applicable to your business.

Related Websites:

<https://agri.idaho.gov/main/plants/quarantines/>
<https://agri.idaho.gov/main/licenses/>

COMMERCIAL FEED

All commercial feeds sold in Idaho are regulated by the Idaho State Department of Agriculture (ISDA) through the Division of Plant Industries. The rules and regulations they enforce are passed by the Idaho Legislature. The rules reference publications by the Association of American Feed Control Officials (AAFCO). Some publications have a cost barrier for full access but can be shared with you free of charge if you contact the Commercial Feed, Fertilizer, & Amendments Program of ISDA. This office can walk through AAFCO requirements with you, ensuring you're covering all your bases before spending time and money printing labels you can't use. Some requirements of commercial feed production include: product registration, labeling requirements and label reviews, and sampling of commercial feeds. Commercial feed producers must also cooperate with regulations set out by

the Food and Drug Administration or FDA.

Related Websites:

<https://agri.idaho.gov/main/plants/feeds-fertilizers-soil-and-plant-amendments-commercial/>
<https://www.aafco.org/>
<https://www.fda.gov/animal-veterinary/safety-health/safe-feed>

FRESH FRUITS & VEGETABLES

The United States Department of Agriculture (USDA) and Idaho State Department of Agriculture (ISDA) implement federal and state regulations surrounding the production of fruits and vegetables. Fruit and vegetable producers are subject to the food safety rules outlined in *Chapter 5 Food Safety* of this guide. USDA puts out Grade Standards for fruit and vegetable production. These standards are voluntary and designed to provide the fruit, vegetable, and specialty crop industry with language to describe their products. Visit their website for more information.

Related Websites:

<https://agri.idaho.gov/main/plants-plant-services-section-contact-information/>
<https://www.usda.gov/topics/farming/crop-production>

Potatoes

In an effort to protect Idaho's potato producers and prevent the spread of diseases, Idaho Administrative Code 22-501 requires that all potatoes planted in Idaho are certified by ISDA and accompanied by a certificate of inspection. Potatoes imported from any other state, country, or territory must also comply with the applicable rules of the department pertaining to potatoes.

Related Websites:

<https://agri.idaho.gov/main/plants/potatoes/>
<https://legislature.idaho.gov/wp-content/uploads/statutesrules/idstat/Title22/T22CH5.pdf>

HEMP

The Idaho State Department of Agriculture oversees the Hemp industry in Idaho. Rules regarding the production, processing, transportation, and research of industrial hemp are put out through the Idaho Legislature. An ISDA issued license is required to produce Hemp in Idaho.

Related Websites:

<https://agri.idaho.gov/main/hemp/>

WILD MUSHROOMS & OTHER FORAGED PLANTS

Wild or cultivated mushrooms may be sold at some farmers markets, grocery stores, restaurants or other direct sales venues depending on local regulations. To sell processed mushrooms (e.g. dried, sliced or canned), an ISDA Food Processing License is required. It is important to be able to identify wild mushrooms and other plants correctly—some varieties can be fatal or cause the person consuming them to be very ill.

Wild foods commercially harvested on private and public lands in the state of Idaho must be harvested with proper permission and permits. This includes either written permission from the owner of a private property, or applicable permits from the appropriate land management agency. Rules and fees for these permits vary for each forest district or management agency, contact the managing agency for more information.

Related Websites:

<https://agri.idaho.gov/main/licenses/>
<https://www.fs.usda.gov/about-agency/contact-us/regional-offices>



SELLING SPECIFIC PRODUCTS

VALUE ADDED & PROCESSED PRODUCTS

In Idaho, there are a variety of rules and regulations that apply to the production and sale of value added products. Below, you will find a brief overview of requirements for selling specific valued added products, the agency, or agencies, with regulatory oversight for each type of product and links to agency websites where you can find more detailed information. Rules and regulations undergo continuous review and are revised from time to time. All agencies, descriptions, and links provided below were current at the time of publication. It is your responsibility to ensure the rules you are complying with are the most current. Please visit the websites provided and contact the overseeing agencies to assure you are aware of, understand, and are operating within the most current regulatory framework for each product you produce and sell.

COSMETICS & BODY CARE PRODUCTS

Many farmers and ranchers create body care products with the animal or plant ingredients they've grown. These value added products can include lotions, soaps, essential oils, body scrubs, and more. The Food and Drug Administration (FDA) oversees the production of most body care products. The specific rules and regulations on their production depends on the product type, which is defined by the intended use of the product and the product's advertising. The FDA classifies body care products into three potential categories: cosmetics, drugs, and soaps. The labeling requirements and other regulations vary depending on the product category. Contact the FDA for more information!

Related Websites:

<https://www.fda.gov/cosmetics>
[https://www.fda.gov/cosmetics/cosmetics-labeling](https://www.fda.gov/cosmetics/cosmetics-guidance-documents/good-manufacturing-practice-gmp-guidelinesinspection-checklist-cosmetics)

practice-gmp-guidelinesinspection-checklist-cosmetics
<https://www.fda.gov/cosmetics/cosmetics-labeling>

SOAPS

Soaps are a classification that needs special explanation. The FDA's definition of soap is as follows:

- ✓ the bulk of the nonvolatile matter in the product consists of an alkali salt of fatty acids and the product's detergent properties are due to the alkali-fatty acid compounds, and
- ✓ the product is labeled, sold, and represented solely as soap [21 CFR 701.20].

If the product's ingredients differ from the above requirement, or the product offers other benefits in line with the intended uses of cosmetics or drugs, (i.e., imparting fragrance to the user or being antibacterial) it would be classified as a cosmetic or drug, or both.

True soaps, according to the above definition, are regulated by the Consumer Product Safety Commission, not the FDA.

Related Websites:

<https://www.cpsc.gov/>

DIETARY SUPPLEMENTS

The FDA defines dietary supplements as a product (other than tobacco) that is:

- ✓ Intended to supplement the diet that bears or contains one or more of the following dietary ingredients: a vitamin, a mineral, an herb or other botanical, an amino acid, a dietary substance used by humans to supplement the diet by increasing the total daily intake, or a concentrate,

metabolite, constituent, extract, or combination of all of these ingredients.

- ✓ Intended for ingestion in pill, capsule, tablet, or liquid form.

You as the producer are legally responsible for ensuring your product is safe for consumption. The Food and Drug Administration (FDA) has regulations on what claims can be made to supplements, especially claims to cure or treat diseases. Contact the FDA or your local health district to ensure your compliance with applicable laws before printing product labels. To manufacture a dietary supplement you are required to be registered with FDA.

The responsibility for licensing, inspecting, and enforcement of regulations is delegated to the state of Idaho's seven health districts. For specific information about food permits, contact your local health department.

Related Websites:

<https://www.fda.gov/food/dietary-supplements>
<https://healthandwelfare.idaho.gov/health-wellness/community-health/food-safety>

PROCESSED FOODS

A processed food is one that has been cooked, preserved, or otherwise altered from its raw state to prepare for human consumption. Processed foods do not include produce that has been washed or trimmed for sale. All businesses selling processed foods directly to the consumer at farmers markets, on-farm, or any other location must obtain a Food Establishment license from the local District Health Department.

The Idaho State Department of Agriculture's (ISDA) Idaho Preferred program has published a guide on starting a specialty food business that provides more information on processed food production, *Starting a Craft Food Business in Idaho: A Comprehensive Guide for Idaho Craft Food Producers*.

Related Websites:

<https://healthandwelfare.idaho.gov/health-wellness/community-health/food-safety>

COTTAGE FOODS

Cottage foods are a subset of processed foods in Idaho Food Code that can be prepared in a person's home or other location with minimal regulatory oversight. To qualify as a cottage food, the product must not require time and/or temperature control for safety. Examples of cottage foods include any baked goods that do not require refrigeration such as jams and jellies, honey, dried fruits, dry herbs, seasonings and mixtures, cereals, vinegar and flavored vinegars, popcorn and popcorn balls, or tinctures that do not make medicinal claims. Cottage food operations must first secure a Food Establishment Permit from the local Public Health district before selling their products to any third party.

Related Websites:

<https://healthandwelfare.idaho.gov/health-wellness/community-health/food-safety>

CHEESE, BUTTER, & OTHER DAIRY PRODUCTS

Dairy farmers who produce value-added dairy products, including butter and cheese must obtain a Milk Producer License and Milk Processing Plant License from the Idaho State Department of Agriculture (ISDA).

Related Website:

<https://agri.idaho.gov/main/licenses/>

WINE, BEER, & HARD CIDER

Every winery, brewery, or cidery must have a Federal Basic Permit and undergo inspection from the U.S. Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau (TTB). Idaho State Liquor Dispensary (ISLD) enforces state liquor laws. If you produce only alcoholic beverages, you must li-

cense your facility through the ISLD. If you also produce food or non-alcoholic drinks, you must also receive a Food Processor License from the Idaho State Department of Agriculture (ISDA).

