


7/2/90

Department : Agriculture

STATE OF MINNESOTA
Office Memorandum

Date : June 15, 1990

To : Maryanne Hruby, Director
LCRAR

From : Carol Milligan 
Planning Division

Phone : 296-6906

Subject : **Rules Governing Minnesota-Grown Labeling Statements**

As required by Minnesota Statutes, sections 14.131 and 14.23, attached is the Statement of Need and Reasonableness for the above-captioned rule. The Notice of Intent to Adopt and the rule will be published in the *State Register* on 7/2/90.

Attachment

STATE OF MINNESOTA
DEPARTMENT OF AGRICULTURE

In the Matter of the Proposed Rule
of the Department of Agriculture
Governing Use of the Minnesota
Grown Labeling Statements

Statement of Need
and Reasonableness

Introduction

The subject of this rulemaking is the proposed adoption by the Minnesota Department of Agriculture of a rule governing use of the Minnesota Grown labeling statements. Minnesota Statutes, section 17.102, subd. 6, requires the commissioner to adopt rules authorizing and licensing the use of the labeling statements. These rules are in addition to previously implemented rules and are designed to allow for more effective marketing of Minnesota's wild rice crop. Consulting with industry representatives has led us to believe that we can adopt these rules as noncontroversial in accordance with Minnesota Statutes, section 14.22 through 14.28.

Small Business Impact

Minnesota Grown labeling statements have been developed to provide an additional marketing tool for small agricultural producers and processors in Minnesota. The program is completely voluntary and the only reporting requirement is an annual license application. The application includes a license fee as stated in Minnesota Statutes, section 17.102. Additional small business considerations are not needed as the program exists to provide marketing opportunities for small agricultural businesses.

Need for and Reasonableness of the Proposed Rule

1556.0110

Subp. 2.

The additional phrase is necessary to assure that natural and cultivated wild rice are included as agricultural products and are therefore eligible to use the Minnesota Grown labeling statement.

Subp. 4a.

The definition is necessary to assure that the phrase is clearly understood by those who will use the labeling statement as well as those consumers who will look for the labeling statement.

Subp. 8.

The additional phrase is necessary to include natural wild rice which is not produced in the usual sense but is harvested.

1556.0120

Subp. 4

This subpart is necessary to assure that the products using the hand harvested logo may be clearly differentiated from products containing cultivated wild rice. The use of one color combination for the hand harvested labeling statement will allow consumers to easily recognize the hand harvested wild rice. The premium image of hand harvested wild rice will be enhanced by the fact that cultivated wild rice products are not allowed to use the same color combination.

1556.0132

A "hand harvested wild rice" labeling statement is necessary to allow consumers to differentiate hand harvested wild rice from cultivated wild rice. A separate labeling statement for hand harvested wild rice will be of benefit to hand harvesters as well as processors and marketers of hand harvested wild rice. In the past, the natural wild rice industry has been hurt by confusion among consumers and marketers who were unable to differentiate the two types of wild rice. The hand harvested labeling statement will be in compliance with the labeling requirements of Minnesota Statutes, section 30.49.

Subp. 1

The relatively narrow definition of eligible products is necessary to comply with Minnesota Statutes, section 30.49. By assuring that only 100% natural hand harvested wild rice may carry the labeling statement, harvesters, processors and marketers of hand harvested wild rice can receive greater benefit from the premium image associated with natural wild rice.

Subp. 2.

This subpart is necessary to clearly state who may use the labeling statement.

Subp. 3.

This subpart is necessary to clearly state that retailers and wholesalers may use the labeling statements without a license as stated in Minnesota Statutes, Section 17.1012.

Subp. 4.

This subpart is necessary to assure that the department has complete control over use of the logo. As a result of past labeling concerns between the hand harvesters and the cultivated wild rice producers, it is necessary for the department to maintain responsibility for printing and distribution of the stickers. It is reasonable for the department to assume this responsibility as it will assure a timely supply of stickers to all producers and marketers regardless of their size. The department will be able to supply small marketers with labels cheaper than if the marketers purchased them separately. All hand harvesters will benefit by having the labeling statement controlled by the department as it will increase consumer confidence in the labeling statement.

1556.0134

A "cultivated wild rice" labeling statement is necessary to allow consumers to differentiate hand harvested wild rice from cultivated wild rice. The labeling statement will allow the producers, processors and marketers of cultivated wild rice to take advantage of the Minnesota Grown labeling statement and still remain in compliance with Minnesota Statutes, section 30.49.

Subp. 1.

The 80% requirement is necessary to assure that the labeling statements are only used on products produced in Minnesota and to allow for a reasonable variation which may be caused by unfavorable growing conditions or other uncontrollable circumstances. The requirements for processed products are also needed to assure that only Minnesota products are being identified with the logo and to give processors the extra flexibility they need in order to make use of the labeling statements.

Subp. 2

This subpart is necessary to clearly state who may use the labeling statements.

Subp. 3.

This subpart is necessary to clearly state that retailers and wholesalers may use the labeling statement without a license as stated in Minnesota Statutes, section 17.102.

Subp. 4.

This subpart is necessary to assure that the hand harvested wild rice logo is differentiated from the cultivated wild rice logo.

Repealer. 1556.0130

It is necessary to repeal this section because the "wild rice state grain" labeling statement has been replaced by two new labeling statements for wild rice. Because the "state grain" labeling statement did not specify whether the wild rice was cultivated or natural, it created confusion among wild rice consumers and marketers.