# 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 rule making is the proposed amendment 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 processed products. 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. These rules will have no financial impact on local units of government.

## **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. 1.

The additional phrases are necessary to make these rules consistent with the wild rice labeling law. The phrase in subp. B. is being deleted because it is not being utilized by industry.

## 1556.0134

Subp. 1.

The change from 80 percent to 100 percent is necessary to make these rules consistent with the wild rice labeling law.

#### 1556,0140

Subp. 1 - 3.

It is necessary to make the changes in order to allow the logo to be used by a greater number of farmers and processors. It is reasonable to remove the requirement that producers and processors who use the labeling statement be certified because they are still required to be in compliance with the organic labeling law. Laws that govern organic product labeling do not require producers to

be certified. The language addressing wild rice and products containing wild rice is necessary in order to make these rules consistent with the wild rice labeling law.

## Subp. 4.

This subpart is necessary in order to clearly state how the logo may be used and to protect the uniqueness of the hand harvested wild rice logo. The use of one color combination for the hand harvested labeling statement will allow consumers to easily identify 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.

## 1556.0145

The "Featuring" labeling statement is necessary in order to more effectively promote Minnesota Grown ingredients within processed products. This logo allows processors to identify a key ingredient that was grown in Minnesota and allows consumers to quickly identify the Minnesota Grown ingredient. The rules are necessary to ensure that the labeling statement will be used in an appropriate manner.

## 1556,0160

# Subp. 2.

This requirement is being deleted in order to reduce the amount of paperwork required of producers and processors who want to use more than one version of the logo. The department secures all the information needed for enforcement of the program from one application.

Elton R. Redalen, Commissioner

Date