Related Websites:

<https://www.ttb.gov/about-ttb/contact-us>

<https://liquor.idaho.gov/>

<https://agri.idaho.gov/main/licenses/>



IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>
Idaho Preferred

<https://idahopreferred.com/>

Idaho Department of Environmental Quality

<https://www.deq.idaho.gov/>

Idaho Fish and Game

<https://idfg.idaho.gov/rules/fish>

HELPFUL ORGANIZATIONS

United States Department of Agriculture (USDA) <https://www.usda.gov/>

Food Safety Inspection Service

<https://www.fsis.usda.gov/>

Alcohol and Tobacco Tax and Trade Bureau (TTB)

<https://www.ttb.gov/>

Association of American Feed Control Officials (AAFCO)

<https://www.aafco.org/>

US Food and Drug Administration (FDA)

<https://www.fda.gov/>

United States Consumer Product Safety Commission (CPSC)

<https://www.cpsc.gov/>

Idaho Public Health Districts

<https://healthandwelfare.idaho.gov/health-wellness/community-health/public-health-districts>



CHAPTER 5

FOOD SAFETY



5.1 CREATING A FOOD-SAFE ENVIRONMENT

5.2 FOOD SAFETY MODERNIZATION ACT

5.3 HAZARD ANALYSIS CRITICAL CONTROL POINT



5.4 PREVENTATIVE CONTROLS FOR HUMAN FOOD

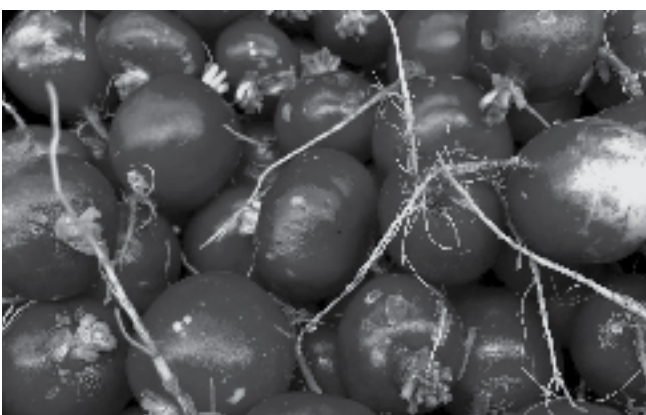
5.5 PREVENTATIVE CONTROLS FOR ANIMAL FOOD

5.6 PRODUCE SAFETY RULE

5.7 PRODUCE SAFETY RULE FLOW CHART

5.8 GOOD AGRICULTURAL PRACTICES

5.9 TRACEABILITY & RECALLS



FOOD SAFETY

CREATING A FOOD-SAFE ENVIRONMENT

FACT SHEET
5.1



You likely started your farm or ranch business because you're passionate about providing good quality food for your community. One important aspect of that is making sure the food you produce is safe to eat. No matter your operation's size, you need to be aware of the opportunities for bacteria, viruses, or parasites to contaminate your products, and actively work to prevent that from happening.

CREATING A CULTURE OF FOOD SAFETY

Everyone in your operation needs to understand the importance of food safety. You as the owner need to establish your expectations and lead by example. When onboarding a new employee, or at the beginning of a new season, you'll need to train everyone in food safe practices and explain why they are important. If you produce a product that makes others sick, your whole farm or ranch could be held liable, be forced to recall all similar products, lose out on major sales, lose customers' trust, or worst case, seriously harm someone or even take their life. Beyond the threat of a food safety issue closing your doors, it also affects the farmers and ranchers around you: if one of your products is recalled, the entire farming and ranching community loses sales when customers avoid that product type. Taking care in your production methods is taking care of your community.

Make sure employees, volunteers, your family members, and others understand this and are working with you to keep your operation safe. Encourage them to report any issues they see immediately so you can work together towards a solution. When you see an issue, address it quickly and work to reduce the situation that caused it. For example, if employees are forgetting to sanitize sinks with chlorine bleach before cleaning produce, buy

several spray bottles for bleach solution and keep them on hooks right by the sink at eye level to serve as a visual reminder and make sure employees don't have to spend valuable time searching for the product they need.

CLEAN SOIL

Whether you're farming or ranching, you depend on soil. This great asset can also harbor dangers, however. Pathogens like *E. coli*, salmonella, and listeria can be present in our soils, especially those mixed with manure. If you have an integrated system with animals and produce crops, keep them separate as much as possible. Taking steps to exclude wild animals from your fields is important as well. If you rely on animal manures as fertilizer, take steps to avoid contaminating fresh produce with any pathogens that are present. Common strategies include only using manure on non-produce crops, composting all manures before application using a scientifically validated thermophilic (heat) composting process, or waiting 90 days after applying manure before harvesting crops that grow above the ground, and 120 days before harvesting crops that grow in or touch the soil. Fresh or even aged manure should never be used directly on produce crops during the growing season.

CLEAN HANDS

Clean hands are an essential part of producing clean foods! Make sure everyone on your farm, even visitors, are washing their hands for 20 seconds using potable water after using the bathroom, eating, handling animals, and before harvesting or handling any food products. Make sure you provide soap, clean water, and single-use towels in your facilities, especially adjacent to your restroom facilities.

CLEAN SURFACES

You need clean working surfaces to process clean food. When sourcing materials, look for surfaces that are smooth and non-porous (i.e. stainless steel or plastic) so they can be thoroughly cleaned and sanitized. Inspect and clean all surfaces thoroughly before using them, including harvest bins. Take care to ensure that bins don't come in contact with the soil, or if they do that those bins are not placed on processing tables. Always clean with potable (drinkable) water and detergent, and then sanitize and dry. The process is not complicated, but effective cleaning and sanitation depends on using the right products for the application and materials. The Produce Safety Alliance and University of Idaho Extension Educators working in food safety can direct you toward additional helpful resources related to cleaning and sanitation on the farm and in packing.

CLEAN WATER

Water can carry and quickly transfer pathogens. How much risk is associated with your water depends on where you source it and when and how you use it.

The water source you use will affect what considerations you need to take with your water. Water sources are generally: regulated public water (like city water), ground water (from wells), and surface water (like irrigation ditches).

Regulated Public Water System

Municipal drinking water systems can include publicly managed and treatment of wells, groundwater, and surface water. Because this water is regulated by the Environmental Protection Agency (EPA), your local government, and the public water utility, it is frequently tested and has the least amount of risk associated with its use. If you use water from a regulated public water system in your operation, there is no requirement to further test your agricultural water, but you may want to review periodic water testing documents.

Ground Water Sources

Water drawn from wells outside of a publicly regulated system is not as low risk but is generally less likely to be contaminated with pathogens because it typically filters through many layers of ground before it reaches the aquifer. You still need to consider maintenance, construction, and location of your well when assessing the risk of contamination. For example, if your well is not capped, and therefore exposed to rodents, other animals, and the environment, it is essentially an open surface water source. If your property floods and water enters the well, that well water is now as contaminated as surface water. Similarly, if you are pumping groundwater into a pond or ditch, that water is now considered surface water. For your own family's safety as well as that of your customers, you should test your well water annually for nitrates, coliform bacteria, and other contaminants.

Surface Water

Any water source that is open to the environment, including canals, irrigation ditches, ponds, and reservoirs, presents the highest amount of risk. Quality of the water depends on the location, uses and users of the water. If using surface water in your operation, you will want to assess how and when you are using it and consider testing periodically throughout the growing season to understand how the quality might change and what risks are present. Untreated surface water should never be used for any handwashing or post-harvest activities, including cleaning produce or equipment that contacts produce, cooling or ice making.

Water Application Methods

In addition to the source of water used in your operation, the method and timing of water use impacts the potential for contamination. For example, drip irrigation used in an orchard is low risk because it does not directly contact the produce, where a sprinkler application would. Produce grown in the ground will likely always come in contact with your water, so it is at a higher risk for contamination than produce grown off the ground.

Timing of Water Use

The risks associated with contaminated water can be associated with the timing of application. Pre-harvest water is any water used before harvesting, including water for irrigation, mixed into spray applications, and any other situation in which water comes in direct contact with your produce while it is growing. The closer you get to harvest time, the more cautious you should be if using surface water to irrigate produce crops. Harvest and post-harvest water refers to water used during cleaning and sanitation of harvest equipment and tools, harvesting, washing produce, cleaning and sanitizing packing areas, handwashing, making ice, cooling, or any other post-harvest practices. All post-harvest water must be potable. Many farms choose to go the extra step and add a sanitizer to produce wash water to reduce cross contamination of produce by the water, not to sanitize produce.

CLEAN HARVEST

Beyond keeping your growing environment clean, you need to minimize the opportunities for pathogens to be introduced as you are harvesting and processing your produce as well.

Harvest Records

For many reasons, it is a good habit to keep harvest and production records. It is beneficial to record what was harvested, harvest weights or volume, who was responsible for the harvesting, what field or plot was harvested, and the date. Animal production records would include specific information about the animal sold or processed. Many farms develop standardized lot codes to track this information in their records as well as on boxes or packaging. If your product is ever suspected or implicated in a foodborne illness outbreak, you will be able to pinpoint the source of the product and remove associated products quickly if you have a system for tracking this information. Harvest data is also essential for understanding your overall farm yields, sales, and profitability.

Manage Produce Quality

Any damaged produce, like those with cuts, blemishes, bruised spots, etc., should be culled. That damaged area can harbor harmful microorganisms, which can then be transferred to unblemished produce or pose a risk to humans if consumed. Keep “seconds” separate from the products you intend to sell from harvest onward. Don’t pile unsold or blemished produce in the fields, but instead compost them away from your production fields.

Cleaning or Washing Produce

If you’ve ever washed salad greens in a tub of cold water, you’ve probably noticed the greens perk up after the washing. This is because produce can draw water colder than itself into its cells. This phenomenon, called infiltration, is helpful when you’re spritzing greens at a market stand on a hot day, but also a potential source of food safety hazards. If your water is contaminated, the contamination infiltrates the produce with the water. This is why you must only use potable water when washing your produce, change your wash water frequently, or consider adding a sanitizer approved for this use.

Water can also encourage your produce to rot faster. Great care should be taken in how and when you use water to clean your produce. For many crops, like winter squashes or tomatoes, avoid washing with water all together. Knock excess dirt off in the fields with a dry brush or cloth that you clean often.

CLEAN STORAGE & TRANSPORTATION

The packaging, storage, and transportation of your products present additional opportunities to evaluate and take steps to ensure food safety. Unless a package can be cleaned and sanitized adequately, new packaging should be used. Make sure all of your packaging materials are food contact grade and stored off the ground and sealed from insects, rodents, dust, and dirt. In addition to being a good safety practice, this ensures your costly storage materials last! Do your research on what packaging materials work best and are most appropriate for your products and keep them in good repair.

Coolers, refrigerators, walk in coolers, and freezers should be inspected prior to use, cleaned, and sanitized regularly. Use a thermometer or other device to monitor the temperature.

Your vehicles are a hardworking part of your operation's equipment and often serve many purposes. Your truck bed may have transferred dogs, diesel, manure, chemicals, or many other important aspects of your operation. But this can create issues of cross contamination if you are also packing your fresh produce or other food items in the same vehicle before heading to market. Make sure your truck bed or interior of trucks and vans is clean before transferring any food products. If the vehicle cannot be adequately cleaned and sanitized, consider using a liner or some other barrier when transporting produce and food products.

While transferring your products, make sure your products are kept cool. A shade cloth or clean plastic tarp over your truck bed can help keep temperatures low. Many foods, like dairy products and meats, must be kept below certain temperatures. Make sure you have the proper containers to ensure this (coolers with dry ice, ice, or ice packs, for example), or consider investing in a refrigerated truck if transporting large quantities longer distances.

FOOD SAFETY
**FOOD SAFETY
MODERNIZATION ACT**



The U.S. Food and Drug Administration's Food Safety Modernization Act (FSMA), H.R. 2751, is the largest reform of food safety laws since the Food, Drug and Cosmetic Act of 1938. FSMA aims to ensure the U.S. food supply is safe by shifting the focus from responding to food contamination and outbreaks to preventing them. The law has a farm-to-fork approach and impacts all parts of the supply chain, including growers and farmers, processors, and distributors and shippers.

FSMA MAJOR RULES

FSMA is made up of seven major rules that address fresh produce, human food, animal food, transportation, and imported food. The descriptions here are adaptations from those found on the FDA website.

Preventive Controls for Human Food

Establishes minimum safety standards for manufacturing, processing, packing, and holding human food. This includes: employee training requirements, Good Manufacturing Practices (GAPs), and Hazard Analysis and Risk-based Preventive Controls. (See *Fact Sheet 5.8 Good Agricultural Practices for more information*). Requires that human food facilities registered with FDA have a written plan that identifies hazards and outlines appropriate preventive controls. (See *Fact Sheet 5.4 Preventative Controls for Human Food for more information*).

Preventive Controls for Animal Food

Establishes Current Good Manufacturing Practices and preventive controls for the production of food for animals. (See *Fact Sheet 5.5 Preventative Controls for Animal Food for more information*).

Standards for Produce Safety

Establishes science-based safety standards for growing, harvesting, packing, and holding of fruits and vegetables on domestic and foreign farms. (See *5.6 Produce Safety Rule for more information*).

Foreign Supplier Verification Program

Importers will be required to verify that food imported into the United States has been produced in a manner that provides the same level of public health protection as that required of U.S. food producers.

Third Party Certification

This rule establishes a framework, procedures, and requirements for the certification of third-party organizations to conduct food safety audits. Establishes a program for the accreditation of third-party auditors to conduct food safety audits and issue certifications of foreign facilities producing food for humans or animals.

Sanitary Transportation

Requires those who transport food by rail or motor vehicle, including shippers, receivers, loaders, and carriers to use sanitary practices to ensure the safety of food. It addresses the design of vehicles, refrigeration, and sanitation practices to ensure safe transportation of food.

Intentional Adulteration

This rule is aimed at preventing wide-scale harm through intentional adulteration of the food supply through the development of food defense plans. Requires domestic and foreign food facilities registered with the FDA develop a plan that assesses contamination vulnerabilities and document a mitigation strategy to achieve certifications.



FOOD SAFETY

HAZARD ANALYSIS CRITICAL CONTROL POINT

Hazard Analysis Critical Control Point (HACCP) is a food safety management system that addresses biological, chemical, and physical hazards from raw material production, procurements, and handling, to manufacturing, distribution, and consumption of the finished product. HACCP is a logical, simple, effective, and systematic approach to food safety recognized globally and widely adopted throughout industry. It is designed for all levels of the food system and is comprised of preliminary steps and seven principles, outlined below.

The Idaho State Department of Agriculture and your local Health District can help you determine whether HACCP or Preventative Controls for Human Foods is better for you and your operation. (See *Fact Sheet 5.4 Preventative Controls for Human Food for more information*). Make sure to contact those agencies for specific requirements before diving into your food safety plan.

CREATING YOUR HACCP PLAN

Your food safety plan is a very important step towards ensuring you are creating safe food products. Your plan needs to reflect your facility, equipment, practices, and procedures. It is not something that is a one-and-done—your food safety plan needs to be a living document and is continuously improved. Beware of websites and businesses that will write your HACCP plan for you. Your HACCP plan needs to be applicable to your process, your equipment, and your programs to prevent food safety incidents from happening. A generic HACCP plan can be used to get you started but you still need to make sure it is applicable to your facility and product.

PREREQUISITE PROGRAMS

Prerequisite programs include Good Manufac-

turing Practices, Sanitation Programs, Chemical Control, Allergen Control, Water and Air Quality Programs, Supply Chain or Approved Supplier Programs, Maintenance Programs, Training, Storage and Shipping, Traceability and Recall, Pest Control, and others. These programs can help you build a solid foundation of food safety processes and requirements to build upon in your HACCP food safety plan. More information on these programs can be found on FDA's website: <https://www.fda.gov/food/hazard-analysis-critical-control-point-haccp/haccp-principles-application-guidelines>.

HACCP PRELIMINARY STEPS

There are important steps to take to inform your HACCP Food Safety Plan and ensure it is safe, effective, and thorough. Those steps are: assembling a HACCP team, describing the product and product distribution, describing the intended use and consumers of the product, developing a flow diagram that describes the process, and verifying that flow diagram.

Assemble the HACCP Team

For any food safety plan to be adopted, the whole operation must understand the importance of food safety and work together to implement and uphold the food safety plan. Develop a core food safety team to help in this goal. If you have a large staff, try to fill this team with representatives from across all skill sets, management levels, and portions of your operation.

Do not be afraid to change members of the team as needed and to invite subject matter experts.

Describe the Product & Product Distribution

In this step, the HACCP team needs to decide how many food safety plans your facility needs. All

products must be made with a food safety plan; however, each product does not need its own food safety plan. If products have similar processes and similar hazards, they can be combined under one food safety plan. The product description contains the product's common name, processing description, food safety characteristics, types of packaging, any labeling requirements, length of shelf life, and storage and distribution conditions.

Describe the Intended Use & Consumers of the Product

Frequently, the intended use and consumers of the food is included in the product description. Describe the normal expected use of the food and who are the intended users of the product. Intended users could include retail, food service, or further manufacturing at your facility or other facilities. Be aware of specialized groups who are especially susceptible to foodborne that illness will consume your product. Those groups include infants and kids, pregnant women, immunocompromised individuals, and the elderly. Determine how your consumers will use and misuse the product, if the product is RTE (ready to eat), requires further cooking, needs stored at refrigerated/frozen temperature, etc.

Develop a Flow Diagram which Describes the Process

Create a flow diagram that provides a clear, simple outline of the steps involved in manufacturing the food product. This diagram needs to encompass everything from receiving to when it changes ownership and illustrate all product inputs and outputs. Every piece of equipment and ingredient or processing aid needs to be included in the flow diagram.

Verify the Flow Diagram

After you have completed the flow diagram, the food safety team needs to walk through the process and review for accuracy and completeness.

HACCP PLAN SEVEN KEY PRINCIPLES

Once you have completed the above steps, you should have a thorough understanding of your product and the production process of it. That prepares you to launch into HACCP's seven key principles: hazard analysis, CCP identification, establishing critical limits, monitoring procedures, corrective actions, verification procedures, and record-keeping and documentation.

Conduct a Hazard Analysis

The hazard analysis is a two-part process, the first identifies the food safety hazards and the second requires evaluation of likelihood and severity of the hazards identified. The hazards are classified into one of three categories: microbiological, chemical, or physical.

HAZARD CLASSIFICATIONS

Microbiological hazards include harmful bacteria, viruses, or parasites such as listeria, salmonella, or E. coli.

Chemical hazards could include materials that can cause illness or injury due to immediate and long-term exposure such as allergens, heavy metals, pesticide and herbicide residues, food additives, building and equipment maintenance fluids, etc.

Physical hazards include any potentially harmful extraneous matter, causing injury or choking to the consumer. Materials like metal, wood, stones, plastic, bones, rubber, and glass fragments are included.

Once you have analyzed the ingredients and process for potential hazards the food safety team now needs to determine the likelihood and severity of that hazard occurring.

Determine the Critical Control Points

Once the food safety team has determined the hazards, their potential severity, and likelihood, the food safety team needs to determine the appropriate control mechanisms to reduce or eliminate the hazards. What policies, procedures, and programs do you have in place to eliminate or reduce the hazard to an acceptable level? These prevention methods should be implemented at a critical control point, or CCP. CCPs are a step at which control can be applied and are essential to prevent or eliminate a food safety hazard or reduce to an acceptable level. At this step the food safety team needs to look at the hazard and determine if the prerequisite programs control the hazard or not. If not, then the step is a critical control point. Common critical control points include cooking or pasteurization, acidifying, dryers that reduce the water activity, labeling, organic acid sprays, metal detection/X-ray, etc.

Establish Critical Limits

The critical limit is the maximum or minimum value to which the hazard must be controlled to reduce the hazard to an acceptable level. Critical limits can be one or a combination of factors including temperature, pressure, time, physical dimensions, water activity, pH, aroma and visual appearance.

Establish Monitoring Procedures

Monitoring includes observation and measurements to assure your food safety plan is functioning properly. Monitoring helps you track the process and indicate when changes need to be made in order to keep the process in control, determine when control was lost, and which product is impacted, and provide written documentation to verify the food safety plan and programs.

Establish Corrective Action

When issues arise, the food safety plan must detail how to handle the violations and deviations. The corrective action plans must consist of two components: how to get the process back into control and how to handle the impacted product.

Establish Verification Procedures

In addition to monitoring, the food safety plan needs to be verified to ensure that the system is operating according to the program requirements. Verification activities could include a supervisor reviewing paperwork at the end of the shift, a quality assurance person reviewing the documentation before releasing product for distribution, calibration of instrumentation, microbiological testing of ingredients and finished products, or more.

Establish Record-Keeping & Documentation Procedures

The last principle involves all the documentation and records that have been kept in the process of making the product and ensuring the food safety plan is functioning. If it is not documented, it did not happen. All records need to be signed and dated with accurate references. Good documentation practices and document control are required for all documents associated with your product production and your food safety plan. Remember, your food safety plan, and all documentation associated with your safety plan, are legal documents.



FOOD SAFETY PREVENTIVE CONTROLS FOR HUMAN FOOD

FACT
SHEET
5.4



One of the seven major rules of the Food Safety Modernization Act, the Preventive Controls for Human Food Rule, establishes Current Good Manufacturing Practices (CGMP), hazard analysis, and risk-based preventive controls for the production of human foods. The rule's purpose is to ensure that products are safe for consumption.

REGULATORY BODIES

There are two federal bodies that majorly influence food safety plans and requirements: the United States Department of Agriculture (USDA) and the Food and Drug Administration (FDA). The USDA is primarily concerned with meat, poultry, and eggs. The FDA is responsible for everything else. USDA requires a food safety plan that follows the HACCP concept (*See Fact Sheet 5.3 Hazard Analysis Critical Control Point for more information*). FDA requires a food safety plan that follows the Preventive Controls for either Human Foods or Animal Foods.

In addition to the regulations set out by federal bodies, you will need to follow Idaho state food safety requirements. The Idaho State Department of Agriculture (ISDA) and Idaho Health Districts may require either food safety system. Always check with these agencies about what food safety regulations affect you and your business.

GOOD MANUFACTURING PRACTICES

The Preventive Controls for Human Foods Rule updated the Current Good Manufacturing Practices (cGMP). Good Manufacturing Practices (GMP) are the minimum sanitary requirements to produce a safe food product. GMPs include the following headings: personnel, plant and grounds, sanitary operations, sanitary facilities and controls, equipment and utensils, processes and controls, ware-

housing and distribution, holding and distribution of human food by-products for use as animal food, and defect action levels.

FOOD SAFETY PLAN

The Rule requires that a facility (if you manufacture, process, pack, or hold human food for consumption in the United States) have a food safety plan that is compliant with the rule. Your food safety plan builds on the HACCP methodology with some additional requirements. (*See Fact Sheet 5.3 Hazard Analysis Critical Control Point for more information*). The following are some of the differences between HACCP and the Preventive Controls requirements.



PREVENTIVE CONTROLS

In addition to prerequisite programs, the PC rule includes preventive controls to help significantly reduce or minimize hazards. Preventative control classifications include process controls, food allergen controls, sanitation controls, and other controls.

PREVENTATIVE CONTROL CLASSIFICATIONS

Process controls include cooking/pasteurization, freezing/refrigeration, acidifying foods, etc.

Food allergen controls include how to ensure that the Big 9 allergens (milk, eggs, peanuts, tree nuts, crustacean shellfish, fish, soy, wheat, and sesame) are labeled if they are included in the food. If they are not, that no inadvertent cross contamination exposes your product to those allergens.

Sanitation controls are the procedures and program to ensure the facility and equipment is maintained according to sanitary design principles.

Other controls are those that significantly reduce or prevent the hazard from occurring but are not categorized in the previous preventive controls' classifications. metal, wood, stones, plastic, bones, rubber, and glass fragments are included.

RECALL PLAN

A recall plan is required for all facilities that have identified any hazard that requires a preventive control. This includes most manufacturers, as most food production involves some level of hazard.

QUALIFIED INDIVIDUAL

The person that oversees the food safety plan must have the training and knowledge to be considered a preventive controls qualified individual (PCQI). The requirements for becoming a PCQI are

outlined in the rule. The Food Safety Preventive Controls Alliance (FSPCA) (<https://www.ifsh.iit.edu/fspca>) has a standardized curriculum that is recognized by the FDA that can help you meet the requirements of a PCQI.

HAZARD ANALYSIS CRITICAL CONTROL POINTS

Preventative Controls for Human Food relies on key principles outlined in Hazard Analysis Critical Control Point (HACCP).

HACCP SEVEN KEY PRINCIPALS:

- ✓ Hazard Analysis
- ✓ Critical Control Point Identification
- ✓ Establishing Critical Limits
- ✓ Monitoring Procedures
- ✓ Corrective Actions
- ✓ Verification Procedures
- ✓ Record-Keeping & Documentation

EXEMPTIONS

Not all facilities have to comply with all sections of the Preventive Controls for Human Foods (PC) rule. Retail stores, restaurants, and farms are not subject to the rule. Other facilities could be classified as qualified or exempt; those facilities must still comply with some sections like cGMPs and modified requirements. However, those facilities may not be responsible for all sections of the PC rule. Some reasons for exemptions include: low-risk on-farm activities, type of storage facilities, products already covered by other specific regulations (seafood, juice, low acid canned food, alcoholic beverages), or the size of your business. Visit the FDA website (fda.gov) or the Who Can Help section at the end of this chapter for more information.

FOOD SAFETY PREVENTIVE CONTROLS FOR ANIMAL FOOD

FACT
SHEET
5.5



Preventive Controls for Animal Foods is one of the seven major rules of the Food Safety Modernization Act (FSMA). The rule establishes Current Good Manufacturing Practices (CGMP), hazard analysis, and preventive controls for the production of animal foods. The rule's purpose is to ensure that animal feed is safe for animal consumption, and for humans who consume animals fed on these products. Animal food facilities covered under this rule must have a food safety plan in place, analyze their production for potential hazards, and implement controls to reduce risk. The rule takes into consideration the unique aspects of the animal food industry and provides flexibility for various types of animal food facilities.

WHO IS REQUIRED TO COMPLY?

Businesses in the United States that manufacture, process, pack, or hold food for consumption by animals are covered. Examples include livestock and poultry feed manufacturers, pet food and treat manufacturers, ingredient manufacturers, processors, and holding facilities. Businesses that ship animal food or animal food ingredients to the U.S. are also required to comply. Even if determined to be exempt from the Animal Food Rule, it is important to check if your facility is covered by local or state regulations.

FEED MILLS

Feed mills are sometimes covered by the Preventive Controls for Animal Food Rule. If you have a feed mill to feed cattle you raise for beef, and both are in the same geographic location, your feed mill is not subject to the rule. If the two operations are not under the same owner (i.e. the food mill on your ranch is not yours), then the feed mill is subject to the Preventive Controls for Animal Food rule.

BUSINESSES NOT COVERED

- ✓ Farms that only grow crops used for animal food
- ✓ Feed mills that are part of fully vertically integrated farming operations (with all components under the same ownership) producing feed only for those animals
- ✓ Retail establishments that sell animal feed or pet food directly to consumers
- ✓ Home-based pet food producers

BYPRODUCTS

Whether or not byproducts are subject to the rule depends on the intention of the original products. If the byproduct comes from a company that produces human food, the company is subject to the human food rule and not the animal food rule. However, if the byproduct is then processed or finished into an animal food product through an activity like drying or pelleting, then Preventive Controls for Animals Food Rule will apply.

KEY REQUIREMENTS OF THE ANIMAL FOOD RULE

Businesses that fall under the regulation of the Preventive Controls for Animal Food Rule must comply with the below requirements.

Current Good Manufacturing Practices

The FDA finalized cGMPs for safe animal food production, including best practices for personnel, cleaning and sanitation, holding, distribution, equipment, etc. Businesses covered must comply with the cGMPs.

Hazard Analysis

Facilities should first identify any known or reasonably foreseeable hazards - biological, chemical, radiological, and physical. Based on an assessment of severity and probability, preventive controls must be written and implemented for any hazards identified that require additional mitigation.

Preventive Controls Food Safety Plan

Written preventive controls address hazards that may occur during any step of the animal food process. These controls will ensure that any hazards will be significantly minimized or prevented to ensure that the animal food is not contaminated. Types of controls include process controls, sanitation controls and supply-chain controls. The control must be verified and monitored to confirm its effectiveness. Record keeping provides documentation of these activities and is required.

FOOD SAFETY PRODUCE SAFETY RULE

FACT
SHEET
5.6



The Produce Safety Rule is one of seven rules included in the Food and Drug Administration (FDA) Food Safety Modernization Act (FSMA). The Produce Safety Rule (PSR) establishes science-based minimum standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption. This rule covers aspects of worker health, hygiene, and training; agricultural water (for both production and post-production harvest uses); biological soil amendments; domesticated and wild animals; equipment, tools, buildings, and sanitation; and the production of sprouts. Many small farms will not be required to comply with all the federal food safety regulations in the Food Safety and Modernization Act (FSMA) Produce Safety Rule (PSR). How the rule will affect you and your farm will depend on what you grow, how much you sell, and who your customers are.

COVERED PRODUCE

Foods that are eaten raw are at increased risk of foodborne illnesses because cooking reduces the presence of microorganisms of public health significance. For that reason, the FSMA PSR is focused on produce that is commonly consumed raw. Check with the FDA for a final list on produce not subject

to the Produce Safety Rule. Any crops not specifically listed as not subject to PSR by the FDA are subject to the rule. Below was the list of not covered crops at the time of this guide's publication.

Value Added Products

What about value added fresh foods made from covered raw agricultural commodities? While the production of the fruits and vegetables would be subject to the Produce Safety Rule, products made from them, ready-to-eat or processed products like cut and washed salad mixes, peeled baby carrots, zucchini noodles, and salsas are not regulated under the Produce Safety Rule. These products are potentially subject to other food rules under the FSMA Preventative Controls for Human Food Rule or rules determined by your public health department. (See *Fact Sheet 5.4 Preventative Controls for Human Food* for more information).

Sprout Production

Unfortunately, many foodborne illnesses have resulted from the production of sprouts. Because of this, the FDA has developed specific and rigorous standards for sprout production that are separate

SOME CROPS NOT SUBJECT TO PSR

<i>Asparagus</i>	<i>Cashews</i>	<i>Eggplants</i>	<i>Peanuts</i>
<i>Beans, black</i>	<i>Cherries, sour</i>	<i>Figs</i>	<i>Pecans</i>
<i>Beans, great northern</i>	<i>Chickpeas</i>	<i>Food grains</i>	<i>Peppermint</i>
<i>Beans, kidney</i>	<i>Cocoa beans</i>	<i>(such as wheat,</i>	<i>Potatoes</i>
<i>Beans, lima</i>	<i>Coffee beans</i>	<i>oats, or rice)</i>	<i>Pumpkins</i>
<i>Beans, navy</i>	<i>Collards</i>	<i>Ginger</i>	<i>Squash, winter</i>
<i>Beans, pinto</i>	<i>Corn, sweet</i>	<i>Hazelnuts</i>	<i>Sweet potatoes</i>
<i>Beets, garden (roots</i>	<i>Cranberries</i>	<i>Horseradish</i>	<i>Water chestnuts</i>
<i>and tops)</i>	<i>Dates</i>	<i>Lentils</i>	
<i>Beets, sugar</i>	<i>Dill (seeds and weed)</i>	<i>Okra</i>	

from the Produce Safety Rule. For resources refer to the Sprout Safety Alliance (<https://www.iit.edu/ssa>).

Note: Microgreens are not considered sprouts and would be subject to the general requirements for covered produce.

DOES THE PRODUCE SAFETY RULE APPLY TO YOUR FARM?

Any farm engaged in growing, harvesting, packing, or holding produce identified as a raw agricultural commodity (RAC) that is not on the rarely consumed raw list provided by FDA is potentially subject to the FSMA Produce Safety Rule. Documentation is required to establish whether your farm is subject to the rule or not, and if subject, whether you qualify for an exemption. It is helpful to start by assessing your operation and answering a few key questions about your operation. You may use the anonymous, self-guided decision tool created by University of Idaho Extension or view the flow-chart developed by the Food and Drug Administration. You may also wish to use an annual produce sales and qualified exempt worksheets developed by the Idaho State Department of Agriculture. These tools and the material in this Fact Sheet are intended for general information only. It is recommended that you verify any assumed coverage or exemptions with the Idaho State Department of Agriculture Produce Safety Program, who serves as the FSMA PSR regulator in the state of Idaho.

University of Idaho Extension has developed a step-by-step guide to recordkeeping for covered and qualified exempt farms that can be requested through their Food Safety for Produce Growers website (<https://www.uidaho.edu/extension/food-safety-for-produce-growers>).

Legal Responsibility

Compliance with the rule is serious and federally mandated. If you violate the FSMA PSR, you can be prosecuted criminally. You, as the owner of your business, are strictly liable for your operation—you

cannot plead ignorance to FSMA's rules, or any conditions of your farm. Even if you qualify for an exemption from inspection or other requirements in the rule, you could forfeit your exemption if hazardous practices on your farm lead to a food-borne illness outbreak. Make sure you're aware of the food safety risks in your operation and how to mitigate them.

COVERAGE CLASSIFICATIONS

Farms can be classified as Not Covered, Qualified Exempt, or Covered. These classifications are determined by what activities are conducted on a farm, what crops they grow, whether the crop is consumed raw or processed, how the produce is sold, and by volume of sales. Documentation is required to establish whether a farm is subject to the rule or not, and whether they qualify for an exemption. Need to know how this affects your farm? Use the anonymous, self-guided decision tool created by University of Idaho Extension. Note: this section is intended as general information only, please verify any assumed coverage or exemptions with the Idaho State Department of Agriculture Produce Safety Program.

FARMS NOT COVERED BY THE PRODUCE SAFETY RULE

In general, your farm would not be likely to be subject to the rule if you:

- ✓ *Do not grow, harvest, pack, or hold any produce on your farm.*
- ✓ *Do not grow, harvest, pack, or hold any produce covered by the rule.*
- ✓ *Grow covered produce that is processed in a way that adequately reduces the presence of microorganisms of public health significance (for example, you grow tomatoes that are sold and processed into a cooked sauce).*
- ✓ *Grow only for personal consumption, not sale.*
- ✓ *Sell less than \$25K worth of produce per year, on average, in the previous three years.*

FARMS ELIGIBLE FOR A QUALIFIED EXEMPTION

Your farm may be eligible for a qualified exemption to inspection and some of the record-keeping requirements of the Produce Safety Rule if your farm sells less than \$500,000 (gross) per year of all food, adjusted for inflation. (Note, this is not just your sales of produce. The FDA defines food as any product that is intended for human or animal consumption), and more than 50% of your food is sold directly to either 1) an individual consumer (not a business), including those reached through direct marketing, or 2) a restaurant or retail establishment located in the same state or Indian reservation or within 275 miles of your location (direct marketing examples include CSA subscribers, Farmers' Market customers, etc. Retail establishments can include grocery stores, farmstands, convenience stores, and even vending machines).

Requirements of Qualified Exempt Farms

Exempt growers in Idaho will be asked to verify their exemption annually with the Idaho State Department of Agriculture. Qualified Exempt farms are required to establish and keep sales records and documentation that supports their exemption.

Qualified exempt farms are also required to comply with modified labeling requirements. You must prominently and conspicuously display, at the point of purchase, the name and complete business address of the farm where the produce was grown, on a label, poster, sign, placard or documents delivered contemporaneously with the produce. See example below:



Withdrawal of Exemption

If your farm's total food sales exceed \$500,000 per year, adjusted for inflation, over a three year period, or if you sell less than 50% of your products to a qualified end user as defined in the rule, you will cease to qualify for an exemption and will be subject to all parts of the rule and inspection.

Also, according to FDA, your farm's qualified exemption may be withdrawn if there is an active investigation of an outbreak of foodborne illness directly linked to your farm, or if the FDA determines it is necessary to protect public health and prevent or mitigate an outbreak based on conduct or conditions associated with your farm. All the more reason to make it a priority to increase your knowledge and application of on-farm food safety practices!

FARMS COVERED BY THE PRODUCE SAFETY RULE

Farms covered by the Produce Safety Rule must comply with the below requirements.

Inspections

Covered farms are subject to mandatory compliance inspections. In Idaho, these inspections on behalf of FDA are conducted by the Idaho State Department of Agriculture (ISDA). There is no charge for an inspection. ISDA has published a helpful fact-sheet outlining what to expect from an inspection, titled "What to Expect of a Regulatory Inspection – Informational Handout for Farmers." Refusing the inspection of your operation is prohibited and carries legal consequences for you as the owner and for your operation. If your farm is GAP certified and has gone through the audit process, you will notice similarities between an audit and an inspection. (See *Fact Sheet 5.8 Good Agricultural Practices for more information*). The primary difference is that a GAP audit is voluntary, and a FSMA PSR inspection of a covered farm is not. If you participate in the USDA Agricultural Marketing Service Harmonized GAPs Audit Program, your Harmonized GAP audit is aligned with a FSMA Produce Safety Inspection, but does not replace it.

Food Safety Training for a Designated Individual


If your farm is covered by the Produce Safety Rule, you are required to send a designated farm food safety individual from your farm to a produce safety training approved by the FDA. Currently, the Produce Safety Alliance Grower Training, developed by Cornell University, is the only approved training that meets this requirement. This training is available in Idaho thanks to a collaboration between the University of Idaho Extension and the Idaho State Department of Agriculture. They offer one day in-person trainings or two half-day live online trainings in the fall and winter of each year. These trainings are offered for free or a significantly reduced rate thanks to grant funding, and they are open and available to all Idaho growers, regardless of size or coverage by the rule. Attending this training is beneficial to you and your operation regardless of your farm's size and whether you are exempt from the PSR, and most growers consider it time well spent. Find the trainings here: <https://www.uidaho.edu/extension/food-safety-for-produce-growers>.

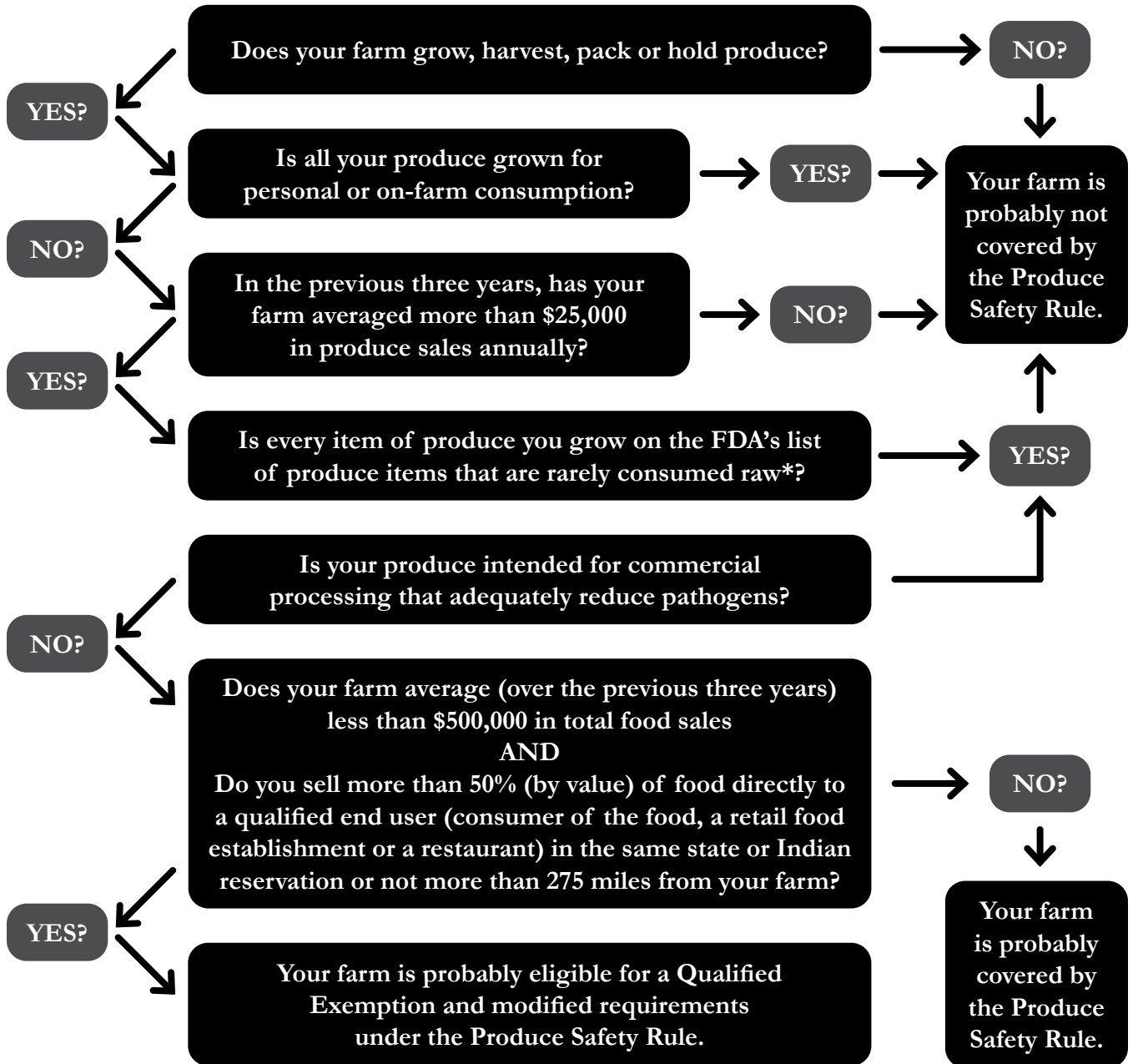
Recordkeeping for Qualified Exempt & Covered Farms

Keeping records that document your food safety practices related to the growing, harvesting, packing, and holding of fruits and vegetables under the FSMA Produce Safety Rule may be the most challenging task facing a covered farm. University of Idaho Extension has developed a step-by-step guide to recordkeeping for covered and qualified exempt farms. This guide can be requested through the University of Idaho Extension's Food Safety for Produce Growers website. (<https://www.uidaho.edu/extension/food-safety-for-produce-growers>).

FOOD SAFETY PRODUCE SAFETY RULE FLOW CHART



START HERE 



**Asparagus; beans, black; beans, great Northern; beans, kidney; beans, lima; beans, navy; beans, pinto; beets, garden (roots and tops); beets, sugar; cashews; cherries, sour; chickpeas; cocoa beans; coffee beans; collards; corn, sweet; cranberries; dates; dill (seeds and weed); eggplants; figs; ginger; hazelnuts; horseradish; lentils; okra; peanuts; pecans; peppermint; potatoes; pumpkins; squash, winter; sweet potatoes; and water chestnuts.*



FOOD SAFETY

GOOD AGRICULTURAL PRACTICES

If you are a produce grower wanting to access retail, wholesale, or institutional buyers, you're likely to hear about Good Agricultural Practices, or GAP Certification, as a requirement. GAP is a voluntary, third-party verification program. While there is no guarantee that produce from a GAP certified farm will be 100% free from disease-causing organisms, certification assures buyers of your farm's commitment to food safety and proven practices that reduce chemical, physical, and microbial contamination.

OPTING IN

Unlike the FDA Food Modernization Act's Produce Safety Rule, GAP is a voluntary program. Growers choose to participate in GAP to access many retail, restaurant, school, and wholesale markets for their products. While the practices, documentation, and requirements of GAP are similar to those of the Produce Safety Rule, they are different programs. A FSMA inspection does not certify you for GAP, and likewise a successful GAP audit does not exempt you from a FSMA inspection if you meet the definition of a covered farm.

It is important to note two other important differences between FSMA inspections and GAP audits. There are audit fees associated with GAP certification that the grower pays, based on standardized USDA rates. This hourly rate covers the auditor's preparation, travel, and on-site time, as well as their review, certification, and posting of results. GAP also requires that a written Farm Food Safety Plan be in place.

What can be GAP certified?

GAP certification is available for fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture), defined by USDA as specialty crops. This definition includes many crops

such as pumpkins, potatoes, and sweet corn, that are not covered by the FSMA Produce Safety Rule.

GAP audit services and certification may also cover additional crops or products including culinary herbs, dried beans, edamame, edible flowers, fresh tea leaves, maple sap, hops, microgreens, pea shoots, and wheat grass.

GAP certification does not cover medicinal herbs, sprouts, mint or other oils, forage and grain products or seaweed. Visit the FDA website for a complete and up-to-date list of which products can be covered by a GAP certification.

Should you be GAP certified?

The decision to pursue GAP certification for your farm should be carefully made. If your current buyers do not require certification, it might be difficult to justify the time, expense, and record-keeping involved. However, basic GAP training can be very beneficial for all farms in evaluating and improving their on-farm food safety practices. If you see a future for your farm in sales to restaurants, retailers, institutions, or wholesale distributors, you might begin the process of preparing for an audit now, so that the transition to certification will be familiar and less overwhelming when you're ready to make the jump into larger scale markets.

Types of GAP Audits

There are several levels of GAP audits available to growers and groups of growers, depending on your operation, what you grow, and what your buyers demand. Growers may certify individually for GAP or together using Group GAP if they participate in a centrally managed group.

There are two additional categories of GAP that some buyers may require. Harmonized GAP is

aligned with and includes the metrics required by the FSMA Produce Safety Rule (but does not replace a FSMA inspection). Harmonized GAP Plus+ is designed to meet Global Food Safety Initiative (GFSI) Technical Equivalence Requirements. These levels are more expensive, time-consuming, and complex. Which audit category is appropriate for your farm will depend on the standards your potential buyer has set for their suppliers.

a crop ready to sell, as the application and audit process can be time consuming and dependent on the availability of auditors. The time to think about GAP certification is when you are planning your production, researching your markets, and determining if selling into these markets is a good fit for you and your farm's goals.

What is involved in GAP Certification?

Auditors will review your farm, your practices, and your documentation of food safety practices. The audit will be focused on the primary sources of fresh produce contamination linked to foodborne illness outbreaks. These sources include humans, soil and soil amendments, agricultural water, animals, equipment and tools, and facilities. The audit will review these sources in the context of your farm's pre-season, production, harvest, post-harvest, and market handling activities. Auditors refer to a standardized, comprehensive checklist that you can access and use as a guiding tool in evaluating your operation and implementing best practices, whether you choose to become certified or not.

If you choose certification, begin by researching the process and reviewing the requirements. You may even decide to take an online or in person preparation course. We have listed several sources for this information in the Who Can Help section at the end of this chapter. When you're ready, you can schedule an audit. The auditor will observe and ask questions about your operation and review your food safety plan and records. Following a successful audit, your auditor will prepare their report and post results to USDA, as well as send you a certificate and a copy of your audit report to share with buyers.

When should you pursue GAP certification?

Often when a grower approaches a new buyer, they find out that the buyer requires GAP certification as part of their contractual agreements. The time to start the GAP process is not when you have



The concept of traceability and recalling already sold produce (or other products) from the marketplace is not something many small-scale direct market growers have had to think about, let alone implement in an emergency. But it is something that deserves a closer look for the potential benefits it offers to your operation in terms of valuable information and risk management. And it could save a life (and your farm) if a worst-case scenario were to occur.

TRACEABILITY

In the most basic terms, traceability means being able to follow your product one step backward and one step forward in the production and distribution chain. This obviously has a different connotation and scale for a produce grower selling at one farmers market per week as opposed to a large and complex commercial operation selling to a national chain grocer or fast-food restaurant. But since microbes that cause foodborne illness can potentially occur in any size farm, knowing where your product is going, and the details about where it came from is important in any size farm. In addition, being able to trace a known quantity of produce when it leaves the farm benefits growers by providing a way to better understand how much product is being sold through various marketing channels and how quality is maintained throughout the process.

RECALL

A recall identifies a distinct portion, or “lot,” of a product sold that must be retrieved due to a known or suspected defect or error and removes it from commerce and potential customers. Sounds simple, but the actual practice can be very time consuming, costly, and confusing. And again, the procedure will look quite different according to

size, scale, and scope of an operation or product volume.

TRACING ONE STEP FORWARD, ONE STEP BACK

It would not be reasonable, or even possible, for a grower to know exactly where every individual produce item ends up once it enters commerce. However, with recordkeeping and a system of managing distinct lots of produce, it is possible to know details about how it was produced and where it went first when leaving the farm. For example, a grower does not need to know the identity of every person who purchased one of their peaches, but they should know the orchard block where the fruit was harvested, when it was harvested and packed, and at which farmers market the peaches were sold. If this grower sold their peaches to a local independent grocery store with several locations, it would be the retailer’s responsibility to be able to trace back to which farm the peaches were purchased from, and at which of their retail locations the peaches were sold to customers.

ESTABLISHING LOTS

To trace a distinct portion of a crop, it needs to be organized into “lots.” There is no recipe for how to set lot size or identify a lot. The larger the lot, the less recordkeeping may be required, but the harder it would be to recall all of the lot, especially if it was sold to multiple buyers. Some growers may choose to establish lots based on the crop type, day harvested, field or orchard block, or may establish several lots daily separated by cleaning breaks on packing lines. Give each lot a code that contains key information about that lot. For example, a lot code could contain a combination of letters and numbers that indicate the crop and variety, the day

harvested, the crew responsible, the field located, the day packed (if different from the day harvested), and any other pertinent information that could be useful in identifying key details about that portion of the crop.

LABELING

A lot code can only be useful if it follows the crop. Labeling the sellable container, whether that is a box, bag, clamshell or even the individual fruit or vegetable, ensures that the lot information stays with the crop when sold. Remember to include your farm name and business address on any labeling as well. One reason is that the FSMA Produce Safety Rule requires Qualified Exempt Growers to prominently and conspicuously display—on a label, poster, sign, placard or documents delivered contemporaneously with the produce at the point of purchase—the name and complete business address of the farm where the produce was grown. In practical terms, this can help a buyer find you more easily if there is an issue with your products, or, and this is more likely, quickly identify where to order from again in the future!



CHAPTER 5: FOOD SAFETY

WHO CAN HELP

IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho Cultivating Success

<https://www.cultivatingsuccess.org/idaho>

Small Acreages & Local Food

<https://www.uidaho.edu/extension/small-farms>

Idaho State Department of Agriculture (ISDA)

<https://agri.idaho.gov/main/>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Agricultural Marketing Service

<https://agri.idaho.gov/main/marketing/>

Idaho Preferred

<https://idahopreferred.com/>

ISDA Organic Program

<https://agri.idaho.gov/main/about/about-isda/ag-inspections/organic-certification-program/>

HELPFUL ORGANIZATIONS

Association of Food and Drug Officials (AFDO)

<https://www.afdo.org/>

Food and Drug Administration

<https://www.fda.gov/>

Food Safety Preventive Controls Alliance (FSPCA)

<https://www.ifsh.iit.edu/fspca>

International HACCP Alliance

<https://haccpalliance.org/>

National Sustainable Agriculture Coalition

<https://sustainableagriculture.net>

United States Department of Agriculture

<https://www.usda.gov/>

Small Plant Help Desk

[https://www.fsis.usda.gov/inspection/compliance-guidance/
small-very-small-plant-guidance/small-plant-help-desk](https://www.fsis.usda.gov/inspection/compliance-guidance/small-very-small-plant-guidance/small-plant-help-desk)

Food Safety Inspection Service (FSIS)

<https://www.fsis.usda.gov/>

**ADDITIONAL RESOURCES**

University of Idaho Extension Publications Farm-direct Marketing Food Safety and Product Quality

<https://www.uidaho.edu/extension/publications/publication-detail?id=pnw0687>

Food Safety Modernization Act (FSMA)

<https://www.fda.gov/food/guidance-regulation-food-and-dietary-supplements/food-safety-modernization-act-fsma>

Guidance for Industry Determination of Status as a Qualified Facility

<https://www.fda.gov/regulatory-information/search-fda-guidance-documents/guidance-industry-determination-status-qualified-facility>

Understanding FDA's FSMA Rule for Food Facilities

<https://sustainableagriculture.net/wp-content/uploads/2008/08/FSMA-FACILITIES-FINAL-.pdf>

CHAPTER 6



MARKETING LABELS & VOLUNTARY CERTIFICATIONS



6.1 CERTIFIED ORGANIC

6.2 ECO-LABELS

6.3 IDAHO PREFERRED

6.4 OTHER COMMON LABELS



MARKETING LABELS & VOLUNTARY CERTIFICATIONS CERTIFIED ORGANIC

FACT
SHEET
6.1



Perhaps one of the most well recognized and highly sought after eco-labels of today is “Organic.” This is a labeling term indicating the growth conditions of agricultural products. Certified Organic products must be grown or raised with biological, mechanical, and cultural practices that “cycle resources, promote soil health and ecological balance, and conserve and enhance biodiversity” and without certain prohibited substances and processes, including synthetic fertilizers or pesticides and genetic engineering. The use of this term and label is protected by federal regulation and overseen by the National Organic Program (NOP).



regulations and are subject to verification. Products produced by non-certified operations cannot be used as organic ingredients in processed products manufactured by another operation, cannot be used as feed for certified organic animals, and may not display the USDA organic seal.

Transitioning to Organic Crop Production

When transitioning to organic production, you must keep records documenting land use and material applications during the 3-year transition period. You must adhere to organic standards during the transition, including not using prohibited inputs such as certain fertilizers and pesticides. For example, if a field was sprayed with synthetic pesticides on August 1st, 2020, then a crop harvested from that field may not be certified as organic until September 1st, 2023.

CERTIFICATION BASICS

Becoming certified organic can help you receive premium prices, access new markets, protect natural resources, and stand out in the marketplace. Farms, ranches, or other agricultural operations wishing to be certified must develop an Organic System Plan (OSP), document their processes to prove they are in accordance with the USDA’s National Organic Program (NOP)’s Organic Regulations, permit annual inspection by a USDA-accredited certifying agency, and pay dues. Applicable records must be kept for at least 5 years. To be eligible for certification, your operation must have been free of prohibited materials for at least 36 months.

Exemptions

Crop and livestock producers who sell less than \$5,000 of organic products annually are not required to apply for organic certification and can promote their products as being produced organically. Producers utilizing this exemption must comply with the organic production and handling and recordkeeping requirements of the USDA organic

CERTIFICATION AGENCIES

Once you’ve met all of the National Organic Program’s Organic Regulations, you can seek certification by an accredited certifying agent. You can choose to work with any of the agents listed on the USDA Agricultural Marketing Service’s website, including the Idaho State Department of Agriculture (ISDA). Certified organic producers may use the USDA organic seal and the seal of their registered certifying agent to identify their products as organic. The ISDA seal is shown here. These logos can help you stand out in the marketplace on websites, promotional materials, product packaging, social media, and communications. The ISDA website also includes many helpful resources for crop, livestock, and handlers/processors.



SPECIFIC PRODUCT REGULATIONS

Organic certification regulations vary depending on the products. All specifics, and the mentioned publications, can be found on USDA's website.

Crops

Crop producers must provide plans for soil fertility management, pest prevention, weed management, seed sourcing, sale, and more. USDA's publication, "Guide for Organic Crop Producers" provides additional details.

Livestock

Livestock must be under continuous organic management practices from the last third of the animal's gestation or from hatching to be labeled, sold, or represented as organic. There are some exceptions for poultry and dairy animals—visit the USDA's website, or their "Guide for Organic Livestock Production" for more information.

Handlers & Processors

Handlers and processors can also be certified organic if they use certified organic ingredients and adhere to regulations on processing. These regulations include limitations on commingling organic and non-organic products and cleaning or sanitization products used. There are four distinct labeling categories for certified organic food products: 100% Organic, Organic, Made with Organic [ingredient name], or denoting specific organic ingredients. For more details, visit USDA's website.

COST & FUNDING ASSISTANCE

Cost of certification varies widely depending on the size, type, and complexity of your operation but may vary from a few hundred to several thousand dollars. However, there are several grant programs available to organic producers. The USDA Farm Service Agency administers an Organic Certification Cost Share Program (OCCSP) to reimburse farmers and handlers for a percentage of their certification fees. Additionally, the USDA Natural Resources Conservation Service (NRCS) provides

technical and financial assistance to organic farmers and ranchers to implement conservation practices through the Environmental Quality Incentives Program (EQIP) Organic Initiative.

MARKETING LABELS & VOLUNTARY CERTIFICATIONS

ECO-LABELS



Eco-labels are voluntary certifications you can use to communicate your production practices or certain specific product criteria. There are two general types of eco-labels: production-based (which indicates certain production requirements were met) and place-based (which indicates the product was grown within a specific geographic region). Eco-labeling as a practice began in the 1970's and today there are more than 460 types of eco-labels globally. Requirements of the label certification vary greatly and depend on the organization overseeing the eco-label. The use of accurate eco-labels can help you attract more customers and communicate clearly with them about your farm or ranch. Below is an overview of some of the most common eco-labels on the market today. Visit the host site for more details about each certification.

AMERICAN GRASSFED

This label is managed by the American Grassfed Association (AGA), and requires the food products using this label have eaten nothing but their mother's milk and grass or hay for the duration of their lives. Additionally, the label requires the animals were raised on pasture free of confinement and were not treated with hormones or antibiotics. This label can apply to meat products (including those from beef, bison, pigs, lambs, and chicken), dairy products, and eggs.



AMERICAN HUMANE CERTIFIED

This certification, from American Humane, focuses on the treatment of animals. Their standards are based on the five freedoms of animal welfare, which include freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury, and disease,



freedom to express normal and natural behavior, and freedom from fear and distress. The program is open to any producer who meets the standards for raising and handling their animals.

CERTIFIED ANIMAL WELFARE APPROVED BY AGW

Operated by independent nonprofit, A Greener World, this label also focuses on animal welfare. This certification is only available to independent farmers, requires that animals are raised on pasture or range, and has specific standards based on animal type. Animals covered include any meat, dairy, and egg producers, as well as working dogs.



BIODYNAMIC DEMETER CERTIFICATION

This certification is managed by worldwide organization, Demeter International, and focuses on farm-production. An addition to Certified Organic, this label has additional requirements around water conservation and farm biodiversity, as well as farm fertility, weed, and pest management. (See *Fact Sheet 6.1 Certified Organic for more information*).



FAIR TRADE CERTIFIED

Fair Trade Certified is managed by Fairtrade Labeling Organizations International (FLO), and in the United States by Fair Trade USA. This label is designed to increase transparency in supply chains, and focuses mainly on imported products or products made from imported ingredients. The certification ensures the sellers or growers of the products, and the envi-



ronment the products are grown or raised in, are treated fairly. Standards include: fair wages paid to workers, safe working conditions, and the banning of child and/or forced labor. In addition, the product or ingredients must be grown or raised in a way that promotes sustainable social, economic, and environmental development.

FOOD ALLIANCE CERTIFIED

This certification, managed by Food Alliance, is designed to be a whole system certification that addresses working conditions, humane animal treatment, and environmental stewardship. The certification is available to crop, livestock, hemp, beverage, and processed food producers, as well as nurseries and packing, processing, and distribution operations. Criteria for certification varies depending on product type, but includes supply chain traceability, the omission of genetically modified crops, and the conservation of resources.



NON-GMO PROJECT VERIFIED

Managed by the non-profit, Non-GMO Project, this label ensures products are completely free of genetically modified ingredients and grown without genetic engineering. The organization has rigorous best practices for GMO avoidance and can be applied to a wide range of final products.



CERTIFIED GLUTEN-FREE

There are a several “certified gluten free” labels on the market, all working to communicate that a product is safe for people with gluten intolerances or celiac disease to ingest. The Food and Drug Administration rule, Gluten and Food Labeling, requires that any food labeled “gluten free” or any variation thereof must have less than 20 parts per million (ppm) of gluten. Some common certifiers include: the Glu-



ten-Free Certification Organization (GFCO), BRCGS Gluten-Free Certification, the Gluten-Free Food Program, and the NSF Certified Gluten-Free.

CERTIFIED HALAL

Halal Certifications indicate that a food is permissible under Islamic law, and therefore consumable by Muslims. Islamic law forbids consumption of products containing pork or alcohol, blood products, certain additives, and meat that has been improperly slaughtered. There are several Halal Certifiers, including American Halal Foundation, Halal Food Standards Alliance of America (HFSAA), and others.



CERTIFIED HUMANE

Run by non-profit Humane Farm Animal Care (HFAC), this certification is concerned with human animal treatment from birth to slaughter. The program requires that animals have sufficient space, resting areas, the ability to engage in natural behaviors, and a nutritious diet. It also prohibits the use of antibiotics, and requires annual inspections of all facilities certified in the program.



KOSHER

Kosher certifications indicate a food does not violate any Jewish dietary laws, and therefore is consumable by any person whose religion is Judaism. Jewish dietary rules prohibit shellfish, certain meats, and the mixing of dairy and meat products, and has requirements on the slaughter and processing of meat products. There are many Kosher certifiers, including Orthodox Union Kosher and OK Kosher Certification.



CERTIFIED NATURALLY GROWN

Similar to the standards of Organic Certification, this certification focuses on human and environmental health. (See *Fact Sheet 6.1 Certified Organic for more information*). Certified Naturally Grown is a non-profit that facilitates peer to peer farm inspections rather than USDA-approved certifying agencies. This certification prohibits or restricts the use of synthetic fertilizers, pesticides, herbicides, and genetically modified organisms (GMOs).



SALMON SAFE

This independent certification program focuses on the management of riparian areas and water use, erosion and sediment control, water quality preservation and biodiversity conservation. The certification can apply to farms, ranches, dairies, vineyards, or orchards that border riparian areas as well as those located upland with the potential of downstream impacts. Assessors are able to certify for both this label, and Trout Safe (see below) in a single visit.



TROUT SAFE

An extension of the Salmon Safe certification, Trout Safe is based in the Inland Northwest and focuses on the protection of water quality, overall watershed health, and habitat restoration. The label can be used on many operations that border rivers or have upstream impacts, including farms, dairies, ranches, and vineyards. The organization focuses on six key areas: riparian area management, water use management, erosion and sediment control, integrated pest management and water quality protection, animal management, and biodiversity conservation.





MARKETING LABELS & VOLUNTARY CERTIFICATIONS **IDAHO PREFERRED**

IDAHO PREFERRED® PROGRAM

The Idaho State Department of Agriculture's Idaho Preferred® program was established in 2003 to identify and promote agricultural products grown, raised, or crafted throughout the Gem State. The program focuses both on consumer awareness in identifying and sourcing local agriculturally derived products, as well as business to business connections and sourcing opportunities for producers through Idaho's markets: direct selling, retailers, distributors, foodservice/restaurants, farmers markets, farm to school, and other supporting organizations. Further, the program fosters connections, cultivates opportunities, and provides educational resources to Idaho producers to help them grow their marketplace.



THE IDAHO PREFERRED LOGO/LABEL

The Idaho Preferred logo serves as a valuable tool for both consumers and business owners, offering verification that a product is local with a direct connection to Idaho's agricultural industry. Only products grown, raised, or processed in Idaho qualify to use the mark. Idaho crafted foods must also contain a specified amount of locally grown or raised ingredients to qualify.

This label directly contributes to the support and growth of Idaho's local economy. By choosing products bearing the Idaho Preferred logo, consumers actively participate in strengthening the economy and supporting local farmers and ranchers. Every purchase of an agriculturally connected item showcases a commitment to sustaining and promoting the agri-

cultural sector from the ground up.

CERTIFICATION REQUIREMENTS

Producers may participate in the many promotional campaigns offered through the Idaho Preferred® program if the products meet the qualifications below. Idaho Preferred® members can use the Idaho Preferred® logo on their packaging, signs, website, and other promotional materials. The Idaho Preferred® logo lets your current and potential customers know that your products are verified Idaho-sourced, grown, or crafted.

Please review the Rules Governing the Voluntary Idaho Preferred® Promotion Program to determine product eligibility for your specific product. A summary of primary product categories has been copied from the Rules and included below for your reference. Refer to the Idaho Preferred website for current regulations.

Fresh Produce

Fresh produce must be one hundred percent (100%) Idaho grown or raised.

Processed Foods and Beverages

Processed foods and beverages must contain a minimum of twenty percent (20%) agricultural content by weight that has been grown or raised in Idaho; and be processed in the state of Idaho. If a company registered in Idaho uses a co-packing facility and an acceptable co-packing facility is not available in Idaho, the company may request an exception from the Director.

Livestock Products

Livestock products must come from livestock that were born, raised, and harvested in the United States and raised, grazed, fed, or pro-

cessed in Idaho. No livestock that originate from outside the United States may qualify. A producer or processor may have some products that are eligible and some that are not based on the product eligibility determination. Products that are eligible may bear the logo.

APPLICATION AND FEES:

Producer participation is on an annual basis, coinciding with the calendar year. Annual fees are specified in the participation application. For more information and current fees, visit <https://idahopreferred.com/membership/>.

ADDITIONAL PRODUCER IDAHO PREFERRED PROGRAM SUPPORT

- ✓ *Verified Idaho Preferred Logo Use*
- ✓ *Business Development Consulting*
- ✓ *Retail Connections and Promotions*
- ✓ *Food and Trade Show Exhibits*
- ✓ *Exclusive Business/Producer Detail Directory Page*
- ✓ *Educational Programs, Roundtables, and E-courses*
- ✓ *Food Service and Restaurant Connections*
- ✓ *Consumer Events and Sampling Opportunities*
- ✓ *Radio, Print, and Digital Advertising*
- ✓ *Social Media Marketing Collaborations and Connections*
- ✓ *Find Local Digital Directory - Statewide Consumer Product Search Engine*
- ✓ *Farm and Food Finder Digital Directory*
- ✓ *Statewide Wholesale Search Engine*
- ✓ *Digital Communication: Website, State-Wide Guides, Articles, Recipes, Newsletters, and Social Media*
- ✓ *Photography and Videography Opportunities*
- ✓ *Promotional Signage and Materials*
- ✓ *Farm to School*
- ✓ *Holiday Gift Box Campaign*



MARKETING LABELS & VOLUNTARY CERTIFICATIONS

OTHER COMMON LABELS

ANTIBIOTIC FREE

"Raised without antibiotics," "no antibiotics administered," or similar terms means the animal has not received any antibiotics over its lifetime. The USDA only approves the use of the term "no antibiotics added," though sufficient documentation must be provided to demonstrate this. This label can apply to all animal products including meat, milk, and eggs, though all eggs are generally antibiotic free since antibiotics decrease egg production.

CAGE FREE

This term can be applied to eggs and poultry and indicates that the hens or meat birds were not confined to cages during their lifetime. This can mean the birds were allowed to roam a barn, poultry house, or otherwise, and had unlimited access to food and fresh water. This term does not mean the animals had access to the outdoors. The use of this term is not verified except in the case of eggs that are also USDA Grade Shield marked.

FREE RANGE

This term refers to eggs and poultry that were allowed to roam freely in their lifetime, had unlimited access to food and freshwater, and continuous access to the outdoors. USDA Grade Shield marked eggs with this claim will be verified, otherwise there is not regulatory oversight for this term use on eggs. For poultry products, the USDA only requires that outdoor access be made available for an "undetermined period each day."

FRESH

This term is used on poultry products to indicate that the meat was never cooled below 26° F. Labeling of this term on poultry products is regulated by the USDA's Food Safety and Inspection Service.

The USDA does not define or regulate the use of the term "fresh" on any other product types.

GRASS-FED

"Grass-fed" means that an animal was fed solely grass or forage for the duration of its life after weaning. This label also requires that the animals have continuous access to pasture during the growing season. Small and very small cattle operations can be certified as grass-fed through the USDA Grass-fed Program.

HORMONE FREE

Hormones are not allowed to be used in the raising of pork, poultry, veal, or exotic meats, so "hormone free" is not permitted for use in these products. "Federal regulations prohibit the use of hormones" is allowed. There is not restriction on hormone use for beef and dairy cattle, so a "hormone free" label on these products indicates the animal was raised without the use of synthetic hormones. See "rBGH and rBST" below. The USDA regulates use of this term.

NATURAL

When used on meat and poultry products, this term is regulated by the USDA and requires that the product does not contain artificial colors, flavors, or preservatives and is minimally processed. There is no regulatory force for the use on this term for dairy products, eggs, or non-animal food products.

PASTURE RAISED

"Pasture-raised," "pastured," or "pasture fed" all mean that animals spent at least some time outdoors on pasture, feeding on grass or forage. However, there are no government standards for this la-

bel, including how much of its life the animal spent on pasture.

PESTICIDE FREE

This term implies that the food was raised without the use of pesticides. However, there is no regulatory force for use on this term. There are certifications, including Certified Organic, that prohibit the use of pesticides and regulate use on the terms.

RGBH-FREE/RBST-FREE

These labels, used on dairy products, are regulated by the Food and Drug Administration (FDA). The label ensures that the dairy cows were raised without the use of the hormone recombinant bovine somatotropin (rBST), also known as recombinant bovine growth hormone (rBGH). All products with this claim must also include the statement “No significant difference has been shown between milk derived from rbST treated and non-rbST treated cows” as required by the FDA.

UNSPRAYED

This term, along with “no spray,” is used on non-animal products to imply they were grown free of pesticide or herbicide use. This term is not regulated by any agency and does not have any implications on the use of soil applications, seed treatments, or otherwise.



CHAPTER 6: MARKETING LABELS & VOLUNTARY CERTIFICATIONS

WHO CAN HELP

IDAHO SPECIFIC RESOURCES

University of Idaho Extension <https://www.uidaho.edu/extension>

Idaho Cultivating Success

<https://www.cultivatingsuccess.org/idaho>

Idaho Ag Biz

<https://www.uidaho.edu/cals/idaho-agbiz>

Small Acreages & Local Food

<https://www.uidaho.edu/extension/small-farms>

Digital Economy Program

<https://www.uidaho.edu/extension/digital-economy>

Idaho's Rural Business Center

<https://www.idahobiz.org>

Idaho State Department of Agriculture (ISDA) <https://agri.idaho.gov/main/>

Agricultural Marketing Service

<https://agri.idaho.gov/main/marketing/>

Idaho Preferred

<https://idahopREFERRED.com/>

ISDA Organic Program

<https://agri.idaho.gov/main/about/about-isda/ag-inspections/organic-certification-program/>

HELPFUL ORGANIZATIONS

United States Department of Agriculture (USDA)

Agricultural Marketing Service

<https://www.ams.usda.gov/>

Food Safety Inspection Service

<https://www.fsis.usda.gov/>

USDA Organic

<https://www.usda.gov/topics/organic>

National Organic Program

<https://www.ams.usda.gov/about-ams/programs-offices/national-organic-program>

Consumers Union Guide to Eco-Labels

www.eco-labels.org

ADDITIONAL RESOURCES

Rules Governing the Voluntary Idaho Preferred® Promotion Program

<https://adminrules.idaho.gov/rules/current/02/020104.pdf>

Idaho Preferred Member Application

<https://idahopREFERRED.com/membership/>



Online Version & Additional Copies of this Guide

www.cultivatingSUCCESS.org/cultivating-your-business

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University of Idaho
Extension

